

Date of Hearing: April 28, 2021

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Lorena Gonzalez, Chair

AB 279 (Muratsuchi) – As Amended April 15, 2021

Policy Committee: Health

Vote: 11 - 2

Urgency: Yes

State Mandated Local Program: Yes

Reimbursable: No

**SUMMARY:**

This bill prohibits the owner of an Intermediate Care Facility (ICF) or a Skilled Nursing Facility (SNF) from terminating, or making significant changes to, its skilled nursing or supportive care services during the state of emergency related to coronavirus disease 2019 (COVID-19) unless the owner files a bankruptcy petition.

**FISCAL EFFECT:**

Negligible.

**COMMENTS:**

- 1) **Purpose.** According to the author, seniors in residential care facilities are among the most vulnerable to the COVID-19 pandemic. The author argues we have a moral obligation to do everything we can to protect seniors from eviction or transfer trauma.
- 2) **Background.** SNFs care for patients who need skilled nursing care on an extended basis, while ICFs provide inpatient care to ambulatory or non-ambulatory patients who do not require continuous skilled nursing care.

In September of 2015, then Attorney General Kamala Harris granted conditional consent to a request to sell four facilities to Pacifica Companies, LLC. As a condition of sale, Pacifica agreed it would not substantially change the culturally sensitive living environment of the healthcare facilities for at least five years. Those conditions expired on Feb. 4, 2021, and Pacifica has presented to the City of Los Angeles a proposal to convert one of the healthcare facilities into multi-unit apartments.

On February 26, 2021, Pacifica Companies sent a letter to residents and their families at Sakura ICF, the facility being closed, notifying them, beginning March 1, 2021 Sakura will start discussions regarding new placement options and identifying facilities that offer bicultural food, activities and language capability.

Experts in elder care indicate transfer to a new facility can be traumatic, especially if not well-managed or for individuals suffering cognitive decline. This bill would prohibit a closure unless the owner files a bankruptcy petition.

- 3) **Support.** Consumer, aging and Asian community advocacy organizations support this bill. California Advocates for Nursing Home Reform states that involuntary discharge during the pandemic to a facility with a deadly history is the danger facing residents of Sakura Gardens, one of the last California facilities to give Japanese-speaking residents a culturally-

appropriate and secure home in their old age. The Office of the State Long-Term Care Ombudsman supports this bill and states that one of the most serious threats facing residents of California's SNFs and ICFs has been the trauma of forced involuntary transfer to locations away from friends, families, and advocates. The office states California and federal law give residents and their families the right to participate in the selection of any new home before transfer and require adequate notice and the opportunity for an appeal, but these laws are routinely ignored by facility owners, even during the current state of emergency.

- 4) **Opposition.** The California Association of Health Facilities (CAHF) opposes this bill, stating that while CAHFs understand the concern about displacing frail and elderly residents from a certain ICF in Los Angeles during the COVID-19 pandemic, CAHF believes this bill's provisions are inappropriately broad and incorrectly apply statewide to all types of LTC facilities that are not ICFs and that do not care for similar individuals and they are not governed by the same requirements. CAHF contends that as drafted, this bill will do more harm than good by applying certain unworkable restrictions to a broad category of facilities and putting patient care at risk.

**Analysis Prepared by:** Lisa Murawski / APPR. / (916) 319-2081