

RN Staffing Ratios



Hospital Closures and the Staffing Ratio Law — The Real Story

Hospital Closures: A Longtime Phenomenon

Claims by the governor and the hospital industry that the patient safety law is to blame for hospital and ER closures ignores the fact that 50 hospitals were closed in California between 1990 and 2000, long predating the ratio law.

Nationally, 736 hospitals were closed from 1987–2000, none as a result of California's Safe Staffing Law. The University of California's Petris Center's January, 2001 report, "California's Closed Hospitals," found that most of the California hospitals closed in the 1990s had for years reported declining finances.

Virtually all the hospitals closed this year had reported years of financial losses. Santa Teresita Hospital in Duarte which announced plans to close five days after the ratios went into effect last January, for example, reported losses in six of the past nine years, an aggregate total of \$11.1 million, and the facility had been downsizing for years, long before the new law was in effect.

Reasons for hospital closures include mismanagement, low MediCal reimbursement rates and the practice of some hospital chains to manipulate the market.

San Jose Medical Center was closed this fall even though its parent company, HCA, the nation's largest for-profit chain, made \$1.3 billion in profits last year. HCA is spending substantial sums on new construction of other hospitals in more wealthy neighborhoods in the region — and local HCA executives told employees that the closure will enhance their efforts to expand consolidation of hospital services in the San Jose area.

Gov. Arnold Schwarzenegger had an opportunity this September to take meaningful action on hospital closures. Instead, he vetoed a bill, AB 2874 (Diaz) that would have provided assistance to local communities that seek to maintain a private hospital threatened with closure and required more public notice prior to closures.

ER Overcrowding Diversions Have Been Occurring For Years

Inadequate RN staffing, lack of available staffed beds in Intensive Care Units, and lack of specialty physicians who come on call to ERs, have caused overcrowded emergency rooms and ambulance diversions for years.

With "managed care" and low capitated payments to doctors and hospitals, the number of specialty physicians in California has declined. It is difficult to get specialty physicians to be on call in ERs, and hospitals no longer want patients in the ER because too many of them are employed but uninsured. These problems combine to cause delays in care and the potential for tragic flu complications that do not receive timely response from a stressed health care system.

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The Staffing Ratio Law is a Solution to the ER Crisis

- With safe ER ratios, hospitals no longer have to divert patients or require long waits — because they will have the RN staff required to meet patient need.
- Safe RN ratios in other hospital units reduce the backlog in the ER, generally caused by the slow “throughput” of patients to the areas of the hospital where they need to be transferred.
- The ER ratios adopted by the California Department of Health Services are the exact ratios recommended to the DHS by the American College of Emergency Physicians and the Emergency Nurses Association.

However, the governor’s executive order to weaken ER ratios will exacerbate the ER crisis. The result for patients will be longer waits, more patients departing without receiving the medical care they need, and a lower standard of care for all.

Hospital Industry Has Opposed Legislation to Improve Emergency Care

CNA has long supported and fought for legislation to plan for essential hospital services, provide funding, collect data from hospitals on ER usage so California can plan for ER needs and fund them. The California hospital industry has continually opposed legislation is proposed to force better planning and retention of essential services in the health care system, especially regarding emergency care services. Examples include:

- AB 421 (Aroner) 1998 to establish essential hospital providers in every county and fund ER services.
- AB 1924 (Aroner) 2000 to collect Hospital ER data to facilitate statewide planning for ER services.
- AB 2103 (Gallegos) requiring an impact analysis each time a hospital closes an ER. Industry lobbyists amended the bill so that no agency has the authority to stop a closure, making the impact analysis almost useless in preventing closures.
- AB 910 (Diaz) 2003 required health care companies that bought and closed hospitals to pay for the loss of service to the community.