



Los Angeles County
Board of Supervisors

June 04, 2013

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The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

Christina Ghaly, M.D.
Deputy Director, Strategic Planning

**APPROVAL OF AMENDMENTS TO IMPACTED HOSPITAL AGREEMENTS
AND METROCARE INPATIENT PROGRAM
(SUPERVISORIAL DISTRICT 2)
(3 VOTES)**

SUBJECT

Request approval to extend the terms of the eight Impacted Hospital Program Agreements, the MetroCare Inpatient Program Agreement and update Agreement provisions.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Director, or his designee, to execute Amendment No. 4 to the Impacted Hospital Program (IHP) Agreements with the eight private impacted hospitals listed on Attachment A, effective on Board approval, to extend the term for the period, July 1, 2013 through June 30, 2014 for an estimated maximum obligation of \$8.5 million.

2. Authorize the Director of Health Services (Director), or his designee, to execute Amendment No. 6 to the MetroCare Inpatient Program (MetroCare) Agreement No. 75939 with St. Vincent Medical Center (SVMC) effective on Board approval, to extend the term, for the period July 1, 2013 through June 30, 2014 for the provision of inpatient services, with an estimated maximum obligation of \$1.7 million.

3. Delegate authority to the Director, or his designee, to 1) amend the MetroCare and IHP Agreements to make changes to the scope of work, and

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payment provisions which would enable the County to realize cost savings where indicated; 2) extend the term of each Agreement, on a month-to-month basis, if necessary, beyond the expiration date of June 30, 2014 under the same terms and conditions until the new Martin Luther King, Jr. Hospital (MLK) is operating at full-capacity and services are no longer required; and 3) terminate the Agreement by issuing a prior written notice in accordance with the termination provisions all subject to review and approval by County Counsel and notification to the Board and the Chief Executive Office (CEO).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The current Agreements were approved by the Board to mitigate the impact of the closure of Martin Luther King, Jr.-Harbor (MLK-Harbor) Hospital on the community. The County recognized that with the closure of the emergency room and inpatient facilities at MLK-Harbor, surrounding privately operated hospitals and emergency rooms needed to continue to receive financial support for treatment of certain County-responsible patients, transported via 9-1-1 ambulance from the 9-1-1 catchment area of MLK-Harbor to impacted hospitals for emergency room only treatment, or emergency room and subsequent inpatient care. MetroCare and IHP were developed to help address the critical need of those hospitals that would be impacted by the MLK-Harbor closure.

Approval of the first recommendation will allow the Director to execute an Amendment, substantially similar to Exhibit I, with the eight IHP hospitals that will allow these private hospitals, which were impacted by the closure of MLK-Harbor, to continue to receive payment for emergency services provided to County-responsible uninsured indigent patients.

Approval of the second recommendation will allow the Director to execute an Amendment, substantially similar to Exhibit II, to the MetroCare Agreement with SVMC that will allow SVMC to continue to receive payment for inpatient services provided to County-responsible patients. The Amendment is necessary for the continuity of timely movement of patients out of emergency rooms to maintain adequate emergency coverage for County-responsible patients, as the IHP hospitals and Harbor-UCLA Medical Center (H-UCLA) may need to utilize inpatient beds for those patients who otherwise would have been treated in the emergency room at MLK-Harbor.

Approval of the final recommendation will ensure that County-responsible patients transported via 9-1-1 ambulance in the catchment area of MLK-Harbor will continue to be transported to and receive services at the IHP hospitals and SVMC, until the new MLK is operational and at full-capacity. DHS is currently evaluating the feasibility of modifying the work that the IHP and MetroCare Agreement contractors can provide to better meet the needs and acuity range of the patients served. To accomplish these goals, DHS needs the flexibility to make necessary changes to the scope of work and payment provisions in preparation for the opening of the new MLK, extend the current agreements on a month-to-month basis, if necessary, and terminate the agreement in a timely manner to avoid unnecessary expenditure of County funds.

Implementation of Strategic Plan Goals

The recommended actions support Goal 3, Integrated Services Delivery of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The estimated cost for the IHP Agreement is \$8.5 million and the SVMC MetroCare Agreement is \$1.7 million for FY 2013-14. Funding is included in DHS' FY 2013-14 Recommended Budget and will be included in future budgets should DHS exercise the option to extend the Agreements. The costs incurred for these Agreements will be reimbursed by Federal funds, up to 50 percent of DHS' payment, under California's Bridge to Reform Medicaid Demonstration Waiver through Safety Net Care Pool for uncompensated medical costs incurred by hospitals in treating uninsured indigent patients.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Impacted Hospital Program

Upon the closure of MLK-Harbor in August 2007, the County recognized that surrounding privately operated hospital emergency rooms would need financial support for the treatment of County-responsible patients transported via 9-1-1 ambulance from the catchment area of MLK-Harbor to those nearby hospitals. Accordingly, the County committed the financial support for certain designated hospitals impacted by the closure of MLK-Harbor to assure adequate emergency coverage for County-responsible patients, who are residing in or transported from the former MLK-Harbor catchment area in South Los Angeles. The County established the IHP and entered an agreement with seven (7) hospitals in the South Los Angeles area in August 2007 to provide emergency care for eligible patients. Long Beach Memorial Medical Center later joined the IHP in May 2008. The eight contracted IHP hospitals are listed in Attachment A.

In October 2007, Senate Bill (SB) 474 was enacted and established the South Los Angeles Medical Services Preservation Fund (South LA Fund) for FYs 2007-08, 2008-09 and 2009-10 to address the regional impact of the closure of MLK-Harbor, and to help stabilize health services for the low-income population living in the South LA area. South LA Fund provided the funding to cover the costs of the IHP agreements and the SVMC MetroCare agreement, as well as the costs of associated physician services. After the expiration of SB 474 on June 30, 2010, DHS can claim reimbursement of the IHP costs, up to 50% of DHS' payment, from Federal funds under California's Bridge to Reform Medicaid Demonstration Waiver.

The IHP Agreements provide reimbursement for up to a maximum of six (6) days of hospital inpatient care for County-responsible uninsured indigent patients who were transported to the impacted hospital emergency room by 9-1-1 ambulance. In order for IHP hospitals to claim reimbursement for 9-1-1 transported patients, the patients must reside in Los Angeles County, and be picked up and transported from a zip code within the MLK-Harbor's catchment area. Further, the Agreements provide for priority of transfers from IHP hospitals to County/Contract facilities, on the condition that IHP hospitals follow certain protocols. The current IHP Agreements will expire on June 30, 2013.

MetroCare Program

On December 1, 2006, DHS implemented the MetroCare Program to provide inpatient hospital care to additional patients who would have otherwise received such care at MLK-Harbor, as DHS did not own or operate a sufficient number of beds to accommodate the needs of patients at all times. The MetroCare contracts were negotiated with hospitals who were able to provide inpatient medical and surgical care, physically located within a 12-mile radius of MLK-Harbor, and had the capacity to receive patients transferred from MLK-Harbor. SVMC was one of the hospitals contracted with the County under the MetroCare Program.

As approved by the Board on August 13, 2007, the IHP Agreements required that hospitals have an

emergency room so they can receive and provide care to 9-1-1 ambulance patients. Though SVMC does not have an emergency room and is not a provider under the IHP, the transfer arrangement with SVMC for IHP patients is essential in order to ensure that impacted hospitals have adequate capacity to accept 9-1-1 ambulance transported patients. Consequently, the MetroCare Agreement with SVMC was amended on August 13, 2007 to allow patient transfers from the impacted hospitals as well as other County hospitals. The current agreement with SVMC will expire on June 30, 2013.

The IHP and SVMC MetroCare services continue to be vital to the South Los Angeles community. As the Board and the CEO, in conjunction with DHS, actively analyze the impact of the Affordable Care Act's requirements and further develop the MLK Hospital opening plans, it is necessary to retain these hospital contracts.

Should the County elect to terminate the IHP and SVMC MetroCare Agreements, the County may do so without cause, by providing the parties thirty (30) days advance written notice.

County Counsel has approved Exhibits I and II as to use and form.

CONTRACTING PROCESS

Not Applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will help to ensure that emergency medical services remain available to persons residing in or transported via 9-1-1 ambulance from the MLK-Harbor catchment area by maintaining bed availability and transferring County responsible patients to SVMC.

Respectfully submitted,



Mitchell H. Katz, M.D.

Director

MHK:db

Enclosures

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

IMPACTED HOSPITAL PROGRAM AGREEMENT

LIST OF IMPACTED HOSPITALS

- 1. St. Francis Medical Center
3630 East Imperial Highway
Lynwood, California 90262**

- 2. Catholic Healthcare West, DBA
California Hospital Medical Center
1401 South Grand Avenue
Los Angeles, CA 90015-3063**

- 3. Centinela Freeman Regional Medical Center
Centinela Campus
555 East Hardy Street
Inglewood, CA 90310-4073**

- 4. Downey Regional Medical Center
11500 Brookshire Avenue
Downey, CA 90241-2246**

- 5. Memorial Hospital of Gardena
1145 West Redondo Beach Boulevard
Gardena, CA 90247-3528**

- 6. Lakewood Regional Medical Center
3700 East South Street
Lakewood, CA 90712-1498**

- 7. White Memorial Medical Center/Adventist Health
1720 East Cesar E. Chavez Avenue
Los Angeles, CA 90033-2482**

- 8. Long Beach Memorial Medical Center
2801 Atlantic Avenue
Long Beach, CA 90806**

Agreement No.: 76365

IMPACTED HOSPITAL PROGRAM AGREEMENT

Amendment No. 4

THIS AMENDMENT is made and entered into this _____ day of _____, 2013,

By and between

COUNTY OF LOS ANGELES
(hereafter "County"),

And

CALIFORNIA HOSPITAL
MEDICAL CENTER
(hereafter "Hospital")

Business Address:

1401 South Grand Avenue
Los Angeles, CA 90015

WHEREAS, reference is made to that certain document entitled "IMPACTED HOSPITAL PROGRAM (IHP) AGREEMENT", dated August 24, 2007, and further identified as Agreement No.: 76365, and any amendments thereto (all hereafter referred to as "Agreement") and,

WHEREAS, the County has determined that IHP services provided by Hospital continue to be in the best interests of the County; and

WHEREAS, the parties wish to revise or incorporate provisions consistent with all applicable State and/or federal laws and regulations, County Ordinances and Board Policy, and to make necessary changes to the scope of work and payment provisions where indicated; and.

WHEREAS, the County recognizes that Hospital continues to have a vital role in assuring that Impacted Hospitals have adequate capacity to accept certain patients transported via 911 ambulance; and

WHEREAS, Hospital has the ability and is willing to continue to accept and provide inpatient care for certain patients transferred from Impacted Hospitals and other County hospitals, in accordance with the terms and conditions which follow herein; and

WHEREAS, it is the intent of the parties hereto to amend Agreement to extend its term for one (1) year, for the period July 1, 2013 through June 30, 2014 with an option to

further extend the term, on a month-to-month basis, if necessary, beyond the expiration date of June 30, 2014, until such time as the new Martin Luther King Hospital is open, operating at full-capacity, and services are no longer required; and

WHEREAS, the Agreement may be terminated by issuing a prior written notice in accordance with the Agreement, paragraph 2, Term and Termination, sub-paragraph D; and

WHEREAS, the Agreement provides that changes in accordance to Additional Provisions, paragraph 18, Merger Provision may be made in the form of an Amendment which is formally approved and executed by the parties.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. This Amendment shall commence and be effective on Board approval, on the date identified at the top of this document.
2. Agreement, Paragraph 2 , TERM AND TERMINATION, Sub-paragraph A, is deleted in its entirety and replaced as follows:

"Paragraph 2. TERM AND TERMINATION:

A. The term of this Agreement shall commence on December 1, 2006, and shall expire on June 30, 2014. The Director of Health Services or his designee, shall have the option to extend the term on a month-to-month basis, if necessary, beyond the expiration date of June 30, 2014, until such time as the new Martin Luther King Jr. Hospital is open, operating at full-capacity, and services are no longer required. To implement such extension, an Amendment to this Agreement shall be prepared by the County, and executed by the parties.

3. Agreement, Attachment F, IHP ENROLLMENT FORM shall be deleted in its entirety and replaced with Attachment F-1 IHP ENROLLMENT FORM.
4. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by the County's Director of Health Services and Contractor has caused this Amendment to be executed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By: _____
Mitchell H. Katz, M.D.
Director of Health Services

CONTRACTOR

By: _____
Signature

Printed Name

Title

APPROVED AS TO FORM
BY THE OFFICE OF THE
COUNTY COUNSEL



EMERGENCY MEDICAL SERVICES AGENCY
LOS ANGELES COUNTY

IMPACTED HOSPITAL PROGRAM (IHP) ENROLLMENT FORM



Fax completed form to the Medical Alert Center at (562) 906-4300

IHP AND PATIENT INFORMATION

EMS REPORT FORM SEQUENCE NUMBER: _____

EMS INCIDENT LOCATION: _____
street city zip code

OR HOME ADDRESS: _____
street city zip code

HOSPITAL: _____

PATIENT LAST NAME: _____ FIRST: _____ MIDDLE INITIAL: _____

SEX: MALE FEMALE DATE OF BIRTH: _____

DATE ADMITTED TO EMERGENCY DEPARTMENT: _____ TIME: _____ AM
PM

EMERGENCY MEDICAL SERVICES AGENCY USE ONLY

PTIS NUMBER: _____

Agreement No.: 75939

METROCARE INPATIENT PROGRAM AGREEMENT

Amendment No. 6

THIS AMENDMENT is made and entered into this _____ day of _____, 2013,

By and between

COUNTY OF LOS ANGELES
(hereafter "County"),

And

ST. VINCENT MEDICAL
CENTER
(hereafter "Hospital")

Business Address:

2131 West Third Street
Los Angeles, CA 90057

WHEREAS, reference is made to that certain document entitled MetroCare Inpatient Program Agreement, dated December 1, 2006, and further identified as Agreement No.: 75939, and any amendments thereto (all hereafter referred to as "Agreement"); and,

WHEREAS, the parties wish to revise or incorporate provisions consistent with all applicable State and/or federal laws and regulations, County Ordinances and Board Policy; and to make necessary changes to the scope of work and payment provisions where indicated; and

WHEREAS, it is the intent of the parties hereto to amend Agreement to extend its term for one (1) year, for the period July 1, 2013 through June 30, 2014, with an option to further extend the term, on a month-to-month basis, if necessary, beyond the expiration date of June 30, 2014, until such time as the new Martin Luther King Hospital is open, operating at full-capacity, and services are no longer required; and

WHEREAS, the Agreement may be terminated by issuing a prior written notice in accordance with the Agreement, paragraph 2, Term and Termination, sub-paragraph D; and

WHEREAS, the Agreement provides that changes in accordance with Additional Provisions, paragraph 18, Merger Provision may be made in the form of an Amendment which is formally approved and executed by the parties.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. This Amendment shall commence and be effective on Board approval, on the date identified at the top of this document.
2. Agreement, Paragraph 2, TERM AND TERMINATION, Sub-paragraph A, is deleted in its entirety and replaced as follows:

"Paragraph 2. TERM AND TERMINATION:

- A. The term of this Agreement shall commence on December 1, 2006, and shall expire on June 30, 2014. The Director of Health Services or his designee, shall have the option to extend the term on a month-to-month basis, if necessary, beyond the expiration date of June 30, 2014, until such time as the new Martin Luther King Jr. Hospital is open, operating at full-capacity, and services are no longer required. To implement such extension, an Amendment to this Agreement shall be prepared by the County, and executed by the parties.

3. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by the County's Director of Health Services and Contractor has caused this Amendment to be executed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By: _____
Mitchell H. Katz, M.D.
Director of Health Services

CONTRACTOR

By: _____
Signature

Printed Name

Title

APPROVED AS TO FORM
BY THE OFFICE OF THE
COUNTY COUNSEL