

Laguna Honda Hospital

SUMMARY

The 1998 - 1999 Civil Grand Jury (CGJ) investigated options for the replacement process of Laguna Honda Hospital (LHH). Options included: 1) Rebuilding the entire facility with the current 1200 beds; 2) Rebuilding the entire facility with fewer than 1200 beds; 3) Rebuilding the facility with more than 1200 beds; 4) Rebuilding only patient care sections of the facility; 5) Selling or reusing portions of the facility's 64 acres to defray costs. (See Appendix A: Options for Laguna Honda Hospital White Paper).

BACKGROUND

Laguna Honda Hospital is in disrepair and in violation of federal regulations. Without compliance on issues ranging from patients per ward and structural and seismic repair, the hospital will lose the integral Federal Funding that covers the majority of expenses for patient care. Without these federal monies, the hospital will not be able to function solely with local funding, thus reducing care services and patient population and, perhaps, closing of the hospital. There are no other facilities for these patients to be transferred to. It has been forecasted that in the next ten to fifteen years, there will be a marked increase in the public that will need a facility like LHH.

Patients Per Ward

Federal regulations call for a maximum of 2 - 4 patients per room. LHH has been operating with open wards of 20 - 30 patients per ward since the main buildings of Spanish Revival Style were opened in 1926. The open wards offered easy access for medical representatives and a communal atmosphere that most patients enjoyed.

PROCEDURES

The CGJ has made two visits to LHH. The latest visit was with Lawrence I. Funk, Executive Administrator, who explained why a General Obligation Bond (GOB) should be passed to finance rebuilding the facility. We took a tour of the entire plant and could see where repairs were needed.

The Laguna Honda Hospital Replacement Committee, headed by Louise Renne, City Attorney, and Mitchell Katz, Director of Public Health, made exhaustive studies into how LHH could be rehabilitated. In addition to the main buildings with their open wards, there is another structure, Clarendon Hall, which was built in 1909 and is used for assisted living patients. It was their recommendation that they should be torn down and new facilities constructed. The committee's report was sent to the San Francisco Health Commission, which approved it and sent it to the Board of Supervisors where it was sent to the Finance and Labor Committee. (See Appendix B, Report on the Placement of Laguna Honda Hospital). This committee must take action by June 15, 1999 and the full board has until July 19, 1999 to pass an ordinance calling for a GOB Election. July 23, 1999 is the last day for submission to the Director of Elections.

FINDINGS

The cost factor is the biggest obstacle facing support for the GOB. The bond measure is for \$437 million [1] As of the week of June 10, 1999, the Bond Measure Dollar Amount has changed. However, opposition to the Bond Measure has not changed even though the dollar amount has been reduced to \$299 million. - the largest ever - but \$65 million

less than one proposed in July 1998 - which was dropped after tenants groups promised to fight the measure unless they were protected

from possible rent increases. The planning committee hopes to defray some of the costs by using tobacco monies. The City should receive about \$585 million over a 25-year period. However, there is no assurance of when or how much the City will get or if LHH is to receive the entire amount - as recommended by Louise Renne. The committee is also seeking to obtain some funding from state and federal sources, but nothing is guaranteed at this time. Since a GOB requires a 2/3 approval by the electorate, it will need cooperation from all groups to pass. A revenue bond, which would only require a simple majority of the voters was rejected as it would cost \$50 million more.

RECOMMENDATIONS

LHH needs to be rebuilt now. The time for procrastination is over. Federal Funding is essential to keep LHH open.

The Mayor and the Board of Supervisors must support the proposed bond issue. Passage of the Proposition may be vital to the continued long term well being of many of the City's residents, especially its senior citizens.

A solution must be found to avert the threatened confrontation between landlord interests and tenant groups. The problem of who will bear the brunt of the increase in taxes imperils the passage of the bond issue.

All possible steps must be taken to ensure that the tobacco settlement money will not be diverted to other uses. Without that source of funds, rebuilding a 1200 bed facility seems unlikely.

Other proposed bond measures should be held in abeyance until funding of Laguna Honda's rebuilding is assured. Competing bond issues on the same ballot could spell the death knell of the LHH measure. It would be especially unwise to include a bond measure for parks and recreation on the next ballot.

The ballot measure should not be modified in a manner which will deliver to the City a facility which will fall short of the capacity of the facility now planned.

San Francisco should attempt to gain corporate backing for the facility to assist in financial aspects of the project in addition to funding from state and federal sources.

A positive Public Relations campaign needs to be implemented so that the public understands the necessity and benefit to the City for keeping LHH.

RESPONSES REQUIREDREQUIRED

Mayor

Board of Supervisors

Health Commission

City Attorney

Laguna Honda Hospital

APPENDICES

Appendix A

Options for Laguna Honda Hospital White Paper

Appendix B

Report on the Placement of Laguna Honda Hospital

Footnotes:

[1] As of the week of June 10, 1999, the Bond Measure Dollar Amount has changed. However, opposition to the Bond Measure has not changed even though the dollar amount has been reduced to \$299 million.