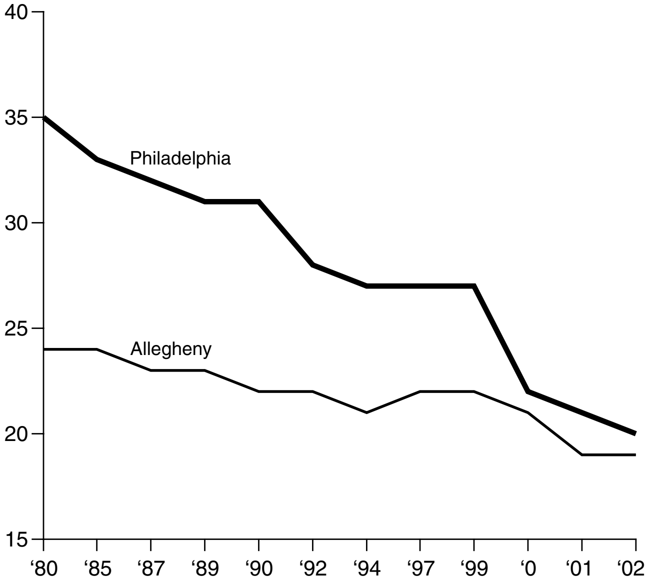
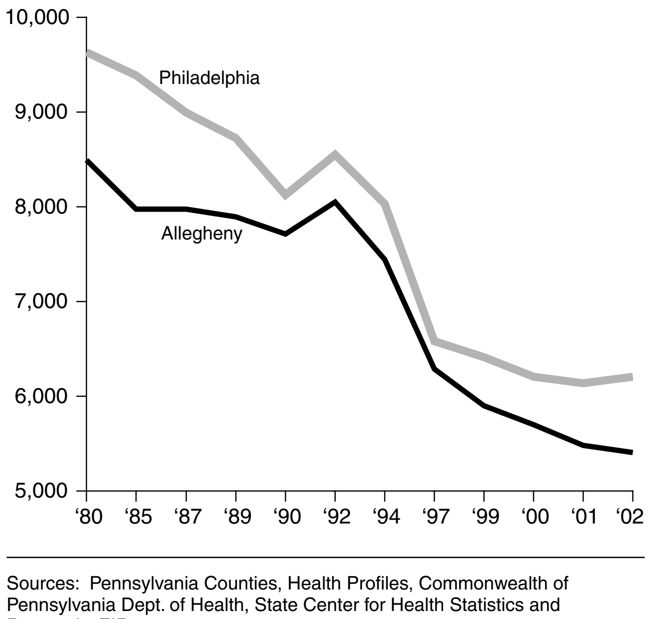
FIGURE 6
Loss of Hospitals, Allegheny and Philadelphia Counties, 1980-2002
(Number of Hospitals)



Sources: Pennsylvania Counties, Health Profiles, Commonwealth of Pennsylvania Dept. of Health, State Center for Health Statistics and Research; *EIR*.

FIGURE 7
Loss of Hospital Beds, Allegheny and Philadelphia Counties, 1980-2002
((Number of Beds)



Sources: Pennsylvania Counties, Health Profiles, Commonwealth of Pennsylvania Dept. of Health, State Center for Health Statistics and Research; *EIR*.

California's Hospitals Closing, More Cuts Ahead

by Linda Everett

The Los Angeles County Board of Supervisors announced on Sept. 13 that Los Angeles County will lose yet another of its trauma centers—the Martin Luther King-Charles Drew Center which serves the very, very poor population of Watts. The King-Drew Hospital and Trauma Center was built after the 1965 Watts riots to serve the inner city population. Now, the Trauma Center is to close within 90 days—and it is not yet known if the Hospital itself will survive its multitude of financial crises. The shutting of the trauma center is emblematic of the crisis devastating California's entire healthcare infrastructure.

California displays in extreme form the physical destruction of healthcare capability which has resulted, over 25 years, from the replacement of the national hospital-sufficiency strategy of the 1946 Hill-Burton Law, with the "free market-driven" healthcare of the 1973 HMO law passed under Nixon, with its totally illusory "cost-containment" veneer. The percentage of California's population "covered" by managed care or health maintenance organizations (HMOs) is double that of the nation as a whole. Therefore, many more hospitals and physicians in California, than in other states, are reimbursed at *below their own costs* for care they provide to patients. Far more California hospitals are operating in the red, and closing. And the problem is getting worse as "Terminator" Gov. Arnold Schwarzenegger cuts down the state's health insurance program.

The most populous state in the country is officially in a healthcare meltdown, with its hospitals, Emergency Departments (EDs), and trauma centers facing mounting risks on all fronts. According to the head of the California Medical Association, every hospital in the state is "on the verge of a whole series of unraveling events." Only through an FDR-type "Super TVA" proposed by economist Lyndon LaRouche, a national program of economic infrastructure construction and credits to states, could California dodge what will otherwise quickly become a public health catastrophe.

A Beds-per-Population Emergency

According to the California Healthcare Association *CHA,* 70 acute care hospitals closed in California between 1993 and 2003—a 13.33% drop in hospital capacity. During the same period, about 11,000 staffed hospital beds were lost (staffed beds are those which are both licensed *and* have the requisite staff available to care for patients). As the state's population grew by 13.44% over that decade, acute care hospital bed capacity dropped by 14.24%.

A real measure of how well a state can provide for its sick and disabled population is the ratio of hospital beds per 1,000 population. The minimum national standard set by the 1946 Hill Burton Law was 4.5-5.4 beds per 1,000 population. In 1993, California had 2.5 medical-surgical beds per 1,000 population, statewide. The California Office of Statewide Health Planning and Development reports that, between 1992 and 2001, the number of *licensed* med-surgical hospital beds dropped by 11%, and the per-capita ratio to 2.13 beds/1,000 population. The number of licensed beds is much higher than the actual number of staffed beds. By 2003, the statewide ratio dropped to just 1.9 beds per 1,000.

It has continued to fall during 2004, as seven more hospitals in the state have closed—six of them in Los Angeles County—with at least three more slated for closure in the county. The CHA told *EIR* that in 2004, California will have lost another 1,000 hospital beds—more closings and downsizings are imminent—as the state population grew to 36 million residents. The bed/population ratio will fall to 1.8/1,000.

On Sept. 8, the infamous and largest for-profit hospital cartel in the nation, HCA, announced it will close the San Jose Medical Center, with its Emergency Room and Trauma Center, in December—three years earlier than expected. That will leave downtown San Jose, which has a diverse population, without a hospital, ER, or trauma center. HCA intends to raze the hospital to sell off the lucrative property.

The epicenter of the crisis is Los Angeles. L.A. County is the nation's largest, covering 4,084 square miles, larger than the combined areas of Delaware and Rhode Island. It has the largest population (10,103,000 as of 2004) of any county in the nation, and it is exceeded by only eight states. L.A. County has lost 27 acute care hospitals in a decade, from 126 in 1994 to 99 in 2004. Besides the seven closed in 2004, seven other hospitals in the County have either scaled back or eliminated mental health care units. Of its 23 trauma centers, 13 have closed or were downgraded to emergency rooms. Now, it will lose the Watts trauma center—and possibly more hospitals, since the County health system is verging on collapse.

EDs all over the state are overcrowded, and understaffed, and some are forced out of business, even if their attached hospitals don't close. One disastrous Federal act, the 1973 Health Maintenance Organization and Resources Development Act, eventually wrecked both the infrastructure and financial ability of hospitals to treat patients. Another Federal law, the Balanced Budget Act of 1997, gutted reimbursement rates to hospitals and doctors. Throughout the 1993-2003 period, some hospitals closed their EDs to bar uninsured patients, as well as those "covered" by managed care and health maintenance organizations (HMOs), which were notorious for simply not paying ED doctors and specialists for treating emergency patients. Several private hospitals are either eliminating certain emergency services, such as orthopedics, or privatizing their emergency rooms, that is, closing them to ambulances.

Now, 58% of California's hospitals operate in the red. Hospitals that contract with state's Medicaid program, called Medi-Cal, are locked into a five year freeze on their reimbursement rates—it doesn't matter how much or how costly the care a patient needs, the hospital will be paid the same low rate.

7.5 Million Uninsured

The uninsured population in California is higher than the 18.7% documented for 2003, when it was already 3.6% higher than the rest of the nation. While one in five is uninsured in the state, in Los Angeles, it is one in three. California hospitals provide $5.1 billion in uncompensated care to the state's indigent population annually. Private hospitals dealt with the ever-growing number of uninsured by transferring these patients to Los Angeles County public hospitals. But the L.A. County health system has been in crisis since 1988. In 2002, it closed 16 community health clinics. In 2003, it restricted the number of uninsured patients that private hospitals could transfer to its public hospitals. Federally-funded community health centers are overwhelmed by the uninsured.

There are an estimated 2.2 million undocumented workers in California. The Bush Administration plans to "help" hospitals nationally to cover the costs of emergency care to illegal immigrants, but only under the condition that hospitals force their already frenzied ER staff to act like the Border Patrol and quiz every patient on their status: Are they citizens, documented, illegal; do they have visas, current authorization cards? Of the $1 billion Congress allotted for this over four years, California, if its hospitals willingly police immigrants, would get the largest amount—about $72 million a year.

But Los Angeles County alone spends $350 million a year on treating undocumented immigrants.

The state's fascist Governor, Arnold Schwarzenegger, has pledged to cut $400 million from the state's Medicaid program (Medi-Cal); this would result in a loss of another $400 million more in Federal matching funds. In addition, Schwarzenegger plans to restructure Medi-Cal, inflicting higher co-pays and reducing services for some of the state's poor and disabled. This plan is so controversial that Schwarzenegger has twice held off release of his mega-restructuring outline. It will allegedly be released in January 2005 with the budget.

California already ranks dead last in what Medi-Cal reimburses its hospitals. Doctors are in a pitched battle with Medi-Cal because their fee-for-services reimbursement rates are being slashed by 5%. This arbitrary cut had devastating results: 55% of physicians in California refuse to accept any new Medi-Cal patients in 2003. Disabled children and those with chronic conditions were hit the hardest.