

ADVISORY GROUP ON Elimination of Duplicative and Non-Essential Services PROPOSAL #: AGDNES # 31  
 SUBJECT: DHH - Sale/lease of Villa Feliciana DATE ADOPTED BY ADVISORY GROUP: November 9, 2009  
 COMMISSION ACTION: ADOPTED DATE: November 17, 2009 RECOMMENDATION #: 110

**RECOMMENDATION:** Department of Health and Hospitals to study appropriate role and determine best future use of Villa Feliciana (VF) Medical Complex either as a medical facility or otherwise.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
<p>DHH to continue review operations of VF to determine best future use of VF Medical complex either has a medical facility or otherwise. Specifically: (1) what is its appropriate role; (2) is there a more effective way to provide the same services or serve the same population; and (3) what is the long-term strategy to address the need that Villa Feliciana historically has filled.</p>	<p>DHH, Office of Aging and Adult Services, Legal</p>	<p>VF is a unique facility providing a variety of acute and long-term care services, including inpatient care for non-complaint TB patients. This provided no where else in LA. Historically, VF has been the "safety net placement" for difficult to care for patients that have not been able to maintain placement in private facilities. Admissions come almost exclusively from other facilities that have not been able to effectively address patient needs.</p>	<p>Further review is needed to determine the ongoing need for the state to operate a "safety net" facility such as VF and whether there are feasible, alternative ways to fulfill this need. The results would dictate the future direction for VF.</p>	<p>One-time SGF dollars to close (leave payout &amp; unemployment): \$1,951,436. Ongoing SGF dollars after closure assuming retention of VF: \$3,588,206 (retirement \$2,280,000 &amp; building maintenance \$1,308,206). Estimated SGF dollar savings to Medicaid (note: ancillary services such as pharmacy are in the VF base rate and are carved-out and paid fee-for-service for private facility patients thus complicating a rate comparison and projected savings to Medicaid) - MVA payments to VF SGF= \$3,680,853 for Medicaid SNF payments only. - MVA payments to private SGF = \$1,907,677 for a savings of \$1,773,175 in SGF/year for Medicaid. Net SGF Cost ongoing assuming retention of the facility: (\$1,814,825)/year Net SGF Cost ongoing assuming sale of VF (\$506,825)/year. Note: These estimates do not factor in DSH payments to VF of \$1,026,000 potential Medicaid hospital costs for 200 inpatient days (at VF unit) at a daily per diem of \$467.43 (SGF of \$26,176), nor revenue from sources other than medicaid.</p>	<p>DHH strategy is to move away from providing direct care, but VFs patients have historically been those whose needs have not been effectively met elsewhere. DHH to continue internal review.</p>