

# WA – AK HFMA Conference

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# Quick Overview

California's Federated Model

AB 394 and SB 227

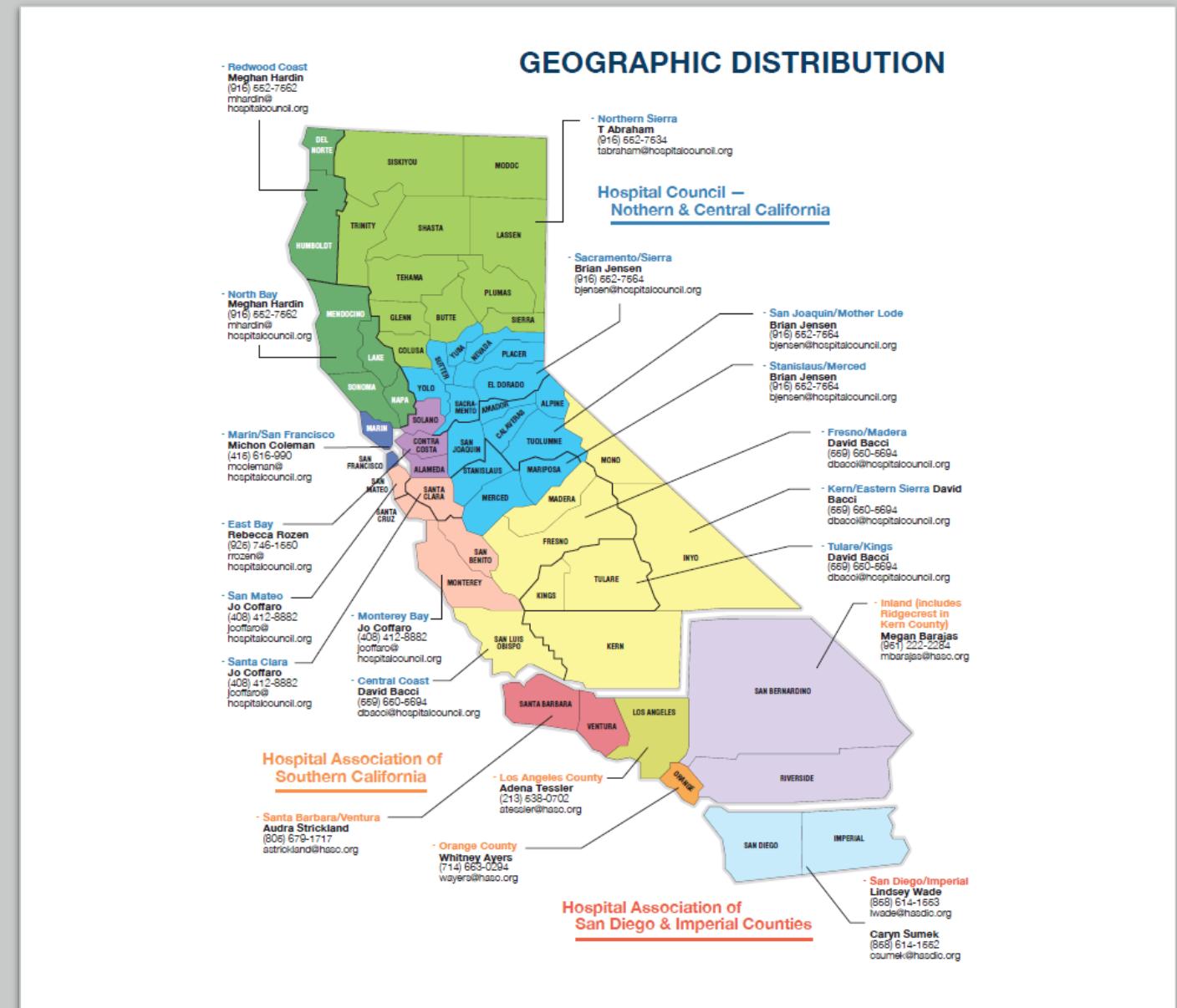
CMS Area Wage Index and Other Figures

Impact of the COVID-19 Pandemic on Hospital Staffing & Capacity

Other Legislation

# The Federated Team

- California Hospital Association
- Hospital Association of San Diego & Imperial Counties
- Hospital Association of Southern California
- Hospital Council of Northern & Central California
- Hospital Quality Institute



# Federated Model

## **Develop an aligned public policy agenda that establishes a shared commitment to California hospitals**

- The Federated Associations share a joint public policy agenda development process involving all the associations
- The Federated Associations share a formal process for staying connected and sharing intelligence on members' key issues and initiatives

## ***Leverage expertise and minimize duplication in meeting members' advocacy goals***

- Regional Associations lead and specialize in policy and advocacy at the local and regional level
- The State Association leads and specializes in policy and advocacy at the state and national level
- The State Association supports Regional Associations in their local and regional advocacy by providing infrastructure and issue expertise
- Regional Associations support the State Association in its state and national advocacy by providing grassroots and local advocacy as well as key insights from hospital leaders in the field
- The Federated Associations leverage their geographic experiences and relationships to learn from one another and more effectively serve members

## ***Align the collective resources of the associations to serve members in the most efficient and effective manner possible***

- The Federated Associations specialize, and provide unduplicated service to members, in areas such as quality and performance improvement, education, membership strategy, entrepreneurial endeavor, dues collection and CHPAC fundraising
- The Federated Associations share operational infrastructure and personnel, including Finance, Accounting, Human Resources and Information Systems

# California Nurse Staffing Ratios

- With passage of AB 394 in 1999, California became the first state to establish minimum registered nurse (RN)-to-patient ratios for hospitals.
- Final regulations to implement the law were issued in the summer of 2003, with hospitals required to meet the staffing ratios as of January 1, 2004.
- Establishes minimum, specific, numerical RN-to-patient ratios for acute-care, acute-psychiatric, and specialty hospitals.
- Additional RNs must be added to the minimum ratios based upon a documented patient classification system that measures patient needs and nursing care, including severity of illness, complexity of clinical judgment, and the need for specialized technology.
- Staffing requirements as determined by the patient classification system for each unit, documented on a day-to-day, shift-by-shift basis.

# California Nurse Staffing Ratios

Operating Room		
Trauma Patient in ED		
Intensive/Critical Care		
Neonatal Intensive Care		
Post-Anesthesia Recovery		
Labor & Delivery / ICU in ED		
Step Down		
Antepartum/ Postpartum Couples		
Pediatrics / Emergency Dept.		
Telemetry / Other Specialty Care		
Medical/Surgical		
Postpartum Women Only		
Psychiatric		

# SB 227 Passed in 2019/2020 Session

- Requires the California Department of Public Health (CDPH) to conduct a periodic inspection to inspect compliance with existing law and nurse staffing ratio regulations that is not announced in advance of the date of inspection.
- Requires CDPH to assess an administrative penalty of \$15,000 for a hospital that violates a nurse staffing ratio regulation for the first time, and \$30,000 for the second and each subsequent violation. Specifies that multiple violations found on the same inspection survey constitutes a single violation for purposes of determining whether the violation was a first, second or subsequent violation, and that a violation occurring more than three years after the date of the last violation is to be treated as a first violation.
- Permits CDPH, without taking any regulatory actions, to implement, interpret, or make specific this bill by means of an All Facilities Letter or similar instruction.
- Includes this new nurse staffing ratio penalty provision in a provision of existing law that requires CDPH to take into consideration the special circumstances of small and rural hospitals when taking enforcement action in order to protect access to quality care in those hospitals.

# CMS Area Wage Index File

CBSA	Unadjusted Average Hourly Wage	Unadjusted Wage Index	Occupational Mix Adjusted Average Hourly Wage	Occupational Mix Adjusted Wage Index
Orange, CA	\$61.34	1.2835	\$60.23	1.2619
Los Angeles, CA	\$63.17	1.3218	\$62.41	1.3076
San Francisco, CA	\$89.34	1.8694	\$86.59	1.8142
Anchorage, AK	\$57.05	1.1938	\$56.55	1.1848
Fairbanks, AK	\$45.70	0.9563	\$44.82	0.9390
Seattle, WA	\$55.94	1.1705	\$55.61	1.1651
Spokane, WA	\$51.28	1.0730	\$50.69	1.0620
Yakima, WA	\$46.04	0.9634	\$46.71	0.9786

# Bureau of Labor Statistics Wage Data

Metropolitan Area	Employment	Employment per 1,000 Jobs	Mean Annual Salary
Orange, CA	n/a		
Los Angeles, CA	113,890	19.9	\$116,110
San Francisco, CA	41,160	18.4	\$151,640
Anchorage, AK	4,150	25.6	\$96,160
Fairbanks, AK	n/a		
Seattle, WA	35,070	18.3	\$99,310
Spokane, WA	6,590	28.0	\$92,620
Yakima, WA	1,560	17.2	\$84,690

Source: Bureau of Labor Statistics Occupational Employment and Wage Statistics, May 2021

# OSHPD Registered Nurse Shortage Areas

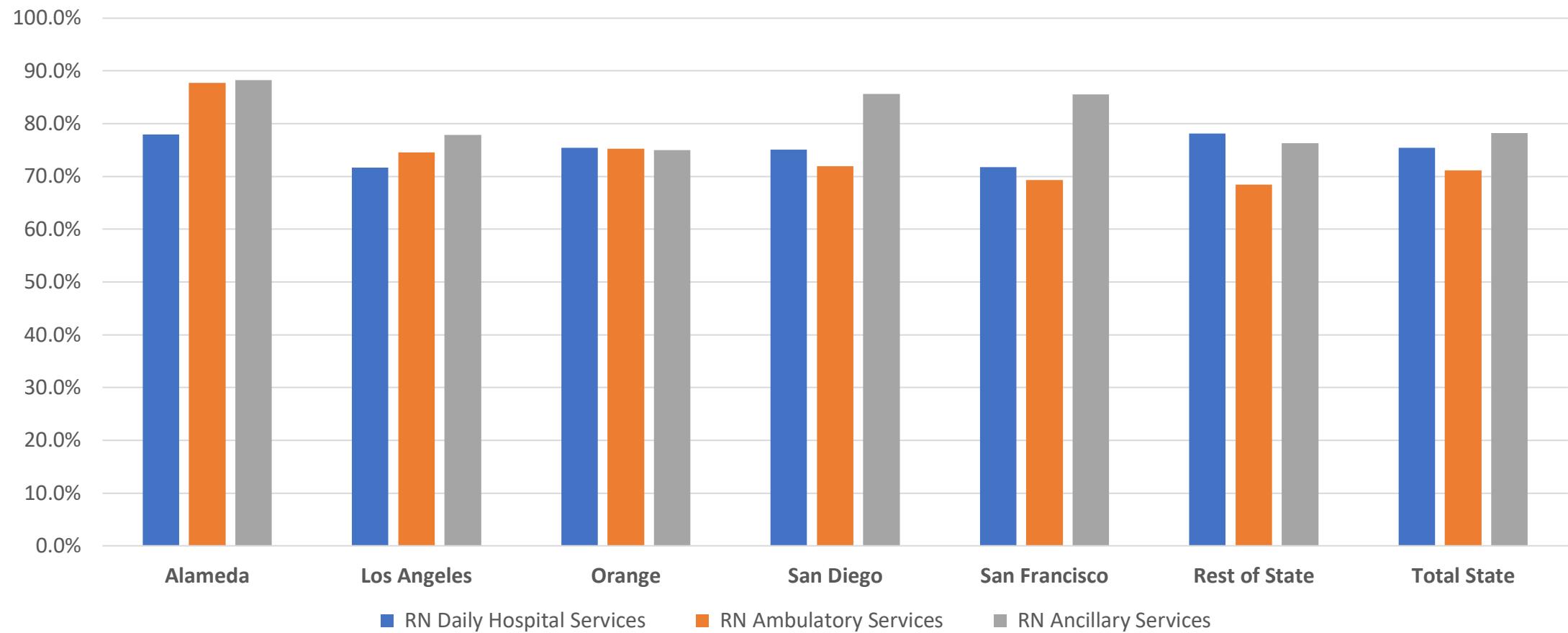
- In 2007, the California Healthcare Workforce Policy Commission (Commission) adopted formal criteria for establishing Registered Nurse Shortage Areas (RNSA).
- The Commission directed OSHPD to designate RNSAs as areas with a ratio below the national 25<sup>th</sup> percentile. According to the 2018 National Sample Survey of Registered Nurses conducted by the Health Resources and Services Administration (HRSA) the national 25<sup>th</sup> percentile is 943 employed RNs per 100,000 population.
- The Commission further instructed OSHPD to divide RNSAs into thirds based on the severity of the shortage.

RNSA	Number of Areas	Population	Pct of Population
No	14	9,857,409	25%
Yes – Low	20	19,799,189	51%
Yes – Medium	19	5,290,753	14%
Yes – High	19	4,201,409	11%

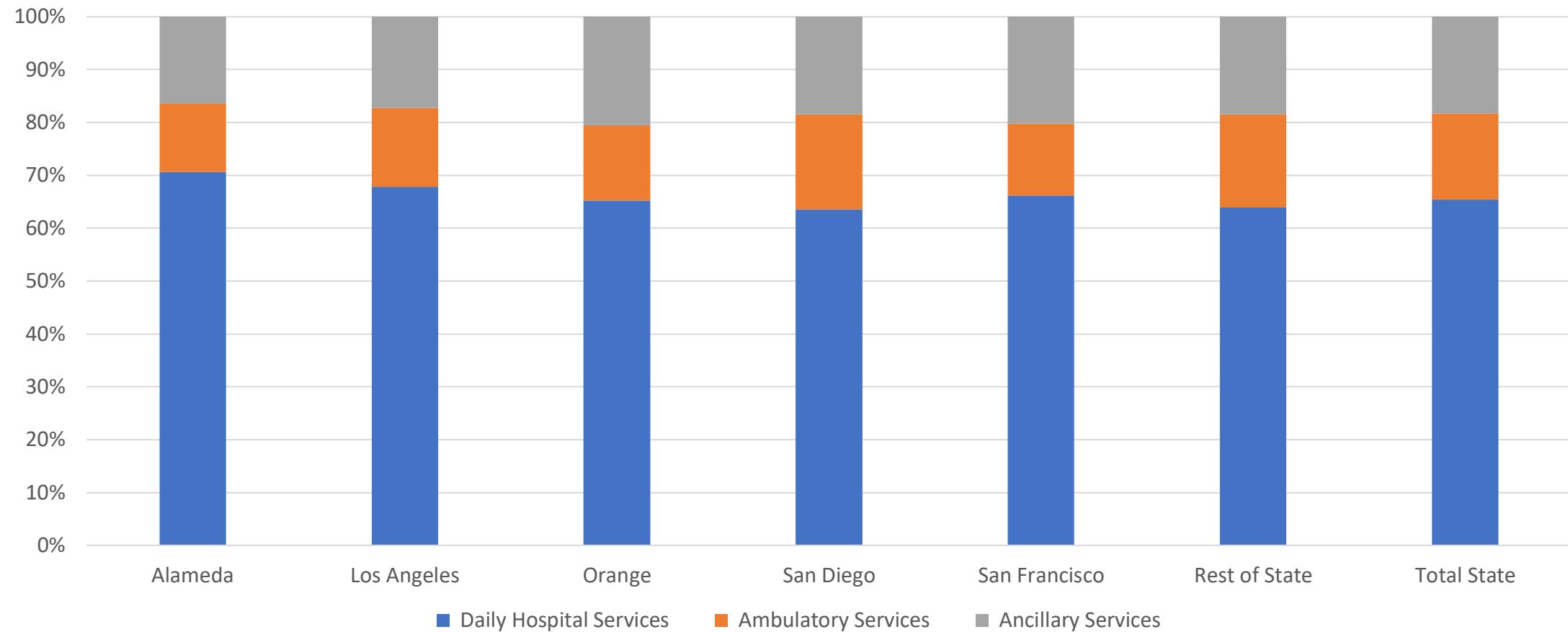
# OSHPD Registered Nurse Shortage Areas

Area	Population	Employed RNs	Ratio	RNSA	Severity
Palmdale/Lancaster	432,757	2,791	644.9	Yes	Medium
Pomona/Pasadena	1,836,611	14,918	812.3	Yes	Low
Los Angeles/East LA	2,654,094	11,511	433.7	Yes	High
Downey/Norwalk	1,200,879	7,030	585.4	Yes	Medium
Anaheim/Santa Ana	3,253,219	28,759	884.0	Yes	Low
Long Beach/Torrance	1,576,476	13,087	830.1	Yes	Low
Victorville/Hesperia	434,460	2,482	571.3	Yes	Medium
Riverside/Fontana	3,500,300	31,738	906.7	Yes	Low
Oxnard/Thousand Oaks	874,206	7,797	891.9	Yes	Low

# Registered Nurse Productive Hours as Share of Hospital Cost Centers, FY 2019 – 20



# Registered Nurse Productive Hours by Cost Center, FY 2019 - 20



# Staffing Waiver Flexibility

California hospital and staffing requirements were waived through an All Facilities Letter (AFL) 20-26.

This waiver was terminated on July 1, 2020 with subsequent AFLs issuing a narrower staffing waiver scope.

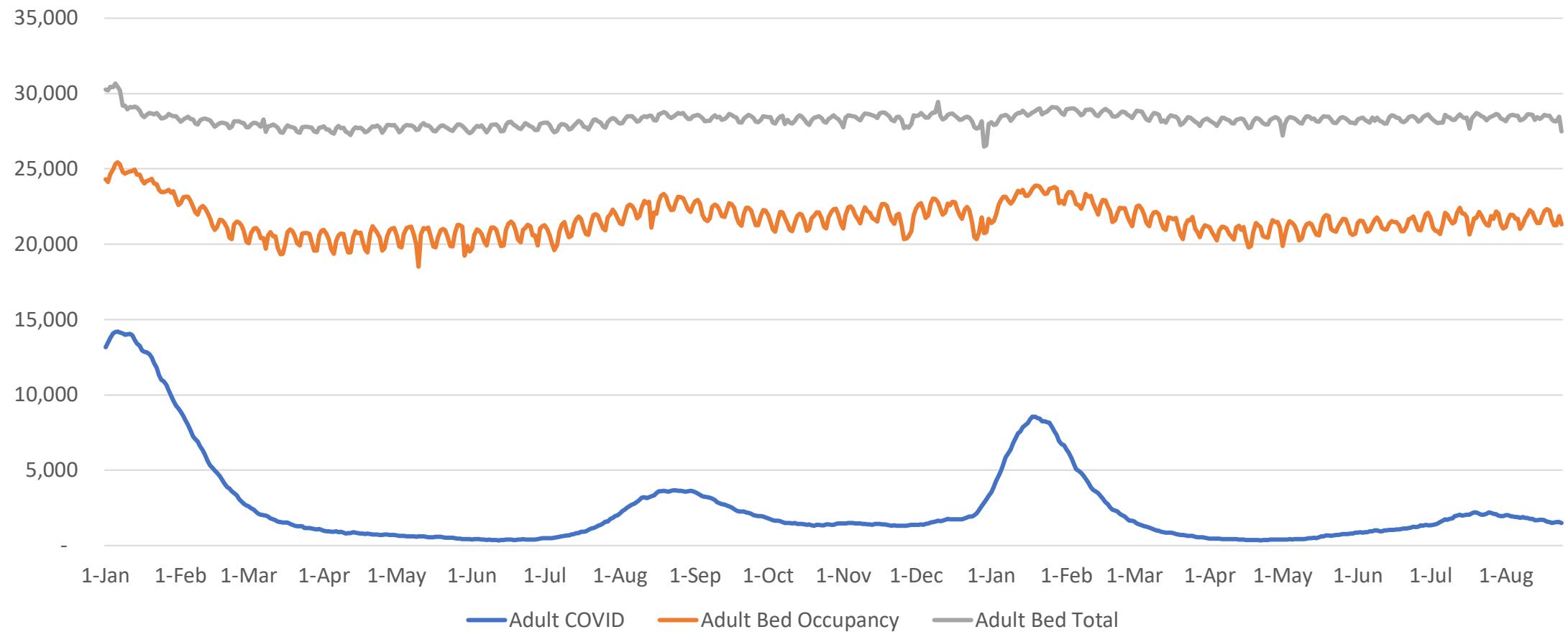
Temporary staffing waivers using this process will only be approved for 60 or 90 days.

Under the existing waiver process, a hospital seeking a staffing waiver must submit a [CDPH form 5000A](#) (PDF) and provide supporting documentation

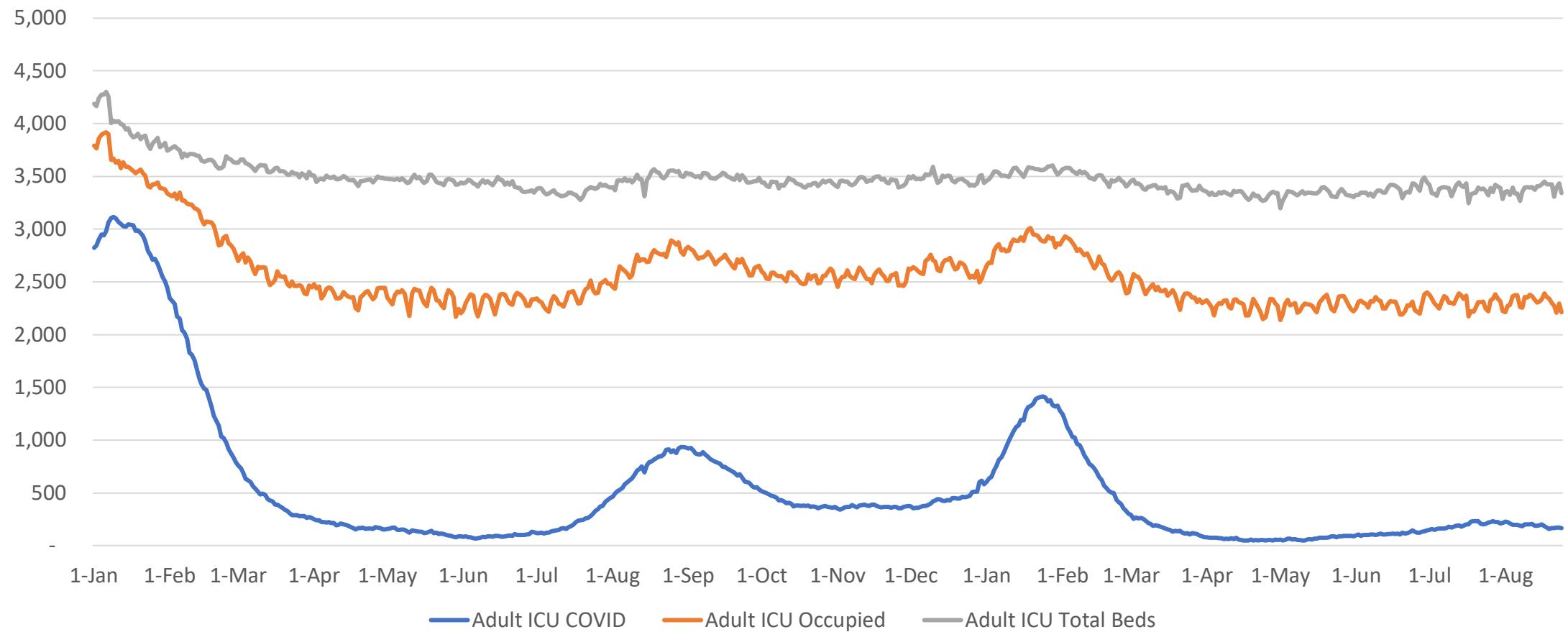
# All Facilities Letter 20-26.4

- Under the expedited waiver process CDPH will consider a waiver of the existing nurse-to-patient ratios with the following specified alternative measures.
  - For an intensive care unit, a nurse-to-patient ratio waiver is approved with an alternative ratio of 1:3 or fewer at all times.
  - For a step-down unit, a nurse-to-patient ratio is approved with an alternative ratio of 1:4 or fewer at all times.
  - For a telemetry unit, a nurse-to-patient ratio is approved with an alternative ratio of 1:6 or fewer at all times.
  - For the emergency medical services department, a nurse-to-patient ratio is approved with an alternative ratio of 1:6.
  - For a medical/surgical care unit, a nurse-to-patient ratio waiver is approved with an alternative ratio of 1:7 or fewer at all times.

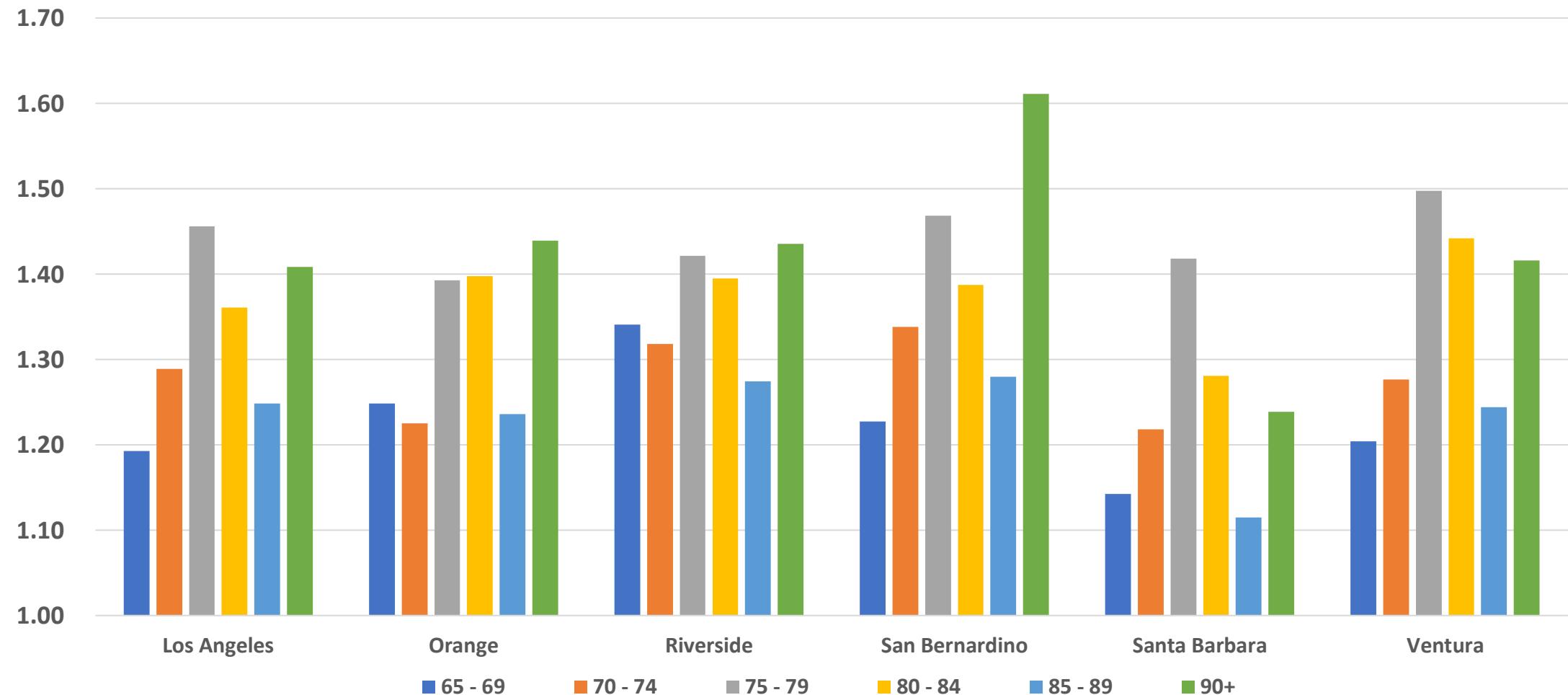
# Adult Hospital Bed Utilization, January 2021 – August 2022 Selected Counties



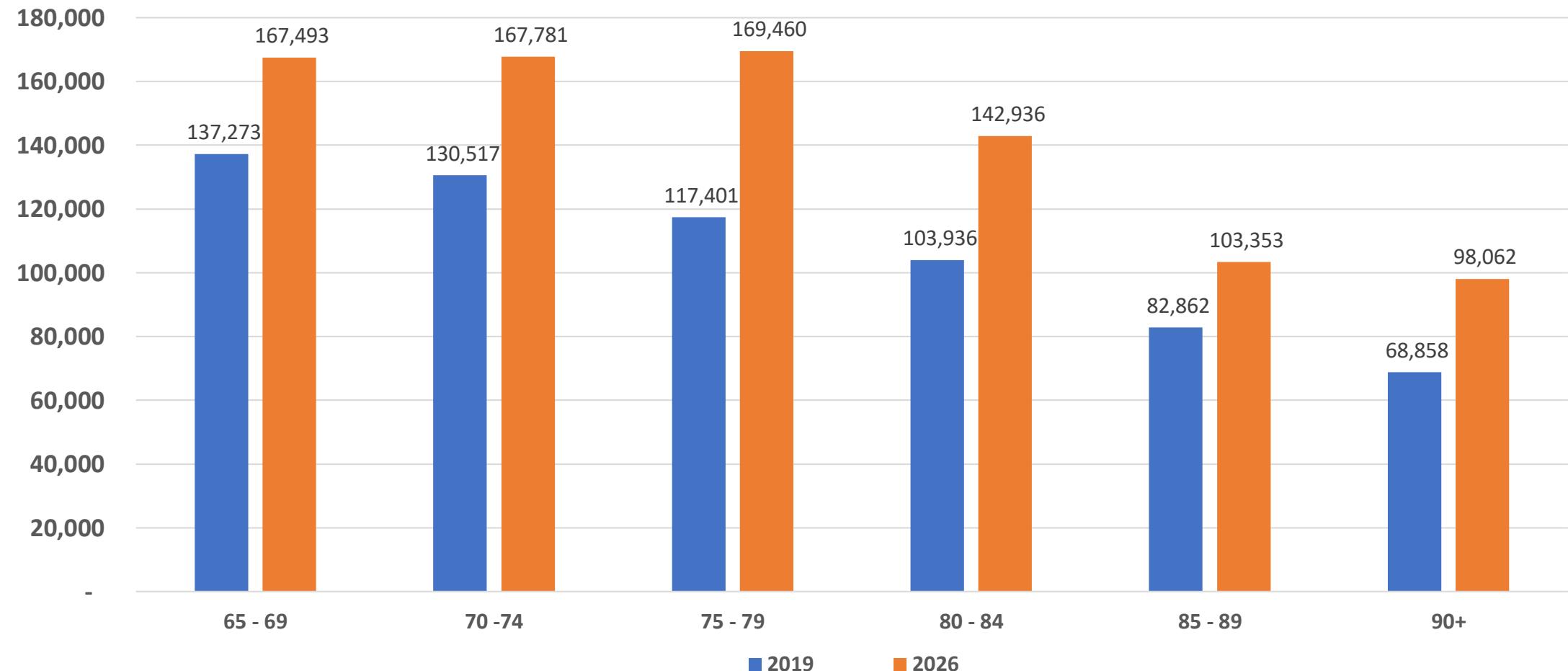
# Adult ICU Hospital Bed Utilization, January 2021 – August 2022 Selected Counties



# Ratio of 2019 Actual to 2026 Projected Hospitalizations



# HASC Region 2019 Actual versus 2026 Projected Hospitalizations



# AB 962 From the 2019 Legislative Session

- [Health and Safety Code Section 1339.85-1339.87](#) requires the Department of Health Care Access and Information (HCAI) to develop and administer a Hospital Supplier Diversity Reporting Program to collect and post hospital supplier diversity reports explaining the hospital's supplier diversity statement and procurement efforts regarding certified minority, women, lesbian, gay, bisexual, transgender (LGBT), and disabled veteran business enterprises.
- Hospitals, with operating expenses over a specified amount, are required to annually submit a report to HCAI on their minority, women, LGBT, and disabled veteran business enterprise procurement efforts.
- This bill, sponsored by The Greenlining Institute, is modeled on several successful supplier diversity programs overseen by the California Public Utilities Commission and the California Department of Insurance.
- After both programs were enacted, the number of contracts going to diverse businesses skyrocketed, and advocates credit the reporting and transparency requirements created by these programs.

# AB 1214 From the 2021 Legislative Session

- Adds new groups to the definition of “vulnerable populations” for community benefit reporting purposes.
- Includes a future requirement for hospitals to prepare and submit to the Department of Health Care Access and Information (HCAI) an annual equity report, including a health equity plan to achieve disparity reduction.
- The report must include an analysis of health status and access to care disparities for patients on the basis of age, sex, race, ethnicity, language, disability status, sexual orientation, gender identity, and payor.
- HCAI will convene a Health Care Equity Measures Advisory Committee to help determine appropriate measures, which must align with measures developed by the Centers for Medicare & Medicaid Services. The advisory committee must complete its work by December 31, 2022.

# California Office of Health Care Affordability

- The Office will collect total health care expenditure data, broken down by service category (e.g., hospital care, physician services, prescription drugs, etc.).
- The Health Care Affordability Board will establish an overall health care cost growth target for changes in per capita spending in California and have the ability to set specific targets by
  - Health care sector, including payers, providers, insurance market and line of business
  - Geographic region.
  - Targets will be based on established economic indicators.
- The Office will progressively enforce compliance with cost targets, beginning with technical assistance and progressively increase to include testimony at public meetings, corrective action plans, and assessment of escalating financial penalties.

# Useful Resources

- California Health and Safety Code – [HSC 1276.4](#)
- California Code of Regulations Title 22, Division 5
  - § 70217. [Nursing Service Staff](#)
- Staffing Waiver [CDPH form 5000A](#)
- [SB 1312](#) of the 2005 - 06 Legislative Session
- [SB 541](#) of the 2007 – 08 Legislative Session