



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

July 5, 2006

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: 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

**DEPARTMENT OF HEALTH SERVICES REQUEST TO APPOINT
JOHN R. COCHRAN TO THE POSITION OF CHIEF DEPUTY DIRECTOR,
HEALTH SERVICES (UC)**

Consistent with the County's policies on management appointments, the Department of Health Services (DHS) requests authorization to appoint Mr. John R. Cochran to the position of Chief Deputy Director, HS (UC) at an annual salary of \$259,530 (\$21,627.50/month), placing him above the 4th quartile of the salary range, R-18, and represents a 5.5 percent salary increase.

Currently, Mr. Cochran is a Chief Deputy Director Health Services Operations (UC). In December 2005 he was appointed to perform as Chief Healthcare Network Officer following a nationwide search. This position is a DHS senior executive classification responsible for providing leadership and direction for the overall activities and operation of the Department's five tertiary health care facilities and ambulatory care services. Furthermore, on January 16, 2006, Mr. Cochran absorbed all of the higher level responsibilities of the Chief Deputy Director, HS (UC). In this capacity, he assumed oversight responsibility for the Health Services Administration divisions of the Operations Deputy, Chief Information Office, Facilities Director, and Office of Managed Care.

The Department indicates that Mr. Cochran is highly qualified based on his professional background with extensive healthcare management experience in the private and public sectors. Prior to joining the Department, Mr. Cochran served as the Chief Executive Officer of ALLHEALTH, a for profit subsidiary of the Hospital Association of Southern California, providing hospital security services, provider credentialing, and business

Each Supervisor
July 5, 2006
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outsourcing for the hospital industry in the Western United States. Mr. Cochran also served as Regional Vice President of Catholic Healthcare West, Southern California Region from 1998 to 2000, where he was responsible for operating 14 non-profit hospitals in Los Angeles, Orange and San Bernardino counties with more than \$1 billion in annual revenue. Mr. Cochran has also held executive positions at Martin Luther Hospital in Anaheim, CalOptima, an independent government agency in Orange County and La Palma Intercommunity Hospital.

The Department indicates that salary placement for Mr. Cochran above the 4th quartile of Range 18, with a promotional increase of 5.5 percent, would be consistent with the level of experience and knowledge that he brings to this position. Based on the information provided by DHS regarding Mr. Cochran's experience and qualifications, we concur with their request to appoint him to the position of Chief Deputy Director, HS (UC), at an annual salary of \$259,530.

In accordance with the policy on managerial appointments, unless our office is informed otherwise from your offices by July 10, 2006, we will advise DHS that authorization has been granted to proceed with Mr. Cochran's appointment to Chief Deputy Director, HS (UC) at an annual salary of \$259,530, effective July 11, 2006.

If you have any questions or concerns regarding this appointment, you may call me or your staff may contact Latisha Thompson of this office at (213) 974-1157.

DEJ:SRH:DL
SAS:DJ:LT:bjs

Attachments

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



Health Services
LOS ANGELES COUNTY

Los Angeles County
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

June 23, 2006

TO: **Sheila Shima**
Acting, Division Chief
Chief Administrative Office

FROM: *John Cherep*
John Cherep
Director, Human Resources

**SUBJECT: REQUEST TO APPOINT JOHN R. COCHRAN, III TO
THE POSITION OF CHIEF DEPUTY DIRECTOR,
HEALTH SERVICE (UC)**

Bruce A. Chernof, MD
Director and Chief Medical Officer

John R. Cochran III
Chief Deputy Director

William Loos, MD
Acting Senior Medical Officer

This is to request approval to promote John R. Cochran, III to the management position of Chief Deputy Director, Health Services (UC), Item No. 4553, at a proposed annual salary of \$259,530.00 (\$21,627.50 monthly). The requested salary includes placement on Salary Range 18 of the Management Appraisal and Performance Plan. The salary requested represents a 5.5 percent increase.

DHS HUMAN RESOURCES
5555 Ferguson Dr.,
City of Commerce, CA 90022

Tel: (323) 890-7903
Fax: (323) 838-9548

www.ladhs.org

John R. Cochran, III, is currently a Chief Deputy Director, Health Services Operations (UC), Item No. 4551, with an annual salary of \$246,000.00 (\$20,500.00 monthly). He was appointed to perform as Chief Healthcare Network Officer in December 2005 following a nationwide search. This position is a DHS senior executive classification responsible to provide leadership and direction for the overall activities and operation of the Department's five tertiary health care facilities and ambulatory care service.

Effective January 16, 2006, Mr. Cochran absorbed all of the higher level responsibilities of the Chief Deputy Director, Health Services (UC). In this capacity, he assumed oversight responsibility for the Health Services Administration divisions of the Operations Deputy, Chief Information Office, Facilities Director, and Office of Managed Care.

Mr. Cochran is highly qualified to serve in this position based on his professional background with extensive healthcare management experience in the private and public sectors. Prior to joining the Department, Mr. Cochran served as Chief Executive Officer of ALLHEALTH, a for profit subsidiary of the Hospital Association of Southern California, providing hospital security services, provider credentialing, and business outsourcing for the hospital industry in the Western United States. From 1998 to 2000, Mr. Cochran was Regional

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through leadership,
service and education.*

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Sheila Shima
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Vice President of Catholic Healthcare West, Southern California Region, responsible to operate 14 non-profit hospitals in Los Angeles, Orange and San Bernardino counties with more than \$1 billion in annual revenue. He also held executive positions at Martin Luther Hospital in Anaheim, a non-profit 250 bed hospital affiliated with the UniHealth Company; CalOptima, an independent government agency created to operate a 220,000 enrollee health plan serving all Medicaid enrollees in Orange County, with revenues of \$400 million; and La Palma Intercommunity Hospital in La Palma, CA, a 136 bed hospital owned by the UniHealth hospital company.

The salary requested for Mr. Cochran is commensurate with the scope and additional responsibilities of his new assignment. He is highly qualified for this position and possesses the special knowledge, skills, and experience required to successfully perform the higher level duties of the position.

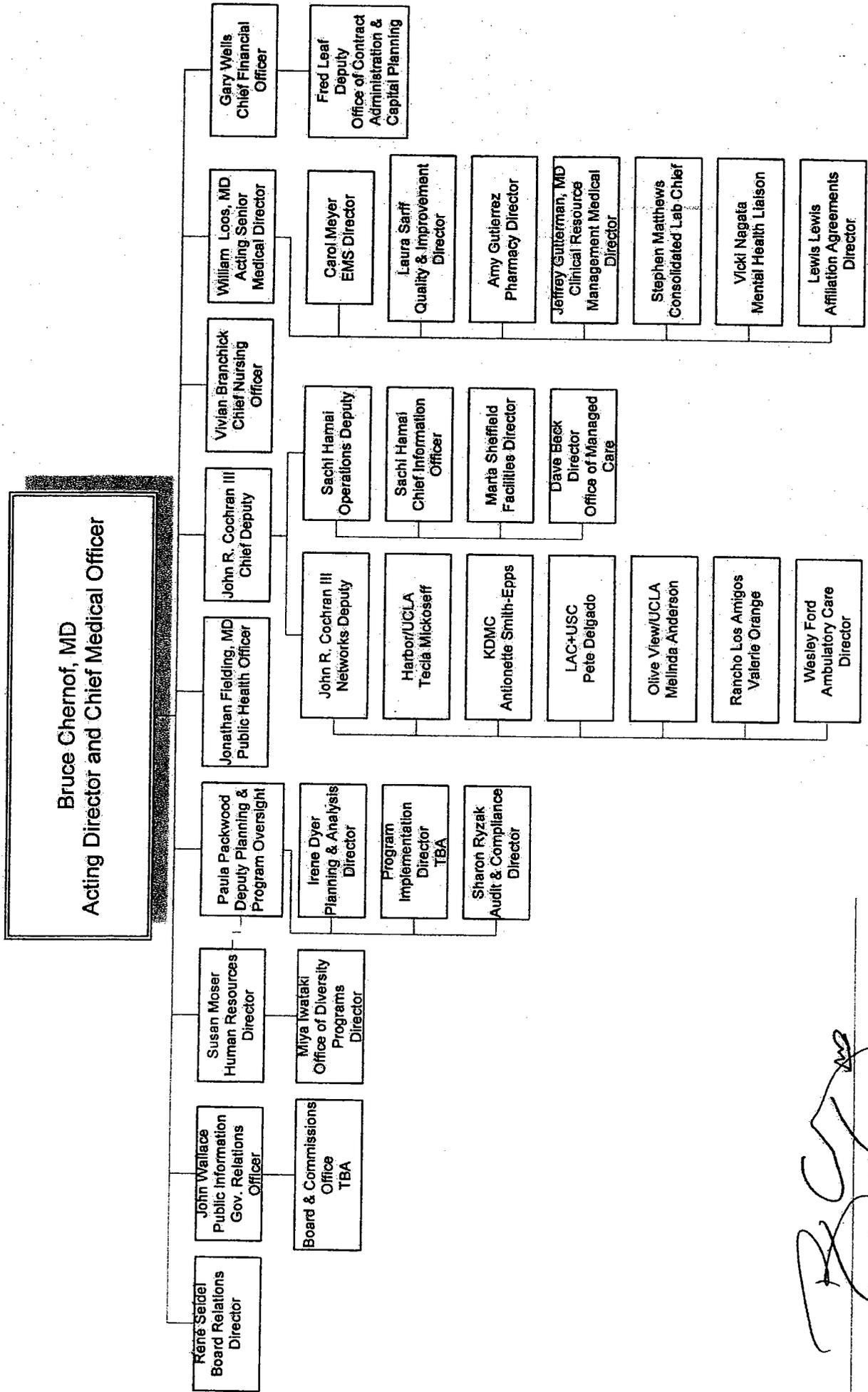
If you have any questions or concerns regarding this appointment, please let me know or you may contact Susan Montenegro, Personnel Officer, at (323) 890-7903.

JC:sdm

c: Bruce Chernof, M.D.

Attachments

LOS ANGELES COUNTY – DEPARTMENT OF HEALTH SERVICES
HEALTH SERVICES ADMINISTRATION



[Signature]
Bruce Chernof, MD
Acting Director and Chief Medical Officer

1/16/2006

RED DENOTES ACTING

JOHN R. COCHRAN, III

(Degree verification pending)

EDUCATION

1978 M.S. UNIVERSITY OF OREGON
Eugene, OR

Interdisciplinary Studies in Public Affairs

1966 B.S. UNIVERSITY OF OREGON
Eugene, OR

Political Science

ADDITIONAL EDUCATION

1980 HARVARD UNIVERSITY BUSINESS SCHOOL
School of Public Health

Post-Graduate Program in Health Systems Management

EXPERIENCE

2000 to date ALLHEALTH
Los Angeles, CA

Chief Executive Officer

For profit subsidiary of Hospital Association of Southern California. AllHealth provides hospital security services, provider credentialing, and business process outsourcing for the hospital industry in the Western US.

- CEO of AllHealth, reporting directly to Board of Directors. Full responsibility for P/L, Human Resources, Information Technology and Finance. Also work for the Association on hospital policy advocacy and member service

JOHN R. COCHRAN, III

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- Created the business strategy for this startup. Built the business to \$12 million over four years by growing existing business and developing new product lines
- Built the largest hospital security company in Southern California, serving 28 hospitals growing 14% per year with 250 employees
- Developed an NCQA-certified electronic provider credentialing business serving 10,000 physicians, 15 health insurers, and hospitals across the United States
- Built a joint venture company that developed and implemented the first electronic solution for the transmission of medical information between hospitals and health insurers, recognized as the ACHE Management Innovation of the Year
- Developed Hospital Emergency Response Codes, implemented in every hospital in CA and 700 hospitals across the country
- Actively involved in the advocacy and member service mission of HASC at local, state and federal levels
- Developed business relationships with more than 20 other state hospital associations to expand AllHealth's product distribution, resulting in a \$500,000 annual contract in Utah and product endorsements by the Georgia Hospital Association that is expected to increase sales by \$250,000 per year

1998 to 2000

**CATHOLIC HEALTHCARE WEST (CHW)
Southern California Region**

CHW's Southern California Region operated 14 non-profit hospitals in Los Angeles, Orange, and San Bernardino counties with more than \$1.0 billion in annual revenue. Created by the merger of CHW Southern California with the former UniHealth hospital group. CHW is the region's largest private provider of hospital services to the Medicaid population.

- Regional Vice President, reporting to the CHW Regional CFO. Responsible for management and financial performance of 3,500 health insurer contracts, back office operations and hospital contract implementation for fourteen CHW hospitals and 40 medical groups in Southern California

JOHN R. COCHRAN, III

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- Implemented a new contracting strategy for CHW Southern California after merger with UniHealth hospital company, which increased contract revenue by more than \$2.0 million per year and substantially contributed to the region meeting its \$8.0 million operating income target
- Led CHW's MedPartners bankruptcy team to recover \$18.0 million in claims previously written off, and the assignment of thousands of physicians and hundreds of thousands of subscribers to CHW hospitals who would otherwise have been assigned to competing hospitals
- Recruited, trained and led the contracting, back office operations and medical group relationships for 350,000 health plan enrollees with a staff of 65
- Created and implemented a MediCal contracting strategy for CHW, the largest non-governmental MediCal provider in Southern California, which enrolled more than 25,000 MediCal enrollees in the first year with annual revenues of \$14.0 million

1994 to 1998

UNIHEALTH
Burbank, CA

President

Non-profit healthcare company, operating 8 hospitals, 25 medical groups, Pacificare and CareAmerica health plans. A \$1.5 billion California company providing health services and insurance products to the CA market. An industry-leading innovator in the managed care and integrated delivery system business.

- President of VertiHealth, reporting to the President, UniHealth hospital division. Full responsibility for P and L, management of insurance back office operations, and leading the insurance contract negotiation and implementation teams for the 8 hospitals
- Developed and implemented UniHealth's Southern California managed care contracting and delivery system of 8 hospitals, and 25 medical groups. Increased hospital contract revenue by more than \$10 million over four years
- Grew VertiHealth Administrative Services, which provided managed care administrative services to medical groups, hospitals, and insurers across the U.S. to 1.0 million managed care enrollees and \$5.0 million of annual service revenue

JOHN R. COCHRAN, III

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- Created and implemented successful MediCal managed care strategies for each hospital which increased MediCal revenues by \$2.0 million dollars per year

1990 to 1994

MARTIN LUTHER HOSPITAL
Anaheim, CA

President and Chief Executive Officer

Non-profit, 250 bed hospital, part of the UniHealth company. Market-leading provider of women's and children's hospital services in North Orange County, CA. Part of a 3 hospital, 8 medical group integrated delivery system serving the Orange County and Long Beach areas.

- President and CEO, reporting to the President, UniHealth Hospital Division and the local Board of Directors. Full P and L responsibility for \$100 million annual budget with 800 employees
- Expanded the hospital's role as the market leader in women's and children's services by opening a 25 bed Level III Neonatal ICU and a joint pediatric surgery program with the Children's Hospital of Orange County
- The hospital opened 4 new practice sites with 147 physicians and grew managed care enrollment by 25%, despite a major economic downturn. \$2 million annual bottom line turnaround
- Created a MediCal managed care strategy which enrolled 11,000 patients in the first year, with revenues of \$5.2 million annually

1993 to 1996

CAL OPTIMA
Orange, CA

Board Chairperson

Independent government agency created to operate a 220,000 enrollee health plan serving all Medicaid enrollees in Orange County, CA with revenues of \$400 million. One of 5 federally-authorized projects in the U.S., CalOptima was the first and only plan approved to enroll the aged, blind and disabled Medicaid patients.

- Board Chair for the initial four years of this startup health plan. Responsible for developing the financial and operational structure for CalOptima, recruiting the CEO and other key staff, and leading the Board

of Directors. Performed this uncompensated role while CEO of Martin Luther and VertiHealth. Appointed to the Board by the Orange County Board of Supervisors and elected by the Board as Chair

- Led the creation of CalOPTIMA, a 220,000 enrollee Medicaid health plan by creating a coalition of 34 hospitals, doctors, consumers, business and local state government leaders
- Worked with the county-wide provider community to develop care management for the aged, blind, and disabled, the only program in the U.S.
- CalOptima created more than \$100 million in reserves, dramatically improved provider reimbursement and demonstrated care leadership
- Advocated for the CalOptima plan with local, state and federal elected and agency staff which resulted in increased payment rates for providers

1986 to 1990

LA PALMA INTERCOMMUNITY HOSPITAL
La Palma, CA

President and Chief Executive Officer

136 bed non-profit hospital owned by the UniHealth hospital company. A hospital turnaround from its previous doctor-owners to the new non-profit operator. \$45 million annual operating budget with 460 employees.

- President and Chief Executive Officer, reporting to the President, UniHealth Hospital Division and the local Board of Directors
- Led restructuring from a doctor-owned for-profit facility to a community-based non-profit, recruited a large number of primary care physicians, and a 22-member multi-specialty medical group
- Developed an independent physician association (IPA) to pursue managed care contracts. Achieved 25,000 enrollees in 3 years.
- Accomplished a major financial turnaround
- Worked in collaboration with three hospitals and 8 medical groups to coordinate care management and service delivery in an area from Long Beach to the Anaheim Hills
- Completed a \$23 million Triple-A rated refinancing bond issue

JOHN R. COCHRAN, III

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- Identified, recruited and provided training for the first community Board of Directors for the non-profit

1982 to 1986

VERDUGO HILLS HOSPITAL
Glendale, CA

Chief Operating Officer

A free-standing, 150 bed non-profit hospital with an annual operating budget of \$34,000,000 and 587 employees, serving the primary hospital needs of the North Glendale market.

- Chief Operating Officer, reporting to the Chief Executive Officer
- Created new services, HMO and PPO contracting, fund development, and joint ventures
- Planned, completed and occupied a 60,000 square-foot expansion of outpatient and diagnostic services, and expansion of ICU-CCU, and a 40,000 foot medical office tower. These projects were financed and built on schedule and on budget
- Created a successful physician contracting group to assist doctors which helped the hospital achieve contracts with every health plan in Southern California

1979 to 1982

UNIVERSITY OF MISSOURI HOSPITAL & CLINICS
Columbia, MI

Associate Hospital Director

450 bed University Hospital providing tertiary hospital services to a 4 state area, and providing services to an adjacent Veteran's Administration hospital, the Howard Rusk Rehabilitation hospital, and the State Cancer hospital.

- Associate Hospital Director, reporting to the Chief Executive Officer
- Responsible for the financial turnaround of a large tertiary medical center, achieving a \$10 million improvement in profitability in one year
- Responsible for the management of 450 employees and a budget of \$13 million for all clinical departments of the hospital

JOHN R. COCHRAN, III

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- In collaboration with the Dean and Department Chairs of clinical departments, completely rebuilt the obsolete Department of Radiology using innovative financing from the physician practice plan. New faculty were recruited to raise the standards of clinical excellence. The Rusk Rehabilitation center was restructured to avoid a possible closure and put on a profitable footing
- Developed and managed contracts with the adjacent Veterans Administration Hospital to provide all physician services
- Responsible for labor relations with house staff bargaining units which resulted in restructured schedules to reduce work hours and offsetting benefit redesign to pay for the changes

1977 to 1979

CHILDREN'S HOSPITAL OF NORTHERN
CALIFORNIA
Oakland, CA

Chief Financial Officer

A 170 bed, non-profit regional teaching hospital and referral center for Northern California, with 1000 employees. Affiliated with the UC system, conducts significant basic and clinical research.

- Chief Financial Officer, reporting to the Chief Executive Officer
- Created and implemented numerous revenue enhancements which resulted in the hospital's first three consecutive operating profits in its 65 year history
- Planned and implemented innovative financing for a total replacement hospital complex and achieved State approval for loan guarantees
- Worked with the Board of Directors to create the first successful capital fund-raising program, raising more than \$10 million in two years
- Led the statewide Children's hospital finance officers group in dealing with MediCal, CCS and other government programs, gaining favorable payment rates for children's services
- Faculty member and mentor for the University of California, Berkeley hospital administration program

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1975 to 1977

CEDARS-SINAI MEDICAL CENTER
Los Angeles, CA

Assistant Director of Finance

A 1200 bed regional teaching and referral center for Southern California, with 7000 employees. Affiliated with UCLA, conducts significant basic and clinical research.

- Assistant Director of Finance, reporting to the Chief Financial Officer
- Created and implemented the first operating and capital plan for the merger of two separate hospitals into a new 1200 bed hospital
- Created and implemented an innovative capital financing structure utilizing State financial guarantees to complete the \$190 million project
- Worked with operational administrators to identify cost reductions and revenue enhancements, resulting in a significant financial turnaround
- Interface with clinical and basic research physicians to manage federal and private research grants and deal with granting agencies

1968 to 1975

LOS ANGELES COUNTY
HEALTH SERVICES DEPARTMENT
Los Angeles, CA

Finance, Public Policy and Management positions

The largest public health agency in the western United States, operating 8 hospitals, 50 health centers, public health and mental health services, with a budget of over \$1.0 billion.

- Finance, Public Policy and Management positions, reporting to the Director of Finance and Legislative Services
- Consolidated the previously separate financial operations of three formerly separate departments, with a staff of more than 200
- Developed a cadre of diverse management staff who went on to run healthcare organizations across the country
- Represented LA County's health policy interests in Sacramento and Washington

- Worked with the 57 other CA counties as the LA representative to the CA Association of Public Hospitals and County Supervisors Association
- Developed and implemented master plans for four large comprehensive health centers

PROFESSIONAL ORGANIZATIONS

- California Hospital Association Board, Member, 1998
- American Hospital Association Regional Policy Board 9, Member, 1998
- Hospital Council of Southern California
 - Chair, Nominating Committee, 1999
 - Chair, Board of Directors, 1998
 - Chair, Orange County Region 4 years
 - Chair, Public Policy Committee 2 years
- CalOptima Board of Directors, Chair 1995-1998
- AllHealth, Inc.
 - Founding Board Member and Board Secretary
- American College of Healthcare Executives
 - Fellow
 - Regent, 2000-2004
- American Hospital Association Financial Solutions Advisory Board, 2004-5
- California Health Facilities Loan Insurance Advisory Board (Cal-Mortgage), 1977-1979

ACADEMIC APPOINTMENTS

- University of Southern California School of Policy, Planning and Development Health Advisory Board, 2004-5
- USC Graduate Program in Health Administration- Preceptor and mentor in Diversity Program, 2003
- University of California, Irvine School of Business Administration, Visiting Faculty in Health Management, 1994
- University of Missouri School of Health Administration, Adjunct faculty and preceptor, 1980-82
- University of California, Berkeley, Graduate program in Hospital Administration, Adjunct faculty and preceptor, 1978-9

AWARDS

- ACHE Regent Award for the creation of the Chapter covering the area from San Luis Obispo to the Colorado River with 800 members, 2004
- ACHE Regent Award for leadership in developing CalOptima, 1994
- California Hospital Association Award for developing CalOptima, 1994
- Management Innovation of the Year at the ACHE Congress, 2004
- Numerous hospital-related publications