



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA  
Chief Executive Officer

June 7, 2010

To: Supervisor Gloria Molina, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

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## **IMPACT OF DELAYING THE OPENING OF OLIVE VIEW/UCLA MEDICAL CENTER TUBERCULOSIS UNIT**

On April 20, 2010, during your Board's discussion, Supervisor Antonovich requested this Office to provide an administrative memo on the revenue implications for all of the Department of Health Services (DHS) hospitals of delaying the opening of the Olive View/UCLA Medical Center (OV/UCLA) Tuberculosis (TB) Unit as a result of being able to free up acute care beds in those other hospitals.

A large percentage of the patients with active TB are provided outpatient care by the Department of Public Health (DPH). When these patients with active communicable TB require acute care, they are usually admitted to one of the DHS hospitals. In addition, there are patients who are admitted to the hospitals with acute symptoms where TB needs to be confirmed or ruled out. All of these patients must be placed in isolation rooms with negative air pressure.

The problem which has been encountered over the years occurs when these patients no longer need acute care, but are still contagious, and cannot be discharged. They continue to occupy the isolation bed, for which DHS does not get acute level revenue, and the room is unavailable for other acute patients. Prior to the closure of High Desert Hospital, these patients could be transferred to a special skilled nursing ward at High Desert that was retrofitted with negative air pressure. Now they remain in the acute beds. When DPH became a separate department, DPH was allocated the net County cost of this care and reimburses DHS.

*"To Enrich Lives Through Effective And Caring Service"*

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When the TB unit was added to the capital project for the new Olive View Emergency Department, the concept was that these would be isolation rooms available for a bioterrorism event, but utilized in the interim for the TB patients. The proposal is to obtain approval to operate the beds with a nursing staffing ratio equivalent to a sub-acute unit and thus use it for those TB patients who fit the criteria described above -- no longer acute, but requiring continued isolation.

Since the TB unit was planned several years ago, the total number of TB cases in the County has declined and the number of TB patients in our hospitals has also declined. Thus, although the new unit will have 30 beds in 15 rooms, the number of eligible patients in our hospitals is calculated to be as low as 6 and rarely more than 12.

Construction of the new Emergency Department and TB Unit is going well and expected completion is August 2010. OV/UCLA projects that it could open the TB unit in January 2011. When the TB unit is open and the non-acute patients can be transferred, the hospitals will be able to fill the isolation rooms with other patients. Based on the overall revenue profile of the facilities, 55 percent of these patients will have Medi-Cal or Medicare and thus be eligible for reimbursement. But, the additional revenue will not fully offset the net County Cost of operating the new TB unit, which is \$2.4 million for six months, or \$4.8 million per year.

DHS did not submit a budget proposal for the new TB unit in its proposed budget or in its proposed final changes, due to the uncertain fiscal status of the department's budget. If major revenue issues are resolved in the meantime, DHS will submit the budget for this unit for consideration during the supplemental budget process.

If you have any questions or need additional information on this matter, please contact me or your staff may contact Sheila Shima, Deputy Chief Executive Officer at (213) 974-1160 or [sshima@ceo.lacounty.gov](mailto:sshima@ceo.lacounty.gov).

WTF:BC:SAS  
MLM:MM:bjs

c: Executive Office, Board of Supervisors  
County Counsel  
Health Services

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