

October 18, 2022

**MOTION BY SUPERVISORS KATHRYN BARGER AND JANICE HAHN**

**Evaluating the Opportunities of Distinct Part Skilled Nursing Facilities**

Los Angeles County has prioritized providing a comprehensive continuum of services for those in need of wholistic health and mental health care. This continuum ranges from outpatient care, to intensive inpatient psychiatric acute, to supportive residential, and has been essential to the County’s health, mental health and public health treatment priorities.

While the County has made great strides in aligning our efforts to increase the availability of long-term treatment and supportive beds in our county network, the growing demand and declining private bed network has placed increase pressure on our county healthcare system to both add requisite beds and do so in a strategic fashion that is mindful of operational funds.

One type of facility currently not employed by the County is distinct part skilled nursing facilities (DP/NFs). DP/NFs are skilled nursing facilities that operate as a distinct part of a larger institution or hospital and provide skilled nursing services under the license of a general acute care hospital. In serving as a long-term step-down level of care, DP/NFs could address a portion of the bed shortage challenge for both our physically and mentally ill patients. The County has also experienced an increased closure rate of skilled nursing facilities that accept Medi-Cal and board and cares, exacerbating the bed shortage. DP/NFs also can offer more favorable state and federal reimbursement rates that would allow the County to draw down the ongoing funds to support this expansion of services.

**WE, THEREFORE, MOVE** that the Board of Supervisors direct the Department of Health Services, in consultation with the Department of Mental Health, the Alliance for Health Integration, the Chief Executive Officer and County Counsel, to explore the feasibility of establishing distinct part skilled nursing facilities (DP/NFs) in Los Angeles County and report back to the Board in writing in 60 days on their findings, including, but not limited to evaluating:

1. Best practices of DP/NFs operated by other California counties;
2. Projected patient population that could be served in these facilities;
3. Financial projections to operate a DP/NF, as well as state and federal funding streams and reimbursement structures to support these facilities;
4. Legal and regulatory limitations to operating DP/NFs; and,
5. Space and bed requirements to effectively establish a DP/NF, as well as county and non-county property options for housing these programs.

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