

Hammond



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

April 4, 2005

To: Supervisor Gloria Molina, Chair
Supervisor Yvonne Brathwaite Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

REQUEST TO APPOINT HENRY ORNELAS TO THE MANAGEMENT POSITION OF CHIEF OPERATIONS OFFICER LAC+USC HEALTHCARE NETWORK

Consistent with the Board of Supervisors' August 4, 1998 and December 5, 2000 actions on management appointments, the Department of Health Services requests authority to appoint Henry Ornelas to the position of Chief Operating Officer LAC+USC Healthcare Network (Hospital Administrator II) at an annual salary of \$159,604 (\$13,300.33 per month). The requested salary is at the maximum of the fourth quartile for this Salary Range 15 position. Additional information, including the original request from Health Services and an organization chart, is provided. The item is vacant and funded within the Department's 2004-05 Adopted Budget.

His responsibilities will include acting as administrative officer for the Network with responsibility for directing and controlling the operation of Diagnostic Services (e.g. laboratory, pharmacy, non-invasive services), Clinical Support Services (e.g. dietary, social work, volunteers), Materials Management, Facilities Management, and Clinical Engineering. The position is also responsible for management of personnel, fiscal, and operational activities; development of policies impacting defined patient support services; development of hospital reports in consultation with the CEO; and maintenance of relationships with the community, professional organizations, external accreditation/licensure agencies and County administrative offices in matters impacting Network administration.

Each Supervisor
April 4, 2005
Page 2

The Department indicates that Mr. Ornelas has more than 20 years of experience in hospital operations, as well as extensive experience in cost reduction, construction administration, clinical program development, performance improvement projects, and hospital accreditation surveys. In his current capacity as Chief Operating Officer at a 346-bed licensed acute care facility with Level 1 Trauma in El Paso, Texas, Mr. Ornelas supervises the Chief Nursing Officer and direct reports from 12 ancillary and support services departments. This entails oversight of more than 1,300 employees and administration of annual operating and capital budgets of approximately \$80 million. The Department concludes that Mr. Ornelas is highly qualified and possesses the specialized knowledge, skills, and experience to perform in this critical position.

Based on the information provided by the Department regarding Mr. Ornelas' experience and qualifications, we concur with their request to appoint him to the position of Chief Operating Officer LAC+USC Healthcare Network (Hospital Administrator II) at an annual salary of \$159,604.

In accordance with the policy on managerial appointments, unless otherwise instructed by your offices by April 11, 2005, we will notify the Department that they are authorized to proceed with the appointment effective April 12, 2005.

If you have any questions or concerns regarding this appointment, please call me or your staff may contact Burt Kumagawa of this office at (213) 893-9742.

DEJ:DL
SS:BK:bjs

Attachment

c: Executive Officer, Board of Supervisors
Director of Health Services
Director of Personnel



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) 240-8107

MAR 25 2005

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

March 23, 2005

TO: Sheila Shima, Assistant Division Chief
Health Team
Chief Administrative Office

FROM: Sachi Hamai, Director
Administrative Services

SUBJECT: **REQUEST TO APPOINT HENRY ORNELAS TO THE MANAGEMENT POSITION OF
CHIEF OPERATIONS OFFICER LAC+USC HEALTHCARE NETWORK (HOSPITAL
ADMINISTRATOR II)**

On October 1, 2002, the Board of Supervisors instructed that all Department Heads obtain the approval of the Board prior to filling any administrative or management positions with an annual salary in excess of \$107,000. As directed in this Board policy, the Chief Administrative Office approval is required to fill any management vacancy.

Consistent with this policy, this is to request approval to appoint Henry Ornelas to Chief Operations Officer LAC+USC Healthcare Network (Hospital Administrator II), Item Number 8083A, at a proposed annual salary of \$159,604.00 (\$13,300.33 monthly), Salary Range 15. The Chief Operations Officer (COO) position reports directly to the Chief Executive Officer. The recommended salary is above the control point of \$133,004.00 and will place Mr. Ornelas at the maximum of the fourth quartile of Salary Range 15.

The Chief Operations Officer LAC+USC Healthcare Network acts as administrative officer for the Network with responsibility for directing and controlling the operation of Diagnostic Services (Laboratory, Pharmacy, Non-Invasive Services, etc.), Clinical Support Services (Dietary, Social Work, Volunteers, etc.), Materials Management, Facilities Management and Clinical Engineering. The position is also responsible for management of personnel, fiscal and operational activities; development of policies impacting defined patient support services; development of hospital reports in consultation with the CEO; and maintenance of relationships with the community, professional organizations, external accreditation/ licensure agencies and County administrative offices in matters impacting Network administration.

Mr. Ornelas is currently the Chief Operating Officer at R.E. Thomason General Hospital, a 346-bed licensed acute care facility with Level I Trauma, in El Paso, Texas. The facility is within the El Paso County Hospital District, which includes a Health Maintenance Organization (HMO), the West Texas Regional Poison Control Center, as well as a network of primary care and outpatient rehabilitation facilities serving a predominantly Hispanic community.

Sheila Shima
March 23, 2005
Page 2

He is a highly effective team leader with 20 years of proven senior management experience in Hospital Operations. Mr. Ornelas most recently performed as interim CEO/COO of the Hospital District for a six-month period during the recruitment and appointment of a new CEO. During this time frame, he assumed overall responsibility for decision-making and operations and was instrumental in presenting a balanced budget of \$300 million for Fiscal Year 2005 to the Board of Managers for approval. He also successfully completed the American College of Surgeons site visit for the Level I Trauma re-certification, completed negotiations and signed a partnership agreement with the Mayo Clinic Laboratories to enhance laboratory outreach efforts, completed a major \$27 million construction project on schedule and under budget from original projections.

Mr. Ornelas is very knowledgeable about county government processes and is expert at achieving organizational objectives. In his capacity as COO, Mr. Ornelas is responsible for supervision of the Chief Nursing Officer and of direct reports from 12 Ancillary and Support Services departments, including Radiology, Laboratory, Pharmacy, Rehabilitation, Occupational Health, Human Resources, Food and Nutritional Services, Facilities Management/Construction, Safety/Security/Guest Services, Materials Management, and Bio Medical and Environmental Services. This entails oversight of more than 1,300 employees and administration of annual operating and capital budgets in excess of \$80 million.

While at R.E. Thomason General Hospital, Mr. Ornelas has applied Total Quality Management practices and principles motivate and develop his direct reports to successfully prepare for hospital JCAHO surveys. As a result, two of four surveys recently undergone at the facility had no Type 1 deficiencies in his areas, and his efforts contributed to the hospital having been recognized nationally as "Top 100 Hospitals in America" in 1996 and 1997.

Mr. Ornelas' other competencies include cost reduction experience having reorganized and consolidated services to reduce cost by \$6 million; construction experience, consisting of spearheading efforts to construct various expansion and renovation projects; continuous improvement performance projects; new clinical program development experience, including development projects to enhance clinical services (MRI, Cath Labs, CAT Scanning service, Urology Service, etc.); physician performance contracting experience, having served as lead negotiator with Texas Tech Medical School to redesign the contract from a fixed rate to a results-based payment model; and customer service experience, having been instrumental in bringing the hospital consultant survey ratings to 95% and higher (e.g., food service, environmental services and engineering maintained a satisfaction rating of 99% for the past 3 years).

The promotional salary requested for Henry Ornelas is commensurate with the responsibilities of the Chief Operations Officer LAC+USC Healthcare Network position and will not create an inequity with similar Chief Operations Officer positions. Mr. Ornelas is highly qualified for this position and possesses the special knowledge, skills and experience required to successfully perform in this critical position.

Should you have any questions, or need additional information, please let me know or your staff may contact Susan Montenegro, Personnel Officer, at (323) 890-7903.

SH:nmm

R:\HR_OPS\ADMINIST\NMIMS Mgt App\HO - COO

c: Kate Edmundson
Donald Ashton
Susan Montenegro

PERTINENT INFORMATION FOR HENRY ORNELAS, CHIEF OPERATIONS OFFICER LAC+USC HEALTHCARE NETWORK (HOSPITAL ADMINISTRATOR II)

- **Certify that the position is vacant and budgeted.**

The Hospital Administrator II position is fully funded within the Department of Health Services in the LAC+USC Healthcare Network Fiscal Year 2004-2005 Budget. Therefore, there is no increase in net County cost.

Attachment I - Item Control

- **Attach an organization chart highlighting the position. Describe where the position fits into the management organizational structure.**

The Chief Operations Officer LAC+USC Healthcare Network (Hospital Administrator II) position is within the Department of Health Services and reports to the Network Chief Executive Officer. The Chief Operations Officer LAC+USC Healthcare Network acts as administrative officer for the Network with responsibility for directing and controlling the operation of Diagnostic Services (Laboratory, Pharmacy, Non-Invasive Services, etc.), Clinical Support Services (Dietary, Social Work, Volunteers, etc.), Materials Management, Facilities Management and Clinical Engineering. The position is also responsible for management of personnel, fiscal and operational activities; development of policies impacting defined patient support services; development of hospital reports in consultation with the CEO; and maintenance of relationships with the community, professional organizations, external accreditation/ licensure agencies and County administrative offices in matters impacting Network administration.

Attachment II – Organization Chart

- **Indicate current salary of the individual for whom the request is being submitted. Indicate proposed Salary, percentage increase over current salary.**

Henry Ornelas is currently the Chief Operating Officer at R.E. Thomason General Hospital, a 346-bed licensed acute care facility with Level I Trauma, in El Paso, Texas. The request to appoint Mr. Ornelas to Chief Operations Officer LAC+USC Healthcare Network (Hospital Administrator II), Item Number 8083A, includes a proposed annual salary of \$159,604.00 (\$13,300.33 monthly), Salary Range 15. The Chief Operations Officer (COO) position reports directly to the Chief Executive Officer. The recommended salary is above the control point of \$133,004.00 and will place Mr. Ornelas at the maximum of the fourth quartile of Salary Range 15. The salary requested for Henry Ornelas is commensurate with the complexity of the duties, scope and level of responsibility required of the Chief Operations Officer LAC+USC Healthcare Network position, as well as with Mr. Ornelas' professional background and management experience. Mr. Ornelas is highly qualified for the position and possesses the special knowledge, skills, and experience to successfully perform in this critical position.

Attachment III - Professional Resumé

- **Provide a listing of all equivalent internal positions within the organization.**

Attachment IV – DHS Equivalent Internal R15 Positions

- **Identify highest paid subordinate reporting to this position.**

William S. Matthews, Employee No. _____, Medical Center Unit Administrator II, Item #8079A, annual salary \$125,567.04 (\$10,463.92 monthly), Salary Range 13.

- **Identify management position above the position being requested.**

Pete Delgado, Employee No. _____, Executive Director, LAC/USC Medical Center (UC), Item #8085A, annual salary \$214,468.92 (\$17,872.41 monthly), Salary Range 16, above Fourth quartile.

- **Certification List**

- Exam Y8083E - Chief Operations Officer LAC+USC Healthcare Network

Henry Ornelas

SUMMARY

Results oriented administrator with over 30 years of hospital operations experience in the private and public healthcare sectors. Highly effective as a team builder, demonstrating a facilitative leadership style to achieve organizational and financial objectives. Strong interpersonal skills, effectual communication style and a proven track record in negotiating win-win outcomes.

PROFESSIONAL EXPERIENCE

El Paso County Hospital District dba R. E. Thomason General Hospital **El Paso, Texas**
Interim Chief Executive and Chief Operating Officer **April 2004 – September 2004**

R.E. Thomason General Hospital, a 346-bed licensed acute care facility with Level I Trauma, is a teaching hospital affiliated with the Texas Tech School of Medicine. The Hospital District also includes an HMO, the West Texas Regional Poison Control Center and a growing network of primary care and outpatient rehabilitation facilities proudly serving a predominantly Hispanic community.

During this interim period, served as CEO/COO, assuming responsibility for decision-making and operations of the Hospital District. Served in this capacity until the recruiting and hiring of the CEO was completed. Presented a balanced budget of approximately \$300 million for fiscal year 2005, to the Board of Managers for approval. Successfully completed the American College of Surgeons site visit for the Level I Trauma re-certification. Completed negotiations and signed a partnership agreement with the Mayo Clinic Laboratories to enhance our laboratory outreach program. Coordinated and delegated activities accordingly, to ensure that hospital operations continued to be efficiently and effectively administered.

Completed a \$27 million dollar construction project on schedule and under budget from original projections. Coordinated plans for the relocation of ICU, L&D and ASU into the new tower in May 2004, without disruption to patient care. The successful completion of the Tower provides a platform for the advancement of several strategic goals targeting service expansion and increasing revenue base. Maintained active communication with Board Members, Medical Staff, Associates and key community stakeholders during the transition period to assure continuity of the Hospital District's mission to deliver excellent patient care to the community.

El Paso County Hospital District dba R. E. Thomason General Hospital **El Paso, Texas**
Chief Operating Officer **August 1993 – Present**

Supervise the Chief Nursing Officer and direct reports from twelve Ancillary and Support Services Departments including; Radiology, Regional Laboratory, Pharmacy, Rehab,

Occupational Health, Human Resources, Food and Nutritional Services, Facilities Management/Construction, Safety/Security/Guest Services, Material Management, Bio Medical and Environmental Services with over 1,300 employees. Administer annual operating and capital budgets in excess of over \$80 million. Additionally responsible for administering \$300 million in gross revenues.

Construction – Over the past nine years, have demonstrated leadership in coordinating, planning, and administering numerous construction and renovation projects totaling in excess of \$50 million. Have led collaboration with stakeholders, architects, engineers and Board Members to successfully complete projects on time and within budget. Instrumental in working with architects towards development of a long-term facility construction master plan.

Experienced in working with the Texas Department of Health in reviewing construction projects for approval and ensuring licensure requirements are met. Projects include: construction of a 120,000 sq. ft., four-story patient tower which will house a 14 bed LDR unit, a 30 bed ICU unit, and a state of the art ASU department; renovation of the hospital facility's 3rd and 4th floors and conversion from semi private to private suites; a 10,000 sq. ft. Emergency Room expansion; and construction of a 27,000 sq. ft. off site Family Practice Center. Administered the construction of an \$8 million 1,200 car employee parking structure and an \$4 million 800 car patient and visitor parking structure.

Led completion of the construction of a \$2.5 million Regional Laboratory currently performing 3 million lab tests annually. This project was very challenging as the Lab was constructed within the hospital parking structure requiring close coordination with the Medical Director, architects, engineers and the Texas Department of Health.

Facilitated Board approval to construct an \$8.6 million Central Plant to replace existing outdated and aged facility. Engaged energy management consultants, who conducted a feasibility study and recommended including a 1.5 Meg. Co-Generation system, as part of the CP project. The Co-Gen return on investment was recouped in less than 4 years and earlier than projected.

JCAHO – Have experienced four surveys during tenure at Thomason General Hospital. The most recent survey was conducted in February of 2003. This marked the second consecutive JCAHO survey absent of any Type One recommendations under the Environment of Care (EOC) standards. Actively participate as a member of the Safety committee. Continuously promote a proactive approach in meeting compliance with the EOC standards. Routinely make hospital and facilities rounds as well as conduct mock surveys. Encourage and support direct reports in working towards multidisciplinary process improvement initiatives. Participated actively with surveyors during the Leadership, H.R. and Environment of Care review sessions. During all surveys, have accompanied the Administrator, Nurse or Physician during facility tours or visits to units and departments.

Implemented \$6 million in expense reductions through operational improvements targeted as a result of an operational assessment conducted by external consultants. Reorganized and consolidated several departments for optimal efficiency i.e., Engineering, Security, Patient Relations, Volunteers and Materials Management. Eliminated several positions including two

assistant administrators and worked with the CNO to realign nursing FTE's within targeted benchmarks. Aggressively pursued supply chain cost reduction opportunities, by working closely with the Materials Manager and Value Analysis Committee.

Championed a proposal to partner with Texas Tech Medical School in developing a one-stop Women's Breast Imaging Center. Developed plans to relocate the hospital-based mammography section to the University gaining support and approval from the Board of Managers.

Coordinated purchase of the Hospital's first MRI and Cath Lab as well as a second CAT scan. As part of these acquisition projects, expanded the radiology department which now handles 140,000 procedures annually, for a total capital expenditure of \$3.5 million.

Supported and promoted initiatives in attainment of customer satisfaction goals. Sustained 95% patient satisfaction for 12 months (Jan. – Dec 2002), as reported by Press Ganey. Food Services, Environmental Service and Engineering have maintained a satisfaction rating of 99% for the past three years.

Key negotiator with Texas Tech Medical School to transform reimbursement of physician services from a fixed rate contract to a results-based payment model.

Successfully negotiated the Hospital's first urology services agreement with local physician practice group venturing beyond traditional Medical School services.

Assigned to lead all negotiations with the Texas Tech Medical School for the contracting of residents and medical staff. This included negotiations valued at \$6.9 million for residents and \$5.3 million for medical staff services. This required negotiating with the medical directors of the departments of Emergency, Anesthesia, Pediatrics, Family Medicine, Pathology, Radiology, Internal Medicine, Surgery, Obstetrics and Orthopedics.

Contributed to attainment of recognition as one of the Mercer & HCIA "Top 100 Hospitals in America" in 1996 and 1997.

R.E. Thomason General Hospital

1989-1993

Held several administrative positions from Assistant Administrator for Support Services and Assistant Administrator for Operations. Promoted to Chief Operating Officer.

JCAHO - Prior to JCHAO survey, identified several significant building deficiencies and self disclosed them on the Statement of Conditions. Received three Type one's for fire alarm, medical gas and emergency power generator deficiencies. Initiated corrective measures, which included obtaining capital funding approval and administering \$2.5 million in construction activity. Projects were successfully completed and all three Type one deficiencies were removed by JCHAO.

Led revision of the Hospital Districts' procurement manual. Gained approval of the Board of Managers and Commissioner's Court to utilize Group Purchasing Program, resulting in an estimated \$1.5-\$2 million savings on supplies, services and equipment, over a three year period.

Sierra Medical Center (formerly an NME affiliate)

1982-1989

Held several management positions with increasing responsibility to include Director of Materiel's Management and Director of Support Services. Administered the operations of the Purchasing, Storeroom/Receiving, Central Supply, Environmental Services and Food Service with approximately 130 employees.

Hotel Dieu Hospital (Daughters of Charity)

1972-1982

Commenced career in healthcare upon assuming an entry level position as a Storeroom Clerk; then ascended to Director of Purchasing upon completion of college degree. Appointed to serve on the Daughters of Charity Group Purchasing Advisory Council, charged with selection of vendors for participation in the Group Purchasing program.

EDUCATION

University of Texas at El Paso

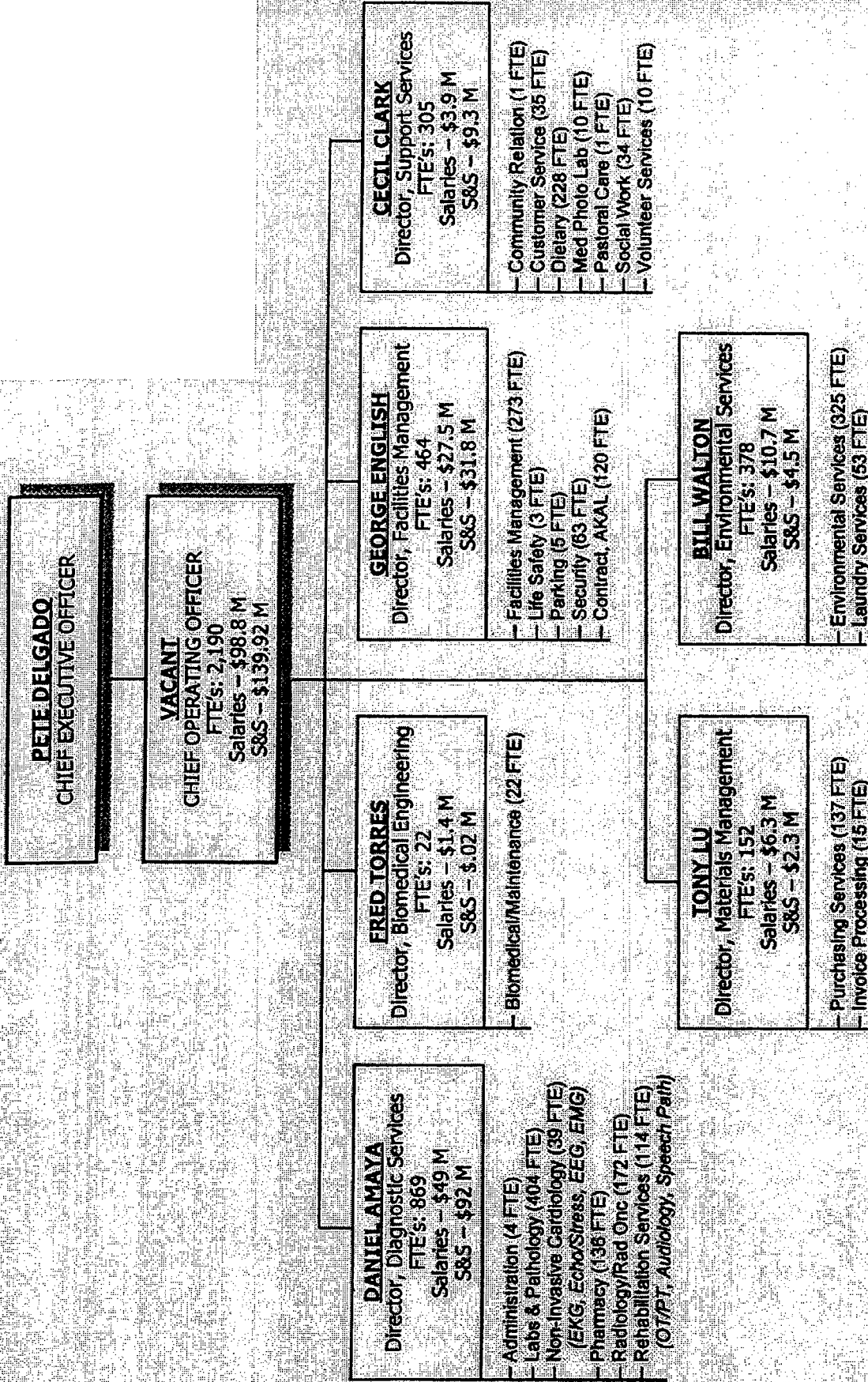
Masters in Business Administration, 1993

University of Texas at El Paso

Bachelor of Business Administration, 1982
Major in Accounting

Fluently bilingual in English and Spanish

LAC+USC HEALTHCARE NETWORK COO ORGANIZATION CHART



Approved by:

PETE DELGADO
Chief Executive Officer

Date: 3/22/05

LOS ANGELES COUNTY - DEPARTMENT OF HEALTH SERVICES
 CLASSIFICATION LIST FOR RANGE R15 AS OF 03/04/2005

Dept. No.	Last Name	First Name	Emp.#	Item No.	Sub	Payroll Title	Range	Monthly Salary	Annual Salary
110	HAMAI	SACHI		4569	A	EXECUTIVE MANAGER, HS	R15	10610.190	127322.280
110	WALLACE	JOHN		4569	A	EXECUTIVE MANAGER, HS	R15	9547.630	114571.560
200	MICKOSEFF	TECLA		8083	A	HOSPITAL ADMINISTRATOR II	R15	13300.400	159604.800
200	NAZAREY	MARGARET		5308	A	CHIEF NURSING OFFICER II	R15	11505.800	138069.600
240	ANDERSON	MELINDA		8083	A	HOSPITAL ADMINISTRATOR II	R15	13300.400	159604.800
240	KAINZ	MARIANNE		5308	A	CHIEF NURSING OFFICER II	R15	10974.680	131696.160
260	W DRESSLER	KAREN		5308	A	CHIEF NURSING OFFICER II	R15	10846.890	130162.680

