

Homeless Discharge Shelter Saves Hospitals \$3 Million in Year

Cheryl Clark, for HealthLeaders Media, May 18, 2009

In the wake of charges from the Los Angeles city attorney that at least three hospitals were discharging homeless patients by unlawfully "dumping" them to downtown's Skid Row, a new recuperative care program has provided one solution, albeit a small one.

So far, the program has also saved private hospitals a reported \$3 million in the first 12 months, not to mention additional city fines that might have been imposed.

Launched in March 2008, the 30-bed Recuperative Care Program, located at the Bell Shelter in the city of Bell, eight miles south of downtown Los Angeles, enables about 25 participating hospitals to be more confident that the homeless patients they discharge will get the follow-up care they need.

"We think we've found an innovative and creative approach to address a problem that no one until now has been able to find a solution for," says Gene Grigsby, president of the nonprofit National Health Foundation, which coordinates the program. "I would call it a success, both in terms of cost savings and sustainability. And we are serving the needs of a group of hospitals that are participating in the program."

As a result of the illegal practices, three hospitals—Hollywood Presbyterian Medical Center, Methodist Hospital, and Kaiser Permanente hospitals in Los Angeles—paid millions in fines. In a related case involving allegations of dumping of psychiatric patients, Collegen Hospital in Costa Mesa last month was also imposed a \$1.6 million fine.

A new city law prohibits hospitals from discharging any homeless patient to downtown Los Angeles streets without the patient's written consent, or risk a fine of \$10,000 per incident. That's why the new facility is about eight miles south of downtown Los Angeles in a warehouse district within the city of Bell.

Hospital officials said that their only alternative until now was keeping such patients hospitalized unnecessarily on average an extra four days, at a cost of between \$1,400 and \$2,000 per day until appropriate case management and other services for them could be found. That's expensive, considering that the county's homeless population numbers about 80,000, and thousands of them frequently require care in an acute setting.

Grigsby says Hollywood Presbyterian Medical Center, UCLA, Cedars Sinai, California Hospital Medical Center, and White Memorial and Olympia hospitals are discharging the most patients to the recuperative facility, which has provided 2,450 bed days in the first 12 months. County hospitals utilizing the program include Los Angeles County University of Southern California Medical Center, Rancho Los Amigos, and Harbor UCLA Medical Center. The patients are transported to the Bell by hospital transport vehicles.

In the works for several years even before the scandal broke, a task force of hospitals, attorneys, county officials, and nonprofit agency leaders was trying to resolve the problem, Grigsby says.

Two Los Angeles-area health plans, LA Care and QueensCare, each contributed \$500,000 in start up funds for the two-year demonstration project. Kaiser Permanente Community Benefits Program, which helps fulfill Kaiser's obligations as a nonprofit healthcare system, spent \$700,000 to renovate the Bell Shelter. Grigsby says the Kaiser contribution is in addition to the city attorney's requirement that it contribute \$500,000 to a charitable foundation.

Other funds come from \$175 per day fee that the discharging hospitals pays, which Grigsby says is a bargain considering the cost of keeping homeless patients extra days. Private hospitals send their patients to fill 15 of the 30 beds. The other 15 are used by Los Angeles County hospitals.

At the shelter, patients receive follow-up care for wounds, broken limbs, diabetes, and about 120 other medical conditions that resulted in their initial hospitalization. They sleep on cots in a large barrack-like facility, a portion of which also serves as a winter homeless shelter. The facility has nurses or physician assistants on site 24 hours a day.

JWCH Institute, which is the project's contracting agency, requires homeless patients must be independent in activities of daily living, should not be on intravenous medications, be willing to see a nurse every day and be medically compliant, and be medically and psychiatrically stable enough and not suicidal or homicidal. They also may not be incontinent, a sex offender or child molester, arsonist, have a history of assault on a police officer, be unstable, or an active substance abuser.

So far, 30% of the patients that hospitals wanted to send to the center have been rejected, Grigsby says.

The program has not been free of stumbling blocks, Grigsby acknowledges. For starters, the goal was to keep the patients in the care facility for a maximum of 10 days and then discharge them to housing and social support systems.

That's been tough to accomplish. For some of the homeless patients, stays have stretched out to 30 days because of an inability to get them linked up. The Salvation Army runs a support network that provides case management and housing assistance for this population at the Bell Center and there has been an internal dispute about how many of the homeless should be referred for what sorts of services, Grigsby says.

Additionally, it's taking about five days to place the patients from the time the hospital first requests it.

And, Grigsby says, the program would like to expand another 15 beds. "But it's been extremely difficult to introduce another 15 people in a homeless setting anyplace outside of downtown Los Angeles. No community is eager to embrace this kind of program."

For those who do qualify, the program has been a success. "Recuperative care is basically medical oversight for the reason the person had to be hospitalized. We have someone who will watch them for the appropriate amount of time until they are strong enough," he says. He is writing a description of the project's successes for the journal *Health Affairs*.

James Lott, spokesman for the Hospital Association of Southern California, says the center "has solved a small part of the city's problem, with no naysayers or detractors so far."

However, a huge part of the problem remains, with so many chronic homeless people and a large portion of them often becoming sick enough to require hospital care.

"This is an issue that never goes away because the solutions so far have been so woefully inadequate. And we're going to be stuck with the problem for years to come," Lott says.

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