

LAGUNA HONDA DOLLARS AND SENSE?

- ❖ This year, expenditures for Laguna Honda Hospital (LHH) are budgeted at \$181,956,668. Revenues are \$133,298,508. The shortfall of \$48,658,160 is paid from the San Francisco General Fund and amounts to a subsidy of approximately \$130 per day per person.⁽¹⁾ Over the past three years, LHH's General Fund subsidy has grown 30% from \$36.9 million in 2004-05, to a projected \$38.2 million in 2005-06 and \$48.7 million in 2006-07.⁽¹⁾
- ❖ The approximate number of beds filled per day at LHH was 1030. Based on current year projections, the cost per patient is more than \$176,660 per year, or \$484 per day.^(1, 2)
- ❖ The Department of Public Health has a total budget of \$1,228,474,613 in 06-07.⁽¹⁾ DPH spends 14.8% of its budget on LHH, while serving just one percent of the total population served by the Community Health Network.^(1,3)
- ❖ In May 2005, the estimate for the LHH rebuild was over \$600 million. The City Controller estimated that San Francisco could either build 1,200 nursing facility beds or build a smaller LHH (780 beds) and use the operational savings to serve about 600 people per year in the community, for a total of 1800 people served. Each nursing facility bed will cost more than twice the cost of each Assisted Living or Supported Housing unit.⁽⁴⁾ San Francisco has not yet decided how to proceed.⁽⁴⁾
- ❖ According to the City Controller, the cost of the rebuild is at least \$500,000 per bed.⁽⁴⁾ According to the U.S. Department of Justice, the cost of serving homeless people with mental illness and substance abuse problems would be about \$50,000 per year, including subsidized housing and medical care.⁽⁵⁾
- ❖ **The DOJ commented that "Consumption of [LHH rebuild costs] and operating resources, particularly when federal, state, and local budgets are tight, is likely to constrain San Francisco's ability to continue expansion of more appropriate integrated community resources."⁽⁵⁾**

References

1. San Francisco Dept. of Public Health FYs 04-05, 05-06, and 06-07 Budgets.
2. Laguna Honda Hospital Annual Report 2004-05, June 20, 2006
<http://www.sfdph.org/chn/LagunaHondaHosp/docs/LHHAnnRpt06202006.pdf>.
3. Department of Public Health Annual Report 2004-05
<http://www.sfdph.org/Reports/2004-05AnnRpt/FnlAnnRpt2005n01.pdf>
4. Harrington, E., "Laguna Honda Replacement Program: Where do We Go From Here?" May 19, 2005
<http://www.sfgov.org/site/uploadedfiles/controller/reports/LHrpt1.pdf>
5. April 1, 2003 Letter from the Department of Justice to Dennis Herrera, City Attorney, regarding Investigation of Laguna Honda Hospital and Rehabilitation Center.

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