BOARD OF SUPERVISORS

Gloria Molina
First District

Yvonne Brathwaite Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

February 2, 2004

TO: Each Supervisor

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

SUBJECT: RENEGOTIATION OF MEDICAL SCHOOL AFFILIATIONS

When I assumed my current position on February 1, 2002, I found that the Department of Health Services had three distinct affiliation agreements with three distinct sets of issues. I also found that a redesign of the system would depend completely on whether we could craft a solution to our budget problems. As you recall, it took us until February 7, 2003 to gain the public announcement of the State and Federal portions of the solution. Over the ensuing several months, the Department worked to implement Scenario III including running a cascade, challenging the lawsuits and injunctions, and negotiating the remaining State and Federal issues.

During this time, I did pursue a strategy of system redesign and reform. In addition to our Neonatal Intensive Care Unit (NICU) Project, I developed an issue paper and principles for a task force on clinical care and provider education. I obtained commitments from two national leaders in this area to serve on that task force. On July 26, 2003, I held a special meeting to discuss the proposed plan with representatives from the three medical schools. On August 7, 2003, the plan for pursuing this clinical redesign of care and affiliations was discussed at our Health Leadership Board. We were in the process of scheduling the first meeting of the task force when I became aware of the notice of summary withdrawal of the surgery training program at KDMC. We prioritized the overhaul of King/Drew hospital operations and training as the most important issue for the Department. The redesign task force was overtaken by the Satcher led Task Force on Graduate

Medical Education at King/Drew Medical Center. Without some reasonable certainty regarding the fate of training at King/Drew, the redesign and interdependent renegotiation of our affiliation agreements is nearly impossible.

I am committed to the pursuit of further redesign. In my memorandum to the Board on January 9, 2004, I outlined my intention to devote a full time position (Senior Medical Director for Clinical Affairs and Affiliations) to oversee and renegotiate our affiliation agreements among other duties. With your Board's acceptance of the plans laid out in that memo, Dr. Robert Waters has agree to work on these responsibilities on an interim basis while we finalize the position and fill it.

Today, I sent letters to Charles R. Drew University, USC and UCLA informing them that the Department intends to renegotiate our affiliation agreements. The negotiation with Drew University will drive the pace of the negotiations as we have set a six month timeframe for its completion. We are setting a one year target for finalizing the agreements with USC and UCLA. While there are many elements of the agreements that are similar, there are distinct differences. During the most recent previous negotiations, the need for all Universities to accept common elements was a factor in extending the length of the negotiations to nearly three years. We will make every effort to avoid such delays this time.

I anticipate that the negotiations will center on the following questions:

1. How do we create a system of care and education that addresses the Institute of Medicine's target areas for improvement: 1) team-based medical practice, 2) evidence based care, 3) quantitative measurement of performance and outcomes, and 4) patient-centered health care?

2. How do we improve the health of individuals and populations, especially those with the greatest health needs, the greatest health disparity and the fewest options for appropriate care?

3. How do we determine which residencies we run and their size?

4. How do we initiate, consolidate or eliminate programs in order to enhance overall quality and efficiency?

5. How do we provide incentives to faculty for excellence and productivity in patient care and education? How do we measure their success? How do we assure accountability?

6. Where do residents work and who pays for their time?

If there has been a single factor that has slowed the redesign of our care system, it is the instability of the healthcare environment in Los Angeles and especially in the Department. Recent events suggest that this environment is even more unstable than previously thought. As we undertake this effort, we must use that instability to allow us to make the kind of substantive changes that will sustain the healthcare safety net for the long term.

Please let me know if you have any questions.

TLG:tlg

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