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January 28, 2008

TO: Each Supervisor

FROM: Jonathan E. Fielding, M.D., M.P.H.   
Director and Health Officer

SUBJECT: **TEN YEAR ANNIVERSARY OF RESTAURANT GRADING PROGRAM**

This month marks the ten year anniversary of the Department of Public Health's (DPH) restaurant grading program, which assigns restaurants and other food facilities letter grades based on health inspection results. This program has been very successful in educating restaurants and consumers, and improving the health of Los Angeles County residents.

To commemorate this success and build on it for the future, the department has developed the attached report summarizing the evolution and results of the grading program over the past decade. I hope you will take a few minutes to review the report and provide me with any feedback you may have as we look ahead to improving the grading program to provide even more protection for Los Angeles County consumers in next ten years.

JEF:eap  
PH:604:016(8)

Attachment

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

# LOS ANGELES COUNTY – DEPARTMENT OF PUBLIC HEALTH

## 10-Year Review of Restaurant and Food Facility Grading Program

January 2008

January 2008 marks the ten year anniversary of Los Angeles County's enhanced restaurant and food facility grading program.

Inspection of restaurants and other food facilities enables the County to improve the safety of these facilities, and better protect the health of their customers. The safety of commercially available food is an important contributor to improved health in our community. Recent research indicates that people are eating more meals outside of the home, and this trend underscores the importance of ensuring hygienic conditions in restaurants and other food facilities.<sup>i</sup>

A study published in 1999 estimated that each year food-borne disease causes approximately 325,000 hospitalizations and 5,000 deaths in the United States.<sup>ii</sup> Applying these national estimates locally indicates that each year up to 10,000 hospitalizations and 165 deaths in Los Angeles County would be due to food-borne disease.

Many food-borne incidents are not captured by statistics since consumers report only a small percentage of suspected food-borne illnesses. Data from the Centers for Disease Control and Prevention (CDC) indicate that 50% of food-borne-disease outbreaks reported in 1993-1997 were associated with food in restaurants and other commercial food facilities.<sup>iii</sup>

As 2008 marks the ten year anniversary of the Department of Public Health's (DPH) retail food facility program enhancements, this report outlines the program's history and results.

### **I. BACKGROUND**

For decades, the Department of Public Health (previously as part of the Department of Health Services) has performed routine inspections of restaurants and retail food facilities. Although these activities were performed regularly for many years, little information was readily available to the consumer about inspection results.

In November 1997, media reports highlighted unsafe and unhygienic food handling at a number of restaurants in the County. The reports demonstrated poor food handling practices at several restaurants that had received acceptable inspections. In the wake of these reports, the Board of Supervisors ordered the Department to present a plan to address the deficiencies in the restaurant inspection program.

The Department returned to the Board of Supervisors with a 17-point action plan to improve the restaurant inspection program. The action plan was immediately adopted by the Board and resulted in several program enhancements, including:

- **Establishment of inspection scoring criteria:** A food safety ordinance delineating inspection scoring criteria was adopted and clear standards were established for permit suspension and license revocation. Each food establishment starts with 100 points and a standardized number of points are subtracted for each particular violation, depending on its severity and potential contribution to food-borne illness.
- **Adoption of letter grading:** Under the new ordinance provisions, the Department began distributing letter grades to each food facility based on the aggregate inspection score. Scores between 90 and 100 merit an “A” grade, scores between 80 and 89 merit a “B” grade, and scores between 70 and 79 merit a “C” grade. Scores below 70 are posted only as numerical scores, without a letter grade.
- **Enhanced training of County staff:** In order to assure that Environmental Health Services (EHS) staff were implementing the new procedures correctly, all EHS managers, supervisors, and field staff received training on the new procedures. A rotation program for inspectors was also established to ensure that inspectors maintained objectivity in their scoring and to preserve program integrity.
- **Increased public access to inspection results:** All retail food facilities were required to prominently post their most recent grades. In addition they were required to have a copy of the most recent inspection report available for review by the public and to post an information card advising the public of which local inspection office to contact for additional information. Facility inspection scores were also made available to the public online at the Department’s website ([www.lapublichealth.org](http://www.lapublichealth.org)) which has an online search function that facilitates rapid access to the scores of specific restaurants (by grade, restaurant name and by restaurant location/neighborhood).
- **Improved industry knowledge of safe food handling practices:** The Board-approved action plan also included an unprecedented requirement for restaurant managers and workers to participate in a food safety training program. Starting in 1999, at least one individual who has successfully completed the four-hour Certified Food Handler (CFH) training program is required to be on duty while the establishment is open to the public.
- **Improved ways for reporting potential health and safety threats:** The Department established a 24-hour hotline to receive calls from the public reporting complaints about establishments. The Department investigates each complaint within 24 hours.

- **Creation of risk-based inspection schedule:** The Department established a new schedule for inspecting food facilities linked to the risk posed by different types of facilities. Prior to 1998, all food facilities received 3 inspections per year – this schedule applied to sit-down restaurants and fast food restaurants, as well as convenience stores and liquor stores. The new schedule created four separate categories of food establishments based upon the risk posed by the establishment’s food handling practices. The four categories are: establishments that sell pre-packaged and already prepared foods (e.g. convenience and grocery stores, gas station markets) that receive one inspection a year; restaurants with limited menus and limited ingredients (e.g., fast food establishments) that receive two inspections a year; restaurants with full menus are inspected three times a year; and establishments that have performed poorly in past inspections receive one bonus inspection in addition to their regularly scheduled inspection(s).

In addition, to the above enhancements the following elements were added:

- **Owner-initiated inspections (OII):** A process for facility owners to request inspections one time in any 12 month period was created. OIIs must be requested within three days of receipt of a grade and inspection score and result in two repeat unannounced inspections. The first of these occurs within 10 days of the initial request from the facility owner. This gives the owner time to address any critical issues disclosed within the initial inspection and improve the facility’s condition. Within 60 days of the original inspection and subsequent OII, there is a second unannounced department-initiated inspection (DII). This second inspection allows EHS to determine whether or not the owner has managed to preserve improvements and fully resolve the issues discovered in the initial inspection. Department data indicate that facilities that participate in the OII program tend to improve their inspection grade/score in the first follow-up inspection and to sustain the improved inspection performance in the second follow-up inspection as well.

To offset the cost associated with the additional workload, owners are required to pay a fee when they request an OII.

- **Creation of the Compliance Assistance Group:** The Department also developed the Compliance Assistance Group within the Bureau of Special Operations to assure the quality and integrity of all inspection activities and provide training and compliance solutions to the food service industry. The Compliance Assistance Group is comprised of the Office of the Ombudsman, Quality Assurance, and Consultation and Technical Services. The Office of the Ombudsman serves as a liaison between EHS and the food services industry and helps resolve disputes related to the inspection program in an unbiased, objective manner. The Quality Assurance unit ensures that the Department consistently provides standardized, high-quality inspections throughout the County and serves as the investigative arm of the Ombudsman. The Consultation and Technical Services unit provides technical assistance and conducts educational outreach to the food service industry in a variety of languages.

## **II. OPERATIONAL OVERVIEW**

In FY 2006-7, EHS conducted 113,682 inspections of restaurants, markets, and food processors. Of those inspections, 61,811 (54%) were routine and the remainder were follow-up inspections (also known as compliance inspections) and complaint inspections. Approximately 1,067 (1.7%) of these routine inspections resulted in a facility closure.

The EHS Food Inspection Program currently has 227 budgeted field positions (inspectors), 33 of which are vacant. These inspectors are responsible for inspecting 37,880 restaurants, markets, and food processor facilities in Los Angeles County. Over 99.5% of these facilities are located in County unincorporated areas and cities that have adopted the restaurant grading program ordinance.

## **III. RESULTS OF THE GRADING PROGRAM**

The goal of the grading program is to protect the public's health by reducing the incidence of food-borne illness in the County, and success can be measured in several ways.

### **Outcome #1 -- Improved and Safer Food Facilities**

A review of the trends in inspection scores and grades shows the program's success in improving the sanitary conditions of food facilities. During the first two years of the program there was an average 5% increase in restaurant inspection scores.<sup>iv</sup> Over the past ten years, the average inspection score for restaurants rose over 10%, from 84.7 to 93.3. In fact, the average restaurant inspection score has stayed above 90 since the grading program was established in 1998. The average inspection score for retail markets during the ten year period also rose 3% from an average of 90.4 to 93.1.

While the positive trends in average inspection scores indicate that food facilities throughout the County are more hygienic than before the grading program was established, a review of inspection grades also demonstrates a major reduction in the percentage of inspections that resulted in low grades.

Restaurant Grades	A (90-100)		B (80-89)		C (70-79)		< 70		Total
	Count	% of Total	Count	% of Total	Count	% of Total	Count	% of Total	
1997-98 (6 months)	7123	39.9%	5512	30.9%	3139	17.6%	2090	11.7%	17864
1998-99	35795	71.4%	11563	23.0%	2335	4.7%	472	0.9%	50165
1999-00	41209	76.1%	10950	20.2%	1715	3.2%	279	0.5%	54153
2000-01	44260	78.3%	10719	19.0%	1358	2.4%	179	0.3%	56516
2001-02	49782	81.9%	9728	16.0%	1128	1.9%	127	0.2%	60765
2002-03	43859	75.9%	12128	21.0%	1608	2.8%	206	0.4%	57801
2003-04	42306	78.1%	10307	19.0%	1410	2.6%	168	0.3%	54191
2004-05	48967	81.4%	9934	16.5%	1133	1.9%	122	0.2%	60156
2005-06	45263	83.1%	8273	15.2%	844	1.6%	68	0.1%	54448
2006-07	44715	82.5%	8393	15.5%	979	1.8%	110	0.2%	54197

The below chart demonstrates the significant reduction in low restaurant inspection scores. In the baseline period, almost 30% of inspections resulted in a grade of C or below, and now the percentage of low grades is 2%. From 1997 to 2007, the percentage of inspection scores below 70 decreased by more than 98%. A reduction of nearly 90% was seen in the percentage of inspection scores between 70 and 79 points (equivalent to a "C"). During this same period, there was a dramatic increase (more than 106%) in the percentage of inspections that resulted in "A" grades.

#### Reductions in Lowest Grades Over 10 Years

Year	Restaurant "C" Grades (score of 70-79)	Restaurant Grades Below "C" (score below 70)
1997 - 98 (6 month period)	17.6%	11.7%
2006-07	1.8%	0.2%
Percent change	89.8% reduction	98.3% reduction

The chart below shows similar trends in the grades for retail markets over the same time period.

Retail Market Grades	A (90-100)		B (80-89)		C (70-79)		< 70		Total
	Count	% of Total	Count	% of Total	Count	% of Total	Count	% of Total	
1997-98 (6 months)	5711	63.0%	2181	24.1%	752	8.3%	423	4.7%	9067
1998-99	17737	80.1%	3543	16.0%	695	3.1%	172	0.8%	22147
1999-00	14533	80.2%	3016	16.7%	488	2.7%	77	0.4%	18114
2000-01	14873	84.2%	2427	13.7%	327	1.9%	36	0.2%	17663
2001-02	16408	86.7%	2219	11.7%	251	1.3%	37	0.2%	18915
2002-03	14694	83.5%	2511	14.3%	339	1.9%	46	0.3%	17590
2003-04	14464	84.9%	2243	13.2%	297	1.7%	37	0.2%	17041
2004-05	15573	87.5%	1998	11.2%	220	1.2%	14	0.1%	17805
2005-06	13956	87.9%	1737	10.9%	175	1.1%	7	0.0%	15875
2006-07	13359	88.3%	1574	10.4%	184	1.2%	10	0.1%	15127

### Outcome #2 -- Reduced Illness

The dramatic reduction in the number of low-scoring food facilities, coupled with improvements in average scores, has yielded a significant benefit to the public's health. Several studies have found an association between low food facility inspection scores and food-borne illness outbreaks. An independent study by economists Jin and Leslie concluded that the grading program was linked to a 20% decrease in food-borne illness hospitalizations.<sup>v</sup> Another study conducted by Department staff comparing the food-borne disease hospitalization rates in the County to those in the rest of California from the years 1993 (before the enhanced program was established) to 2000 found a significant decrease (13.1%) in food-borne disease hospitalizations in Los Angeles County that was not mirrored in other counties.<sup>vi</sup>

### Outcome #3 -- Improved Information for Consumers

The grading program has been successful in increasing public access to information about the hygienic conditions of local food facilities. A survey of two thousand County residents conducted in 2001 found that 84% of respondents had heard of the grading system and 77% of respondents noticed posted grades always or most of the time. The survey also found that 65% of respondents were influenced in their selection of food facilities by letter grades always or most of the time. Of respondents who dined out, only 3% responded that they would eat at "C" restaurants, and 25% would eat at a "B" restaurant, whereas 88% would eat at an "A" restaurant always or most of the time. Three-quarters of respondents identified the Department as being the sponsor of the

grading system, making it the most widely recognized program within the Department of Public Health.

A review of the statistics for online searches performed at the Department's restaurant rating website (<http://lapublichealth.org/rating/>) indicates significant use of grading information by the public. The website has averaged over a quarter of a million searches for restaurant ratings annually over the past five years. In the first eleven months of 2007 alone, the website registered over 450,000 searches for restaurant ratings.

The public's preference for eating at higher-rated restaurants as demonstrated in the 2001 survey has been supported by other research as well. A 2003 study by economists Jin and Leslie found that there is an economic incentive in the form of increased revenue, for restaurants to earn higher grades.<sup>vii</sup> In areas with mandatory grade posting, restaurants with "A" grades saw an average increase in revenue of 5.7% once grade cards were introduced. Revenue for restaurants with "B" grades in mandatory grade posting areas saw an average increase in revenue of 0.7% after grade cards were introduced, 5% less than "A" graded restaurants.

#### **Outcome #4 -- The Public Values the Grading Program**

One sign of the grading program's success is whether the public views it as valuable and beneficial. In 2001, two thousand County residents were randomly selected and surveyed in both English and Spanish about the grading program. The survey found that 91% of the respondents liked the grading system. The Los Angeles Health Survey conducted in 2005 found that 89% of 8,648 respondents thought the grading system has been effective in assuring food safety.

#### **IV. WORKING WITH INDUSTRY**

Environmental Health has worked closely with the food service industry over the years on the inspection and grading program. EHS has worked with restaurants and retail markets to ensure that owners have the knowledge and capacity to maintain safe and clean facilities. EHS manages the Certified Food Handler (CFH) trainings, a major component of the grading program which ensures that at least one CFH-trained staff member is on site at all times during operating hours. In the past ten years over 60,000 food industry employees have gone through the CFH training, greatly expanding the knowledge base of safe food handling practices throughout the Los Angeles area. EHS also regularly conducts workshops for the retail food service industry regarding the grading program, to ensure that owners and employees understand the importance of food safety and facility hygiene, how facility inspections are conducted, and how grades/scores are determined. These workshops, which are presented in seven languages, have been provided to almost one-third of the almost 38,000 retail food businesses in Los Angeles County.

These presentations also explain the systems that EHS has established to allow owners to voice their concerns about inspections and scores and to request Owner-Initiated Inspections (OII). The creation of the Office of the Ombudsman established a clear focal point for owners to bring forward complaints about the inspection and grading program. Skilled in dispute resolution and housed in a separate unit, apart from the inspection program, the Ombudsman's Office is able to facilitate constructive conversations between owners and inspection program staff.

One of the most important results of EHS' work with the industry on the grading program has been a shift in incentives for restaurants. Prior to the creation of the posted grade program, when few consumers were aware of inspection scores, many restaurants and retail markets adopted a reactive position to inspections and violations. However, with the introduction of visible posted grades and the associated economic benefit to receive a high grade, owners have enhanced incentives to make food hygiene a constant high priority. The owners' incentive to achieve an "A" grade, coupled with the creation of the OII system, has resulted in the quick resolution of violations in many facilities throughout the County. This greatly benefits the public because the faster a violation is corrected, the healthier Los Angeles County retail food facilities are.

## **V. PROGRAM RECOGNITION**

Over the years the restaurant grading program has received numerous awards and has been used as a model for other food facility inspection programs around the world. Several components of the County's program have been adopted and codified in California law. California now requires all counties to incorporate basic risk elements into their retail food facility inspection forms. The State also has a Food Handler Certification requirement which was modeled on EHS' Certified Food Handler requirement. Subsequent State-mandated public disclosure requirements regarding the availability of inspection reports on-site, as well as the online disclosure of facility inspection scores, also mirror the County's grading program. EHS has also received requests for information and technical assistance from other states and from other health jurisdictions across the globe who are interested in modeling Los Angeles County's restaurant grading program.

The restaurant grading program has also received a variety of awards from various organizations that highlight the program's efficacy and innovation. The program has received awards from: the National Association of County and City Health Officials, the National Association of Counties, the California Environmental Health Association, as well as the Los Angeles County Productivity and Quality Commission. The program has also received accolades from several associations representing communities and local industry groups such as the Korean American Restaurant Association of Los Angeles, the Japanese Restaurant Association of Southern California, and the Asian/Pacific Islander Small Business Association.

## VI. LOOKING FORWARD

The Department continues to look at opportunities for program enhancement consistent with our commitment to continuous quality improvement. Retail food inspections are part of a broad effort to protect consumers from food-borne illness. This is a coordinated effort of EHS, Acute Communicable Disease Control, and Community Health Services, which constitutes our field staff in all the SPAs. In addition, we need to remain active in advocacy efforts to assure that both the domestic and imported food supply systems have adequate safeguards.

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<sup>i</sup> Center for Science in the Public Interest, 2003

<sup>ii</sup> Mead et al., 1999

<sup>iii</sup> CDC, 2000

<sup>iv</sup> Jin and Leslie, 2003

<sup>v</sup> Jin and Leslie, 2003

<sup>vi</sup> Simon et al., 2005

<sup>vii</sup> Jin and Leslie, 2003