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July 6, 2009

TO: Each Supervisor

FROM: John F. Schunhoff, Ph.D.
Interim Director

SUBJECT: **LOS ANGELES HEALTHCARE OPTIONS TASK FORCE REPORT**

On April 28, 2009, your Board directed the Chief Executive Officer and the Interim Director of Health Services to report back to the Board in 60 days on the extent to which any of the recommendations within the LA Healthcare Options Task Force's report, *Achieving the Vision: Healthcare Options for Los Angeles*, should be implemented to strengthen the quality of healthcare provided to County residents, including those residents living within the region to be served by a new MLK Hospital. This report was developed with input from the Chief Executive Officer.

Background

The Los Angeles Healthcare Options Task Force ("Task Force") was sponsored by The California Endowment (TCE) and was charged by TCE to develop a vision and recommendations for achieving a high-quality, integrated healthcare delivery system in Los Angeles County. The Task Force consisted of 10 members (Attachment I). The Task Force received assistance from the Health Industries Advisory Practice at Pricewaterhouse Coopers and a team of health services researchers led by a Robert Wood Johnson Foundation Clinical Scholar. The Task Force issued its report, *Achieving the Vision: Healthcare Options for Los Angeles County*, in April 2009. An electronic version of the report can be found at http://www.calendow.org.

Task Force members have presented the report in several forums that have provided an opportunity for stakeholder comment including the South LA Healthcare Leadership Roundtable, LA Area Chamber of Commerce Health Care Subcommittee, and the LA Health Collaborative. The Department of Health Services (DHS) participated in these meetings and was part of a panel at the LA Health Collaborative meeting. The panel also included representatives from the Chief Executive Office, Community Clinic Association of Los Angeles County, Service Employees International Union (SEIU) 721, and a private hospital. DHS representatives also met separately with Task Force members to discuss the report.

Los Angeles Healthcare Options Task Force Recommendations

The Task Force recommendations are organized into four categories: Quality Care Delivery, Finance, Information Technology, Governance and Management. The following is a summary of the recommendations.

Quality Care Delivery

1. Embrace a culture of clinical excellence, innovation, continuous improvement, cost-effectiveness, and accountability. This includes engagement of its entire workforce – including physicians, managers, and front-line workers – in a mission-driven, collaborative process that operationalizes this cultural transformation.
2. Operate as an integrated delivery system, to provide seamless, coordinated care with accountability at all levels of the organization. This care coordination should be extended from the public system to other care providers in the safety net system, through public-private partnerships.
3. Continuously measure, evaluate, and improve performance, in order to deliver the highest-quality healthcare. This requires transparency of performance measures and open communication with the public and its leaders.
4. Eliminate barriers to access in order to provide appropriate, patient-centered care in a timely fashion.
5. Focus on system wide, long-term investments in population wellness, prevention, and the management of chronic diseases.

Finance

1. Accelerate efforts to achieve financial sustainability.
2. Appropriately improve revenue streams, including a diversified payer mix, in order to successfully achieve its service mission.
3. Minimize unnecessary, non-value-added costs.
4. Make capital and resource allocation decisions that best contribute to improved health outcomes through strategic, system wide planning.

Information Technology

1. Develop and advance an IT strategic plan for standardization and interoperability, enabling quality standards and measurement, coordinated care, and financial rigor.
2. Establish an integrated countywide health information system for clinical, quality, and financial measures.
3. Create a best-in-class health IT leadership team to manage and coordinate the IT portfolio.
4. Develop a robust telemedicine and tele health infrastructure to facilitate access and care coordination, by leveraging public-private partnerships.
5. Ensure that IT systems include decision-support-enabled population care management tools that allow for tracking an optimization of key prevention and disease management outcomes for the population.

Governance and Management

The Public Sector Healthcare Delivery System:

1. Would benefit from a body of expertise, accountable to the Los Angeles County Board of Supervisors that is self-governed and has management autonomy and authority.
2. Should create a single strategic master plan with integrated clinical, quality, financial, and IT strategies, and keep the organization focused on meeting quality and performance standards.
3. Should be led by a dynamic, hands-on CEO and a talented, cohesive leadership team.

The Task Force also recommends the formation of a Los Angeles Healthcare Planning Commission ("Commission"). The proposed Commission would consist of members appointed by the Board of Supervisors and would be time-limited (18 months or July 1, 2009 to December 31, 2010). The Task Force proposes that the Commission should be formed to conduct the planning necessary to advance the implementation of a high-quality safety net healthcare system accessible to all residents of LA County. In addition, the Task Force indicates that the Commission could be directed by the Board of Supervisors to accomplish other tasks including overseeing the reintegration of inpatient and emergency services at MLK Hospital into the larger Network. It is recommended that funding for the Commission be provided by the philanthropic community in Los Angeles and the LA County Board of Supervisors.

Implementation of Task Force Recommendations

DHS supports the intent of the Quality Care Delivery, Finance, and Information Technology recommendations and has a number of initiatives underway that support these recommendations and which help further the Healthcare Options Task Force goals. A summary of DHS status and recommendations for each of these areas can be found in Attachment II. Full implementation of the Task Force recommendations in these areas is a goal, but will require additional funding and/or redirection of existing resources.

While not recommending the formalized Planning Commission entity recommended by the Healthcare Options Task Force, DHS does support developing a structure to support increased collaboration and coordination between public and private entities. The next California Medicaid Waiver and national health care reform could have a significant impact on the public and private health care delivery systems in Los Angeles County and could have implications that your Board would want to consider when making decisions on the future of the public health care system. We are working with the Chief Executive Office to develop models for that structure and will return to your Board with proposals.

DHS recommends that Governance and Management recommendations proposed by the Task Force be considered once the proposed models have been put in place.

As previously reported to your Board, the Chief Executive Officer is engaged in discussions with the University of California regarding reopening Martin Luther King, Jr. Hospital. As the plan for reopening the hospital develops, the Chief Executive Office and DHS will be working with South Los Angeles safety-net providers and other stakeholders to assure the integration of the hospital in the healthcare delivery system in South Los Angeles.

If you have any questions or need additional information, please let me know.

JFS:ct:id

Attachments

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

Attachment I

Los Angeles Healthcare Options Task Force Members

CHAIR:
Woodrow A. Myers, Jr., M.D., M.B.A.
Managing Director
Myers Ventures, LLC

VICE CHAIR:
Hector Flores, M.D.
Medical Director
Family Care Specialists Medical Group

Benjamin Chu, M.D., M.P.H.
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Helen Duplessis, M.D., M.P.H.
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Lark Galloway-Gilliam
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Jim Lott
Executive Vice President
Hospital Association of Southern California

Mary Odell
President
UniHealth Foundation

Tom Priselac, M.P.H.
President & CEO
Cedars-Sinai Medical Center

Dean Tipps
former Executive Director
Service Employees International Union,
California State Council

Gary Toebben
President & CEO
Los Angeles Area Chamber of Commerce

Attachment II

DHS RESPONSE TO LA HEALTHCARE OPTIONS TASK FORCE REPORT

Achieving the Vision: Healthcare Options for Los Angeles County
April 2009

QUALITY CARE DELIVERY RECOMMENDATIONS

Task Force Recommendations	DHS Status	DHS Recommendations
1. Embrace a culture of clinical excellence, innovation, continuous improvement, cost-effectiveness, and accountability. This includes engagement of its entire workforce – including physicians, managers, and front-line workers – in a mission-driven, collaborative process that operationalizes this cultural transformation.	Ongoing efforts to improve quality of care include tracking of performance measures and other indicators; various meetings are held at all levels of the organization to share results and discuss methods for improvement: • Executive Quality Improvement • Clinical Operations Committee • Chief Medical Officers Committee • CHC Administrators meetings • Quality Improvement Committee • CHART/Performance Measures Committee • Best Practices Committees (ED, ICU) • Governing Body meetings • Incident reporting • Facility Performance Improvement/QI Committees	Implement Strategic Workgroups (Quality, Operational Effectiveness, Financial Performance, Workplace Excellence, Ambulatory Care) to oversee implementation of key DHS initiatives for the next 18 months and prepare for next California Medicaid Waiver and national healthcare reform. Each Workgroup will include representation from various disciplines, facilities, and programs.
2. Operate as an integrated delivery system to provide seamless, coordinated care with accountability at all levels of the organization. This care coordination should be extended from the public system to other care providers in the safety net system, through public-private partnerships.	Medical homes are assigned to Healthy Way LA, Community Health Plan (CHP) and Camino de Salud (LAC+USC CDSN) members. Current Public-Private Partnership (PPP) program expands primary care to approximately 180,000 patients annually. In March 2009 DHS released a Request for Applications (RFA) for	Support national healthcare reform efforts and actively participate in the development of the next California Medicaid Waiver. Implement Strategy Workgroups (Quality, Operational Effectiveness, Financial Performance, Workplace Excellence, Ambulatory Care) to oversee implementation of key DHS initiatives for the next 18 months and prepare for next California Medicaid Waiver and national healthcare reform. Establish cluster based committees to enhance and

	Clinic Capacity Expansion Project to create and support new clinic sites and primary and specialty care capacity in underserved Service Planning Areas (SPAs) in Los Angeles County. Projects should strive to improve access to primary care for patients who do not currently have medical homes and use DHS emergency departments, urgent care centers, and specialty clinics. Up to $46 million will be awarded through this RFA. Web-based Encounter Summary Sheets (ESS) facilitate coordination of care across DHS and PPP facilities. ESS includes administrative and clinical information, procedures performed, past and future appointments, and a history of medications dispensed from DHS. Web-based Referral Processing System (RPS) facilitates specialty care referrals from primary care including PPP providers. After the patient is seen by a specialist the doctor's progress notes can be uploaded into RPS and accessed by the provider who made the referral. Targeted case management programs for special populations in (homeless, mentally ill) in collaboration with other County departments and public-private partners.	expand integrated service delivery components of Healthy Way LA and LAC+USC CDSN. Enhance RPS including standardizing clinical prerequisite requirements and imbedding rules in to RPS, uploading appointment information from Affinity into RPS, adding appointment wait time information, and hardware and software upgrades to increase functionality and response time. Continue ESS enhancement and deployment to PPP providers. Incorporate components of integrated healthcare service delivery network model into future PPP agreements such as establishing medical homes, provider practice redesign for specialty care, care management for frequent users of emergency department and inpatient services, patient outcome measures, and health information exchange. Implement DHS system-wide Electronic Health Records (EHR) and a County-wide Health Information Exchange (HIE) (requires additional resources).

3. Continuously measure, evaluate, and improve performance, in order to deliver the highest-quality healthcare. This requires transparency of performance measures and open communication with the public and its leaders.	Publicly available performance measures from DHS facilities include: ▪ Performance Counts! ▪ California Hospital Assessment and Reporting Taskforce (CHART) ▪ Core Measures	Implement Strategy Workgroups (Quality, Operational Effectiveness, Financial Performance, Workplace Excellence, Ambulatory Care) to oversee implementation of key DHS initiatives for the next 18 months and prepare for next California Medicaid Waiver and national healthcare reform. Quality Workgroup will focus on elevating DHS facilities to top 25% of all California hospitals on CHART/Core Measures. Implement DHS system-wide EHR and a County-wide HIE (requires additional resources).
4. Eliminate barriers to access in order to provide appropriate, patient centered care in a timely fashion.	Medical homes are assigned to Healthy Way LA, Community Health Plan and LAC+USC CDSN members. Healthy Way LA enrollees and CHP members have access to 24/7 member services and nurse advice line. Health Way LA enrollees can access next day appointments when clinically indicated. In March 2009 DHS released a RFA for Clinic Capacity Expansion Project to create and support new clinic sites and primary and specialty care capacity in underserved SPAs in the County. Projects should strive to improve access to primary care for patients who do not currently have medical homes and use DHS emergency departments, urgent care centers, and specialty clinics. In addition, projects may include new or expanded school-based health clinics that offer services to families. Up to $46 million will be awarded through this RFA.	Support national healthcare reform efforts and actively participate in the development of the next California Medicaid Waiver. Implement Strategy Workgroups (Quality, Operational Effectiveness, Financial Performance, Workplace Excellence, Ambulatory Care) to oversee implementation of key DHS initiatives for the next 18 months and prepare for next California Medicaid Waiver and national healthcare reform. Ambulatory Care Workgroup will focus on transforming the DHS system to create medical homes, expand primary and specialty care capacity, support an integrated service delivery network, and improve health outcomes. Establish cluster based committees to enhance and expand integrated service delivery components of Healthy Way LA and Camino de Salud. Enhance RPS including standardizing clinical prerequisite requirements and imbedding rules in to RPS, uploading appointment information from Affinity into RPS, adding appointment waiting time information, and hardware and software upgrades to increase functionality and response time.

	Web-based RPS facilitates specialty care referrals from primary care including PPP providers. After the patient is seen by a specialist the doctor's progress notes can be uploaded into RPS and accessed by the referring provider. Most DHS Comprehensive Health Centers have undergone Clinic Redesign to improve patient flow. Language barriers addressed through bilingual staff and patient education literature; AT&T Language Line; live video conferencing services (Rancho). Executive Patient Flow Committee meets monthly to address patient flow issues at DHS hospitals.	Implement DHS system-wide EHR and a County-wide HIE (requires additional resources).
5. Focus on system-wide, long-term investments in population wellness, prevention, and the management of chronic diseases.	Diabetes and asthma disease management programs (DMP) have been developed and are being expanded. DHS and DPH have a joint Memorandum of Understanding and hold quarterly meetings to address issues of mutual relevance.	Accelerate implementation and expansion of DMP clinics. Support national healthcare reform efforts and actively participate in the development of the next California Medicaid Waiver. Implement DHS system-wide EHR and a County-wide HIE (requires additional resources). Integrate behavioral health and physical health services (requires additional resources). Increase coordination with Department of Public Health to address population wellness and prevention.

FINANCE RECOMMENDATIONS

Task Force Recommendations	DHS Status	DHS Recommendations
1. Accelerate efforts to achieve financial sustainability.	June 2, 2009 DHS memo to Board of Supervisors provided a summary of changes in the DHS fiscal outlook and potential solutions to reduce deficits in FY 08-09 and FY 09-10. Financial Stabilization Plan currently being implemented includes a mixture of savings and revenue approaches.	Support national healthcare reform efforts and actively participate in the development of the next California Medicaid Waiver. Convene a planning group consisting of representatives from the Departments of Health Services, Public Health, and Mental Health; community clinics; private health care providers and hospitals; labor; and other stakeholders to engage in strategic planning related to the next California Medicaid Waiver and health care reform. This group would also interface with the public-private partnership that is being proposed to govern the Los Angeles County Health Information Exchange. Support national healthcare reform efforts and actively participate in the development of the next California Medicaid Waiver. Implement Strategic Workgroups (Quality, Operational Effectiveness, Financial Performance, Workplace Excellence, Ambulatory Care) to oversee implementation of key initiatives for the next 18 months and prepare for next 1115 Waiver and national healthcare reform.
2. Appropriately improve revenue streams, including a diversified payer mix, in order to successfully achieve its service mission.		
3. Minimize unnecessary, non-value-added costs. .	Financial Stabilization Plan currently being implemented includes a mixture of savings and revenue approaches. Implementation of the Nursing Strategic Plan has reduced the use of nurse registry workers. Product Standardization Committee meets regularly to standardize utilization and purchasing of supplies. Pharmacy and Therapeutics Committee meets regularly to standardize pharmaceutical utilization and purchasing.	
4. Make capital and resource allocation decisions that best contribute to improved health outcomes through strategic, systemwide planning.		

INFORMATION TECHNOLOGY RECOMMENDATIONS

Task Force Recommendations	DHS Status	DHS Recommendations
1. **Develop and advance an IT strategic plan for standardization and interoperability, enabling quality standards measurement, coordinated care, and financial rigor.**	IT Governance Committee and IT Leadership Council meet regularly to prioritize IT projects. Data Standards and Quality Committee addresses issues of enterprise-wide data quality and comparability.	Implement DHS system-wide Electronic Medical Records and a County-wide Health Information Exchange (requires additional resources). Implement CEO recommended public-private partnership to govern the Los Angeles County Health Information Exchange.
2. **Establish an integrated countywide health information system for clinical, quality and financial measures.**	Current Enterprise Data Repository (EDR) contains real-time administrative data from DHS facilities and delayed claims data from PPP clinics. Web-based Encounter Summary Sheets facilitate coordination of care across DHS and PPP facilities. ESS includes administrative and clinical information, procedures performed, past and future appointments, and a history of medications dispensed from DHS.	Implement DHS system-wide Electronic Medical Records and a County-wide Health Information Exchange (requires additional resources). Implement CEO recommended public-private partnership to govern the Los Angeles County Health Information Exchange. Increase resources for EDR implementation, maintenance, and infrastructure enhancements. Evolve EDR to include clinical data. Fully fund Enterprise Master Patient Index.
3. **Create a best-in-class health IT leadership team to manage and coordinate the IT portfolio.**	DHS IT has an interim CIO, numerous vacancies, and approval pending for proposed IT reorganization.	Recruit permanent CIO. Obtain approval for IT reorganization proposal.

4. Develop a robust telemedicine and telehealth infrastructure to facilitate access and care coordination, by leveraging public-private partnerships.		Implement Strategic Workgroups (Quality, Operational Effectiveness, Financial Performance, Workplace Excellence, Ambulatory Care) to oversee implementation of key DHS initiatives for the next 18 months and prepare for next California Medicaid Waiver and national healthcare reform. Ambulatory Care Workgroup will include options for telemedicine and telehealth.
5. Ensure that IT systems include decision-support-enabled tools for both the individual patient encounter and population care management.		Implement DHS system-wide Electronic Medical Records and a County-wide Health Information Exchange (requires additional resources). Include gateways in EHR screens at appropriate interaction and decision points. Fund and staff Guardian Infection Control system. Implement Medication Reconciliation patient print-out capability.