

California State Senate

SENATOR MIKE MCGUIRE

NORTHERN CALIFORNIA'S SECOND SENATE DISTRICT



September 6, 2016

Dana Forney, District Manager II
California Department of Public Health
Center for Health Care Quality
2170 Northpoint Parkway
Santa Rosa, CA 95407

RE: Closure & Relocation Plans for: Eureka, Pacific & Seaview Rehabilitation and Wellness Centers

Dear Ms. Forney:

I am writing with deep concern about the potential dangerous closures of Rockport Management's three skilled nursing facilities (SNFs) in the greater Humboldt Bay region - Eureka Rehabilitation & Wellness Center, Pacific Rehabilitation & Wellness Center and Seaview Rehabilitation & Wellness Center.

The closure of these three SNFs would reduce the number of licensed beds available to some of Humboldt's most vulnerable residents, by more than half, from 449 to 191. If CDPH were to approve these closures, the public's health and safety would be put at risk; skilled nursing care would be severely limited and current residents of the facilities would be moved hundreds of miles from loved ones. The entire Humboldt Bay region would be served with just two SNFs, which is simply unacceptable.

I have reviewed the plans and I am deeply concerned that they provide no timelines, no detail on the discharge process and no detail on the determination of relocating patients based on distance to family, prior transfer history or mitigation to "transfer trauma" associated with the relocation of the elderly and infirm.

While Rockport Management Representatives claim they aren't able to turn a profit at their three facilities, Partnership HealthPlan of California has provided Rockport with \$931,370 in retroactive payments from an increase for all contracted Long Term Care facilities and a commitment not to implement reduction in facilities' Long term care cost-based rates, when facilities' rates are reduced by the Department of Health Care Services for the State's MediCal program. Partnership HealthPlan has also identified rampant under billing and Management has not worked with Partnership's claims staff to identify billing corrections. Partnership has also provided a commitment to consider further rate increases tied to quality.

For the last two year local healthcare organization CEO's including: St. Joseph's Hospital, Open Door Community Health and the Humboldt-Del Norte Independent Physicians Association have been developing a strategy to strengthen the local health care workforce and reduce overall payroll costs. These strategy sessions have always included an invitation for Rockport Management's participation. Unfortunately, Rockport has not participated in local workforce development activities that would reduce overall costs expended on human talent.

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Also of concern is Rockport Management's changing narrative on the reasons for closure. For example, Rockport has identified many external factors for staffing issues and profit loss including the closure of Humboldt State University's nursing program in 2011, the region's cannabis industry, competitive wages from other health care organizations and reimbursement rates from health management organizations. Although the business climate may not be satisfactory for Rockport Management, there are options that have not yet been fully explored that may allow them the ability to manage the facilities in a prudent and fiscally sound manner.

I urge the Department to reject the submitted closure plans. The community and other potential operators must be given more time to develop contingency plans to ensure patient safety.

I sincerely appreciate the opportunity to provide comment and I hope you will give careful consideration to this issue. If I can be of any assistance please don't hesitate to call my office at 916-651-4002.

Warmest Regards,

A handwritten signature in black ink, appearing to read "MIKE MCGUIRE". The signature is stylized and somewhat cursive.

MIKE MCGUIRE
Senator