



# Is the County Wedded To Long-Term Care?

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## Issue

Should the Burlingame Long-Term Care facility continue to be used to provide long-term care for San Mateo County residents?

## Summary

County finances are already stretched thin just as the demand for affordable long-term care is upon us. Recent census figures indicate that San Mateo County's median age is increasing faster than the statewide median.

Residents of the County relying on Medi-Cal have fewer options than ever. The number of private facilities in the county accepting Medi-Cal patients has diminished in proportion to cuts in the fees Medi-Cal will pay to providers. With nowhere else to go, some residents turn to the County as a last resort, and legally, the care must be provided.

Burlingame Long-Term Care is the place they end up since it is the County's only such facility. It is crowded and has minimal staffing due to recent budget cuts. The building is old and not constructed according to current models for long-term care and seismic safety.

The Grand Jury recommends that long-term care be consolidated at the San Mateo Medical Center and that the Burlingame facility be closed down.

## Background

San Mateo County operates two skilled nursing facilities (SNF's) under the license and direction of San Mateo Medical Center (SMMC). While both offer 24/7 care, each has a different function.

One facility is located at the main Medical Center campus in San Mateo and provides short-term rehabilitative care (30 days or less, on average). The facility is licensed for 64 beds, though only about 32 are actively used.

The second SNF operates at a leased building in Burlingame at 1100 Trousdale Drive. This facility is licensed for 281 beds, presently utilizing about 230. This is the facility designated for extended care, hence its name, Burlingame Long-Term Care (BLTC). The average stay is one year, although for many it becomes their final residence.

SMMC was not the original operator of BLTC. The facility had a succession of private owners and a history of problems. In 2002, the State Department of Health Services (DHS) took over. Unable to find a new operator, DHS attempted to find placement for the 138 residents elsewhere,

but the number of similar facilities in the county had dwindled and many limited the number of Medi-Cal patients they would accept. This Burlingame facility had been one of the largest in the County accepting Medi-Cal patients; all the residents at that time were on Medi-Cal. With a shortage of Medi-Cal vacancies in the County, DHS concluded that some BLTC patients might have to be placed as far away as the Oregon border.

The Board of Supervisors undertook operation of BLTC on August 15, 2003, pursuant to a request from the DHS. The County assumed responsibility for BLTC under a lease with a term ending in 2013, and with options to extend.

The building, constructed in 1970, required numerous renovations by the County including the immediate need for a new air conditioning and heating system, new windows, upgraded lighting, painting, and a staff bathroom. While serviceable, the building has deficiencies due to its outdated design. For example, the limited number of exits could make it difficult to handle evacuations in an emergency. The structure was not built to the seismic standards mandated for newer hospitals today. A 2008 report issued by Health Management Associates, a consulting firm hired by the Board of Supervisors, said about BLTC, “The facility is aging and less than ideal in many ways. It may need to be replaced in order to better meet the needs of residents and to serve the more complex residents.”<sup>1</sup>

The main campus of the SMMC has unused space that could be utilized for long-term care with minimal renovations. With approval of the Office of Statewide Health Planning and Development (OSHPD) and the Department of Public Health, the main campus of SMMC could accommodate a total of 96 long-term care patients. SMMC is a modern structure built to current seismic codes and could safely and efficiently serve the County's residents for long-term care.

The majority of patients at BLTC were transferred from the San Mateo Medical Center main campus because they no longer require acute care but still needed skilled nursing care. The patient mix is a diverse group of young and old with chronic illnesses, disabilities, or impairments from traumatic accidents. Some residents have mental health disorders, the most common being dementia. BLTC is required to take patients with very challenging behavioral problems because there often are no alternative placements.

When the County assumed control of BLTC it projected operating at a surplus.<sup>2</sup> Since then, Medi-Cal has lowered reimbursement fees. The lowered fees resulted in more privately owned long-term care facilities in the County closing or further limiting their number of beds designated for Medi-Cal patients. This outcome has placed an even greater burden on the County, as they must legally take long-term care patients with nowhere else to go.

The County reduced funding to BLTC for FY 2010-11, and staffing levels had to be cut.<sup>3</sup> Despite operating with only the minimum staffing required by law, based on multiple interviews, the staff has a reputation for providing some of the best long-term care in the county. The rise in the

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<sup>1</sup> Health Management Associates report, (page 64) to Board of Supervisors, January 2, 2008

<sup>2</sup> Paul Scannell, Asst. County Manager letter dated June 11, 2003 to Board of Supervisors regarding SMMC assuming operation of BLTC and executing a lease agreement.

<sup>3</sup> FY 2009-11 County of San Mateo Adopted Budget / Long-Term Care Services (6680B) Reduction in Staff

aging population of San Mateo County underscores the challenge SMMC faces in funding the service it must provide.

One potential solution is to obtain a waiver from Medi-Cal to relax the rules that govern which types of facilities qualify for Medi-Cal payments. The waiver would give the County increased flexibility to fund the most appropriate placements for patients at the lowest cost. This concept is called Long-Term Care Integration.

Under current regulations, Medi-Cal recipients often have to be kept in skilled nursing facilities like BLTC even though this is an expensive level of care. With a waiver from the Medi-Cal rules, some patients could be placed in a less costly level of care such as privately owned Residential Care facilities, small Board and Care facilities and Assisted Living facilities, all of which are currently ineligible under Medi-Cal. Some patients might even be able to go back to their homes, if Medi-Cal would allow increased in-home support services. According to senior officials interviewed, San Mateo County submitted a Long-Term Care Integration plan to the State Department of Healthcare Services several years ago.

SB21 is a bill currently pending in the State legislature to approve Medi-Cal waivers for long-term care. If legislation passes, San Mateo County would potentially be the pilot site for the State implementation of Long-Term Care Integration.

## **Investigation**

This report has been compiled from numerous sources including the following:

- Interviews with County Administrative employees
- Interviews with Ombudsmen Services of San Mateo County
- Tours of SMMC and Burlingame Long-Term Care Facility
- Reviewed records from the Public Health Department
- Reviewed SMMC and BLTC budget documents
- Reviewed San Mateo Medical Center Emergency Operations Plan
- Reviewed Medi-Cal Waiver Documents
- Reviewed Long-Term Care Integration Documents
- Reviewed Grand Jury Report on BLTC 2004-2005
- Reviewed County Managers response from the Board of Supervisors, 2004-2005

## **Findings**

The 2011 San Mateo County Civil Grand Jury finds that:

1. Patients with dementia and behavioral issues remain at BLTC for lack of alternative placements; releasing them without placements is prohibited by law.<sup>4</sup>

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<sup>4</sup> Title 42, Code of Federal Regulations, Section 482.43 and Title 42, United States Code, Section 1395x(ee). Additional California hospital discharge planning requirements are established at California Health and Safety Code Sections 1262.5 –1262.6.

2. After spending time recuperating from medical conditions, patients often have lost their homes or other housing arrangements; therefore BLTC becomes their only residence and cannot release them until a safe and appropriate housing is obtained.
3. The lack of available low-cost housing in the county makes it difficult for BLTC staff to find safe discharge for patients who no longer need skilled nursing care.
4. Medi-Cal is the primary means of payment for approximately 94% of the patients at BLTC. A small number do not qualify for any insurance but still need skilled nursing care.
5. Medi-Cal will pay only its "accepted fees," a rate significantly lower than the cost to the hospital. Medi-Cal has cut its reimbursement rates over the last several years. There was a 2-year rate freeze for fiscal years 2009-10 and 2010-11.<sup>5</sup> The State of California has now proposed an additional 10% cut for FY 2011-12.<sup>6</sup> BLTC continues to run deficits annually.
6. Many residents of BLTC no longer require skilled nursing, but placement at a lower level of care is not feasible because Medi-Cal will not pay for Residential Care Facilities, smaller Board and Care Facilities, or Assisted Living Facilities.
7. A Medi-Cal waiver for Long-Term Care Integration is pending in the State legislature and could be implemented as early as 2012 if passed.

## Conclusions

The 2011 San Mateo County Civil Grand Jury concludes that:

1. Given the financial drain of maintaining the aging and outmoded BLTC facility, there is a need for a renewed and innovative approach to County-sponsored long-term care.
2. Closing BLTC and providing long-term care services at the SMMC main campus would require renovation costs, but would be a wiser investment for the future.
3. Long-Term Care Integration could place patients in settings more appropriate for the care they require at a lower cost.
4. It is more fiscally prudent to consolidate long-term care at the SMMC Main Campus than to continue funding the aging and inadequate Burlingame facility.

## Recommendations

The 2011 San Mateo County Civil Grand Jury recommends that the Board of Supervisors:

1. Pursue appropriate renovations necessary to consolidate long-term care at the Medical Center main campus and close Burlingame Long-Term Care facility.
2. Continue to seek assistance from locally elected state legislators to expedite Office of Statewide Health Planning and Development approval of the renovations required to provide long-term care at the main campus.
3. Continue to enlist support from locally elected state and federal legislators to obtain Medi-Cal waivers allowing Long-Term Care Integration to be administered by the County.

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<sup>5</sup> [www.dhcs.ca.gov/services/medi-cal/Pages/LTCRU.aspx](http://www.dhcs.ca.gov/services/medi-cal/Pages/LTCRU.aspx)  
[http://files.medi-cal.ca.gov/pubsdoco/newsroom/newsroom\\_12192.asp](http://files.medi-cal.ca.gov/pubsdoco/newsroom/newsroom_12192.asp)

<sup>6</sup> [aarp.org/bulletin](http://aarp.org/bulletin) MAY 2011 – "The Law"



COUNTY OF SAN MATEO  
Inter-Departmental Correspondence  
County Manager's Office



APPROVED BY  
BOARD OF SUPERVISORS

OCT 04 2011

DATE: July 12, 2011

BOARD MEETING DATE: October 4, 2011

SPECIAL NOTICE/HEARING: None

VOTE REQUIRED: Majority

CLERK OF BOARD  
BY *R. Pineda* DEPUTY

TO: Honorable Board of Supervisors  
FROM: David S. Boesch, County Manager  
SUBJECT: 2010-11 Grand Jury Response

**RECOMMENDATION:**

Accept this report containing the County's response to the following 2010-11 Grand Jury report: Is the County Wedded to Long-Term Care?

**BACKGROUND / DISCUSSION:**

The County is mandated to respond to the Grand Jury within 90 days from the date that reports are filed with the County Clerk and Elected Officials are mandated to respond within 60 days. To that end, included is the County's response to the "Is the County Wedded to Long-Term Care?" report issued on July 11, 2011.

Acceptance of this report contributes to the Shared Vision 2025 outcome of a Collaborative Community by ensuring that all Grand Jury findings and recommendations are thoroughly reviewed by the appropriate County departments and that, when appropriate, process improvements are made to improve the quality and efficiency of services provided to the public and other agencies.

**FISCAL IMPACT:**

There is no Net County Cost associated with accepting this report.

## Is the County Wedded to Long-Term Care?

### Findings:

**Grand Jury Finding Number 1.** Patients with dementia and behavioral issues remain at BLTC for lack of alternative placements; releasing them without placements is prohibited by law.

**Partially agree.** Every person admitted to BLTC undergoes an evaluation to determine their need for services provided at BLTC. It is common for persons living in long-term care facilities to have dementia and/or behavioral issues, and BLTC is no exception. At BLTC, we have a team of psychologists and psychiatrists who assist the staff with the care of these individuals, and approximately 2/3 of the patients are involved with this team in some way. It is true that finding placements for persons with behavioral issues, whether or not they have dementia, is very challenging.

**Grand Jury Finding Number 2.** After spending time recuperating from medical conditions, patients often have lost their homes or other housing arrangements; therefore BLTC becomes their only residence and cannot release them until a safe and appropriate housing is obtained.

**Agree.**

**Grand Jury Finding Number 3.** The lack of available low-cost housing in the county makes it difficult for BLTC staff to find safe discharge for patients who no longer need skilled nursing care.

**Agree.**

**Grand Jury Finding Number 4.** Medi-Cal is the primary means of payment for approximately 94% of the patients at BLTC. A small number do not qualify for any insurance but still need skilled nursing care.

**Agree.** We proactively work with patients to ensure that they are enrolled in Medi-Cal and other insurance programs for which they qualify.

**Grand Jury Finding Number 5.** Medi-Cal will pay only its "accepted fees," a rate significantly lower than the cost to the hospital. Medi-Cal has cut its reimbursement rates over the last several years. There was a 2-year rate freeze for fiscal years 2009-10 and 2010-11. The State of California has now proposed an additional 10% cut for FY 2011-12. BLTC continues to run deficits annually.

**Partially Agree.** In 2009, the State froze the BLTC (and similar facilities) rates beginning August 1, 2009 at Fiscal Year 2008-2009 levels. Currently there are pending legal cases and legislation to seek relief for this freeze from the period February 24, 2010 thru May 31, 2011. The State has also passed legislation to reduce the rate paid to BLTC (and similar facilities) by 25%, but the State cannot implement this rate reduction without federal approval. The federal government has not yet ruled on this proposed rate reduction.

**Grand Jury Finding Number 6.** Many residents of BLTC no longer require skilled nursing, but placement at a lower level of care is not feasible because Medi-Cal will not pay for Residential Care Facilities, smaller Board and Care Facilities, or Assisted Living Facilities.

**Agree.**

**Grand Jury Finding Number 7.** A Medi-Cal waiver for Long-Term Care Integration is pending in the State legislature and could be implemented as early as 2012 if passed.

**Partially agree.** The Medi-Cal waiver is an agreement between the State and the Federal governments and authorized by the State Legislature. The currently adopted Medi-Cal waiver would need to be amended to adopt our Long-Term Care Integration program. The State's current timeline is for implementation by July, 2012.

**Recommendations:**

**The 2011 San Mateo Civil Grand Jury recommends that the Board of Supervisors:**

- 1. Pursue appropriate renovations necessary to consolidate long-term care at the Medical Center main campus and close Burlingame Long-Term Care facility.**

**Response:**

The recommendation requires further analysis. We have hired an independent consultant to do a detailed analysis of our options regarding the provision of skilled nursing services both at BLTC and on the Main Campus of the Medical Center. We intend to present this analysis, as well as our recommendation, no later than January 2012. Meanwhile, to ensure that we have options, we have submitted architectural plans to the State that would enable us to use the ground floor of the Medical Center for skilled nursing care.

2. **Continue to seek assistance from locally elected state legislators to expedite Office of Statewide Health Planning and Development approval of the renovations required to provide long-term care at the main campus.**

**Response:**

For the reasons stated in response to #1, the recommendation requires further analysis. However, we are continuing to work with the State administratively to respond to any questions they have about our architectural plans.

3. **Continue to enlist support from locally elected state and federal legislators to obtain Medi-Cal waivers allowing Long-Term Care Integration to be administered by the County.**

**Response:**

The recommendation has been implemented. We, in partnership with the Health Plan of San Mateo, are working with the State Department of Health Care Services to implement Long Term Care Integration. We hope the State will be ready to implement by July 2012.