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COUNTY OF LOS ANGELES
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313 N. Figueroa, Los Angeles, CA 90012
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September 30, 2002

TO: Each Supervisor

FROM: Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

SUBJECT: REPORT BACK ON 1115 WAIVER EXTENSION STATUS

On Friday, the Department and the State held the last of the three scheduled community meetings on the health care crisis in Los Angeles County. The community meetings were well attended and sparked some thoughtful discussions. After each meeting, the State and County convened to review the day's testimony and work on the development of a joint State/County Waiver proposal. Our immediate goal is to receive final approval from the State on the joint document this week so that it may be forwarded to Centers for Medicare and Medicaid Services (CMS) in advance of our October 9 meeting with Tom Scully.

The centerpiece of our Waiver extension proposal is the health coverage program, LA Access. Consistent with the Bush Administration's policy goal of expanding the number of people with health coverage through more efficient use of existing Medicaid expenditures, this program will provide meaningful health coverage to the 500,000 uninsured annual users of the LA County DHS system who are under 200% of the Federal Poverty Level.

Through a partnership with LA Care Health Plan, the Department plans to build on their existing infrastructure to enroll and give unique patient identifiers to our patients – a long-standing goal of the Department. With enrollment and improved information systems, we can begin to address the fragmentation and inefficiencies in our delivery system. Patient utilization and other trends may be monitored and responded to appropriately. It also brings the opportunities for cost savings and improvements in quality through the use of case and disease management, coordination of care, a centralized referral system and a nurse advise line.

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The Department's proposal includes both additional funding and flexibility in the way we are reimbursed to remove the disincentive to deliver care in the most cost-effective venue. The Waiver proposal supports a four acute care hospital system, preserves our current ambulatory care delivery system, PPP program and the addition of a Multi-Service Ambulatory Care Center in the Antelope Valley as well as our current ER/Trauma capacity.

Press reports about the reluctance of Federal officials to provide increased funding to LA County's health system are cause for concern. However, the Department has not had the opportunity to present this proposal to Federal officials. We had originally hoped to have this meeting in August so that there would be additional time for a meaningful dialogue with State and Federal officials prior to October 29 when the Department will report back to you on whether additional service reductions are necessary. This highlights the importance of the October 9 meeting.

Please let me know if I may provide you any additional information.

TLG:jw

C: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors