

PUBLIC HEALTH DEPARTMENT

TO: PUBLIC SAFETY COMMITTEE **DATE:** February 4, 2002
FROM: Wilma J. Allen, Director
Public Health Department
**SUBJECT: CLOSURE OF ST. LUKE MEDICAL CENTER: ISSUES, IMPACTS,
AND RESPONSES**

This report is in response to a request for information from the Public Safety Committee. The report is intended to identify many of the issues and concerns related to the closure of St. Luke Medical Center and how it may impact the community.

EXECUTIVE SUMMARY:

St. Luke Medical Center located in east Pasadena, and one of only two hospitals in Pasadena will close permanently on April 30, 2002. A phased reduction of services is underway, with patients already being transferred or discharged, and the Emergency Room scheduled to close on February 10, 2002.

The closure of St. Luke Medical Center will impact the capacity of the local health care system to serve this community. At this time, the extent of the impact is indeterminate; however, emergency medical services and urgent care services are predicted to be most heavily affected. On the other hand, area hospitals can likely accommodate the volume of inpatient care and surgeries previously provided by St. Luke Medical Center. Additionally, transport units of the City Fire Department should continue to arrive on scene well within state and county guidelines in the vast majority of cases. Concerned community members, medical providers and City staff are working to identify ways to address the most critical issues expected to result from St. Luke's closure. In addition to assessing the actual impact over the coming months, several strategies are being examined to offset any impacts, such as increasing City emergency transport capability, expanding community-based settings for urgent and acute care delivery, and identifying plans and funding to support a long-term solution, if needed. The City is expected to play an active role in helping to shape solutions to the identified issues and maintain the health services safety net for the Pasadena community.

This report provides background information on the St. Luke Medical Center, describes several areas of potential impact of the closure, and summarizes how the City and the private sector are working together to develop appropriate responses.

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BACKGROUND:

On January 3, 2002, St. Luke Medical Center announced its intent to close and cease all operations by April 30, 2002. The closure is being phased in over a period of 120 days, between the beginning of January and the end of April. Right away, St. Luke stopped accepting elective admissions. Transfer or discharge of St. Luke patients is already well underway. As of the last week in January, only 26 acute and 22 subacute patients remained at the hospital. By the end of March 2002, all acute inpatient cases are scheduled to be released or transferred to other facilities. Sub-acute patients (e.g., long term care such as ventilator dependent) will be transferred or placed in other facilities by no later than the end of April. Although it was originally reported that the Emergency Room (ER) would remain open for 90 days, it is now reported that the ER will close on February 10, 2002.

Formerly named St. Luke Hospital, a non-profit built in 1933 and owned by the Sisters of St. Joseph of Orange, St. Luke was sold in 1985 to Summit Health Care. It has been a for-profit hospital since then, transferring ownership to OrNda in 1994 and to Tenet Healthcare Corporation in 1997. Tenet, based in Santa Barbara, acquired St. Luke as part of a group hospital acquisition. Tenet is a publicly held, for-profit company that owns or operates 116 hospitals across 17 states. Other Tenet hospitals in this region include Garfield Medical Center in Monterey Park, Greater El Monte Community Hospital, San Dimas Community Hospital, Monterey Park Hospital and Whittier Hospital Medical Center. Tenet may soon acquire Verdugo Hospital in Glendale.

The St. Luke Medical Center property at East Washington and Del Rey includes the main hospital (2632 East Washington Boulevard), the Eaton Canyon Medical Office Building, several houses, an electrical plant and approximately 13.5 acres of land. According to the master development plan adopted by the City Council in 1989, the main building qualifies for designation as a landmark, although such designation has not been made. In 1984, a new building was erected that houses the birthing center and four operating rooms. Tenet representatives indicate an intention to sell the entire property intact. The asking price may range from \$15 to \$22 million. Tenet representatives report to have 30 to 35 interested potential buyers with possible uses including assisted living, senior housing, private schools, medical uses, and commercial development.

According to the former CEO of St. Luke, the hospital closed due to its "historical performance and an assessment of its long term viability," with particular blame on the "weak managed care reimbursements" that "made it impossible for a small community hospital like St. Luke to survive."¹ St. Luke also faced costly seismic and ADA renovations.

¹ January 3, 2002 letter from Phyllis Bushart, Chief Executive Officer, St. Luke Medical Center.

St. Luke's 442 employees are being offered positions at some of Tenet's 26 area hospitals. The interim CEO reports that most employees are already placed and few, if any, will end up unemployed. Tenet is organizing job fairs and offering support to assist displaced employees in finding work.

St. Luke is a 165-bed hospital. Its occupancy rate for general acute care beds (n = 119) has hovered around 50% over the last few years, according to data from the Office of State Health Planning and Development (OSHDP). The rate for all beds (acute and subacute) in 2000 was 56%. Other nearby hospitals have occupancy rates in 2000 ranging from 33% to 65% for general acute care beds, and from 35% to 67% for all beds. St. Luke reported 5,945 total patient discharges to OSHDP for 2000, and 3,050 surgeries performed. St. Luke has 4 operating rooms. It is estimated that 65% of surgeries are outpatient. St. Luke has 10 emergency treatment stations in its ER.

Once St. Luke shuts its doors, Huntington Memorial Hospital, a 525-bed regional trauma center, will remain as the sole community hospital in Pasadena. A non-profit with a 110-year history in Pasadena, Huntington Hospital's primary service area is the same as St. Luke's, with 72.1% of its patients from Pasadena, Altadena, Sierra Madre, South Pasadena, San Marino, San Gabriel and La Canada.

ISSUES AND IMPACTS:

The full impact of the St. Luke closure is difficult to gauge, due to the difficulty in getting hard data on current utilization patterns and patient demographics; and the uncertainty of how people will behave and how various components of the health care system will perform post-closure. Emergency medical services and urgent care are the aspects of local health care delivery that are predicted to be most impacted.

Inpatient Care, Appointments and Elective Surgery.

The closure of St. Luke Medical Center ends an era of available hospital inpatient and hospital-based ambulatory services in East Pasadena and eliminates choice in Pasadena for patients. With five other hospitals (besides Huntington) within an 8-10 mile radius of Pasadena, an adequate supply of inpatient beds (1,850) and surgical suites exist to absorb the void created by St. Luke's closing. However, to accommodate additional patients and procedures, other hospitals will need to add staff and modify schedules. Huntington Hospital has indicated its ability to increase the number of annual surgeries performed. With its 14 operating rooms, Huntington Hospital will probably be able to accommodate the demand for surgery by extending hours that its operating rooms are available for surgical procedures. There may be potential delays in scheduling appointments and surgeries, particularly elective surgeries, during the transition by Huntington and other hospitals; however, once the area hospitals have adjusted to absorb additional loads, the waits will get shorter.

Huntington Hospital also believes it can accommodate area births. Effective immediately, all the City Public Health Department prenatal patient deliveries (approximately 600/year) will take place at Huntington Memorial. Previously, about 30% of these births were delivered at St. Luke at the elective choice of the patient

Emergency Medical Services and ER Utilization.

OSHPD data on Emergency Medical Services (EMS) visits in 2000 indicates that St. Luke had 15,976 ER cases in 2000, of which 86% was non-urgent, 11% urgent and 3% critical. Other area hospitals' EMS visits range from 15% – 24% non-urgent, 46% - 89% urgent, and 5% - 40% critical. Fourteen percent (14%) of the St. Luke ER visits resulted in hospital admission -- a number comparable to the percentage of all hospitals in the state, but slightly lower than most nearby hospitals. During 2001, it is estimated that St. Luke Medical Center served 40 – 50 ER patients a day. St. Luke Medical Center's ER will close on February 10, 2002. The hospital anesthesiologists will no longer provide ER or Birth Center coverage after February 9th. Beginning February 4, St. Luke has approval to divert all ambulances.

Emergency Transport. Historically, the Pasadena Fire Department transported approximately thirty percent (30%) of its rescue ambulance patients annually to St. Luke's ER. Approximately six percent (6%) of emergency patient transports were diverted to hospitals outside Pasadena – usually to Arcadia or Glendale. St. Luke's closure will result in a heavier reliance on Huntington and on hospitals in neighboring cities or further (as assigned through the countywide emergency medical services system)

According to data from staff, there were 10,928 total rescue ambulance runs in 2001. Approximately eighty percent (80%) of those contacts result in ambulance transportation. With St. Luke's closure, and the number of hours that Huntington Memorial Hospital's emergency room is closed due to saturation, it is possible that over 2000 patients will have to go to hospitals outside Pasadena City limits. As a result, the Pasadena Fire Department will experience an increase in transport times thereby increasing the possibility of subsequent delays in the time it takes rescue ambulances to reach patients who call for emergency assistance. Since paramedics staff the units, this will likely result in increased paramedic response times in some situations.

Staff is analyzing statistics to provide projections of anticipated unit unavailability and time delays. Early estimates are that the amount of time spent transporting patients will increase by 25%. As the time from initial contact to patient delivery increases, patient care may be compromised. In addition to longer transport times, Pasadena ambulances will essentially be out-of-service for longer periods of time when they are diverted to hospital emergency rooms in neighboring cities. Due to numerous potential variables, there is no statistical projection for a worse

case scenario of delayed paramedic response caused by St. Luke's closure. However, the existence of simultaneous incidents and back-to-back responses in Pasadena is common; and therefore rescue ambulance response times will increase when they are out of the City, which will impact the average.

The forthcoming response patterns and statistics will need to be closely monitored to determine the actual effects. While there will be some decline in overall average emergency medical service response time efficiency, presently the Fire Department's basic and advanced life support units typically arrive on scene well within state and county guidelines and should continue to do so in the vast majority of cases. The most common impact is expected to be in delays of the transportation component and under certain conditions delayed paramedic teams, unless alternative measures are taken. If Huntington Hospital and other area hospitals continue to be oversaturated as they have in the last year, this impacts the time out-of-service for paramedic-staffed and basic life support transport units.

Local Emergency Room Utilization. Huntington Memorial Hospital's emergency facility was designed to serve 30,000 patient visits per year. In 2001, actual patient volume for the ER was nearly 50,000 visits. Consequently, Huntington Hospital's ER is oversaturated and non-acute patients experience extended waiting times. Waits can be up to 6 to 8 hours for less acute cases. Due to this high utilization, the ER is already on diversion status (diverting ambulances to other facilities when saturated) more than 30% of the time.

Certain kinds of cases cannot be diverted, such as traumas and walk-ins. Huntington Hospital is already experiencing a rise in the number of critical cases. Typically, an estimated 140 – 150 patients per day are seen in Huntington Hospital's ER. In the last few weeks, the number has risen to 180 - 190, with more than 40% of ER cases being admitted to inpatient care.

Continued and increasing oversaturation of the ER at Huntington is expected now that St. Luke is closing, and ambulance/paramedic runs will be diverted to other area hospitals more often. Staff estimates that 50 – 55% of ambulance runs are not emergencies, yet EMS vehicles are required to deliver patients to hospitals. Huntington Hospital is not the only area hospital experiencing oversaturation. Since 86% of ER visits to St. Luke was non-urgent, once these kinds of cases are distributed to area hospitals the waiting time for non-acute patients is likely to increase across the board.

Other Access to Care Issues. As it stands, access to emergency and urgent care will be impacted by the closure of St. Luke Medical Center. Patient treatment may also be affected. Patient demographics from St. Luke Medical Center's ER have not been made available; however, it is estimated that the majority of patients come from north of Colorado extending east to Sierra Madre, with a heavy concentration of patients from the northwest quadrant of Pasadena. The

estimated payer distribution for these emergency visits at St. Luke is 30% private insurance, 35% MediCare, 25% MediCal and 10% uninsured. Huntington Memorial Hospital, on the other hand, has a very similar case mix but sees far fewer MediCal patients (14%).

Access to care is already a critical concern since approximately 55,000 people in Pasadena and Altadena are uninsured and most have no regular source of care. People without a medical home are likely to view 911 and the ER as their health care provider. A disproportionate number of low income, underemployed, and under- and uninsured families are likely to be affected by the reduced access to the ER and lack of existing alternatives for urgent care. Seriously ill seniors are also expected to be disproportionately affected.

Other Concerns.

In addition to these primary issues related to the St. Luke Medical Center closure, members of this community have voiced several other concerns. Among them:

- Transportation and distance "across" town are barriers for some residents of northeast and north Pasadena and Altadena, such as seniors.
- Ancillary providers' located near St. Luke and staff physicians' practices may be affected.
- The USC Family Practice Clinic affiliated with St. Luke Medical Center is at risk of decertification if it cannot find another hospital in the geographic area with which to affiliate. Decertification would threaten training programs and USC's investment of over one million dollars to start the program in Pasadena.
- Locally available, timely, after hours and weekend care will be significantly reduced, if no other providers can offer extended hours.
- Overcrowding of remaining facilities may compromise patient treatment.
- Acquisition and reuse of the St. Luke facility may not be compatible with community interests or needs.

RESPONSES:

Stakeholders and concerned community members, including city staff, are working to identify ways to address the most critical issues resulting from St. Luke's closure. While there has not been enough time to thoroughly evaluate the results of St. Luke's closure or to explore alternatives to assure at least comparable levels of accessible, available quality care, several small and large group conversations are in progress. From these dialogues, several strategies are emerging as possible alternatives for the community to consider and act on. Most participants in the dialogues are focusing on creative, collaborative solutions to address this challenge, recognizing that both short-term and long-term solutions are needed.

In the short-term, it would be helpful if local providers like the CHAP Community Health Center and the Bill Moore Clinic can increase their capacity to deliver urgent and/or acute care in order to meet local needs. Over the long term, local health and human service providers need to promote primary and preventive care through education and outreach to vulnerable populations. In addition, better coordination of efforts to reduce inappropriate emergency room use and, as well as expand the local health care delivery system capacity to adequately serve all residents must be undertaken by all service and community stakeholders.

Some preliminary strategies that are being discussed include:

- Add to currently available paramedic units.
- Add basic life support transport ambulance(s).
- Increase mutual aid for the Pasadena Fire Department
- Closely monitor paramedic response times to assess actual impact.
- Increase capacity at the remaining local facilities through a variety of mechanism, such as
- Redesign of Huntington Hospital's ER, which is already underway.
- Develop capacity at the Community Health Alliance of Pasadena (CHAP) clinics to provide urgent care and more walk-in acute care.
- Secure Federally Qualified Health Center (FQHC) status for CHAP Clinics, bringing in additional operational dollars and federal reimbursement which covers a higher percentage of actual costs.
- Approach Supervisor Antonovich to seek increased funding for CHAP and Bill Moore Clinic through the agencies' Los Angeles County Public-Private Partnership contract.
- Expand capacity and service hours at USC Family Practice Clinic in Pasadena.
- Increase education and outreach that links people with needed services. Use walk-in urgent care as a gateway to primary care and a regular source of care.
- Explore transportation alternatives such as taxi vouchers or a bus that covers a "health" route bridging distances from neighborhoods to providers.
- Collaborate on funding proposals to finance system changes and improvements that will improve access to care. Seek funding from local and regional foundations, federal sources and others.
- Explore other sites for developing urgent care and/or acute care services in East Pasadena.

- Explore successful models from other communities that have faced similar challenges.
- Engage Supervisor Antonovich, Assemblyperson Liu, Senator Scott, and Congressman Schiff in legislative advocacy and search for resources to improve access to care.
- Purchase of the newest St. Luke Medical Center building by a group of physicians to develop a free standing urgent care and surgery center.
- Local community governance and investment as core elements of a long-term solution that builds on community assets and assures sustainability.

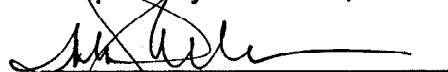
Most of these responses were articulated at a community meeting convened on January 30, 2002 by staff and hosted by Huntington Memorial Hospital. The twenty-five participants represented Huntington Hospital; St. Luke Medical Center/Tenet Corporation; local physicians; community non-profits; Pasadena Foundation; QueensCare Foundation; City Fire and Public Health Departments; USC Family Medicine Program and Family Practice Clinic; City Council; the Mayor's office and Congressman Adam Schiff's office. The meeting was organized and moderated by Public Health Department staff.

NEXT STEPS:

Staff, in partnership with Huntington Hospital, is facilitating continuing linkage and communication among interested parties to help assure collaboration and coordination of efforts to address these challenges. Staff is scheduling future meetings of a working group comprised of the Public Health Department, CHAP, Huntington Memorial Hospital, USC and Tenet. The small group will be considering actions together that can be taken to protect the community's interests and to mitigate gaps in care that are sure to arise. Recommendations will be reported back to the larger group and to the Public Safety Committee.

Staff will also continue to gather and monitor information and work with others to further appraise the current situation and to assess the actual effect of St. Luke's closure on our community. Staff will also play an active role in helping to shape solutions to the identified issues and maintain the health services safety net for the Pasadena community.

Respectfully submitted,



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