Budget cuts create intolerable conditions in California nursing homes

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Last November, 57-year-old Courtney Cargill, then a resident at the South Pasadena Convalescent Hospital in Southern California, left the facility one morning to purchase gasoline. She then used the fuel to set herself on fire.

Known by staff to be delusional and suicidal, she was nonetheless allowed to move freely despite her mental condition.

Cargill's badly burnt body was found by a couple returning home and she died the day after at a nearby hospital. Before death Cargill managed to tell police that she burned herself because she was "afraid to go back to that [the South Pasadena Convalescent] hospital."

The facility and others under the management of Brius Healthcare Services—one of the largest nursing home operators in the state—have been the targets of numerous lawsuits in recent years, as well as state and federal investigations into deplorable and abusive conditions.

Brius' expansion has been fueled by the purchase of poorly rated or struggling hospitals and nursing homes by investors who pick them up at cut-rate prices. The company follows a simple business model—pocket high profits by reducing costs that result in miserable conditions for elderly residents.

At the South Pasadena location where Cargill was staying, now decertified, police reported receiving an average of sixty 911 calls per month, and much more frequently for violent crimes. This is up from 2013 when the phone system in the building routed 911 to an on-site nurses station instead of to an emergency dispatcher.

Last May at the Wish-I-Ah hospital in Fresno, also part of Brius, and recently shut down, a 67-year-old patient collapsed, and neither the attending nurse nor the nursing assistant knew how to properly administer CPR.

The Brius company is certainly responsible for the deplorable state of its nursing homes, up to and including avoidable deaths. However, the company only typifies the deterioration of care in an industry that is increasingly dominated by major investment firms making fortunes by squeezing the life savings out of retirees and their families. In many cases, big investors construct a web of shell companies to protect themselves from lawsuits.

A recent investigative report by the *Sacramento Bee* noted, "As private investment groups scoop up an ever-larger share of the nation's skilled-nursing care market, it has become increasingly difficult to decipher who owns the nation's largest chains.

"Elder-care advocates will tell you this is no accident: A convoluted ownership structure, they say, is a way for owners to hide assets and shield themselves from civil and criminal liability when patients are abused or neglected in their care. Confusing lines of ownership also make it harder for regulators to detect worrisome patterns of care among facilities within a chain."

To cite other examples, at Roseville Point Health and Wellness Center in Northern California, a woman was admitted with the specific request that she not be given antipsychotic drugs under any circumstances. According to the woman's daughter, she was forced into a wheel chair and given an antipsychotic called Haldol against her will. She died of heart failure in a vegetative state about two weeks later, a known side effect of the drug.

In Watsonville, California, two nursing homes paid $3.8 million in damages in May after being accused of giving "substandard or worthless services." A 2010 survey of these nursing homes found a medication error

rate of about 10 percent.

According to Brius' owner, Shlomo Rechnitz, the interest of state regulators is a new phenomenon. In an interview with the *Sacramento Bee* he said, "We've always been kind of the golden child of the state, where they've constantly called us in and asked us to take over (troubled) facilities, which we did."

The austerity measures being implemented by the Democratic administration of Governor Jerry Brown have only worsened these conditions. Brius is a private health care provider that is contracted by the state. Cuts in government funding to such private providers are essentially passed on to elderly patients, as the companies cut staff and reduce services to maintain a profit.

While self-serving, Rechnitz's characterization of the government's indifference is accurate. In an interview with the *Bee*, the Brius owner said, "The state wants nothing to do with these people, the county wants nothing to do with these people, the hospitals want nothing to do with these people. … There's no place for these patients to go except one place: Skid Row. That is what the state of California has designated as their mental health program."

In California's 2015-2016 budget, supposedly overgenerous retiree health benefits are criticized as a severe problem. The Brown administration, in its fiscal 2015-2016 budget passed in collusion with the state legislature, is focused on paying off state debt rather than restoring social programs slashed to the bone, in particular after the 2008 crash. In other words, the state is paying interest on municipal loans primarily held by hedge funds, High Net Worth Individuals and other social parasites. By defunding the Gridley and South Pasadena nursing homes alone, the Brown administration can effectively reallocate $1,250,000 a month for debt servicing.