

**Health Services**  
LOS ANGELES COUNTY

January 15, 2014

**Los Angeles County  
Board of Supervisors**

**Gloria Molina**  
First District

**Mark Ridley-Thomas**  
Second District

**Zev Yaroslavsky**  
Third District

**Don Knabe**  
Fourth District

**Michael D. Antonovich**  
Fifth District

**TO:** Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

**FROM:** Mitchell H. Katz, M.D.  
Director

**SUBJECT: NOTIFICATION OF DEPARTMENT OF HEALTH SERVICES' USE OF DELEGATED AUTHORITY TO EXTEND AND MAKE A NON-SUBSTANTIVE CHANGE TO THE AWARD FROM THE DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Mitchell H. Katz, M.D.**  
Director

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

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

This is to advise the Board that the Department of Health Services (DHS) exercised its delegated authority, approved on September 24, 2013 (attached), to accept and sign any U.S. Department of Health and Human Services Health Resources and Services Administration National Hansen's Disease Program (HRSA) documents needed to effectuate the annual option to extend the term of the Award or to make a non-substantive change to the Award from HRSA to provide Hansen's disease outpatient medical services at LAC+USC Medical Center (LAC+USC MC) subject to review by County Counsel.

313 N. Figueroa Street, Suite 912  
Los Angeles, CA 90012

Tel: (213) 240-8101  
Fax: (213) 481-0503

[www.dhs.lacounty.gov](http://www.dhs.lacounty.gov)

On December 30, 2013, HRSA notified DHS that the 2014 annual award of \$388,520.80 would be made in equal quarterly payments of \$84,130.20. Consequently, HRSA sent DHS Amendment No. 1, exercising its option to extend the term of the Award only for the period, January 1 – March 31, 2014, for signature. This abbreviated extension period HRSA offered differs from the annual option period stated in the September 24, 2013 Board letter, but it does not substantially affect the Award.

DHS will continue to receive funding from HRSA, helping defray approximately 67 percent of the cost of providing Hansen's disease diagnosis, outpatient treatment, case management, follow-up of persons diagnosed with Hansen's disease, and screening of any person who has lived in the same household with a new Hansen's disease patient in the three year period prior to the diagnosis and the beginning of treatment. The remainder of the cost is covered by Medi-

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Cal revenues and existing operating budgets. Hansen's disease is more commonly known as leprosy.

Care for patients with Hansen's disease has been provided at LAC+USC MC since July 1973 and since 1981, the federal government has been providing funding for the Hansen's disease outpatient medical services program.

County Counsel has reviewed and approved as to form.

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

MHK:rf

Attachment

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



**Health Service**  
LOS ANGELES COUNTY

September 17, 2013

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

Los Angeles County  
Board of Supervisors

23 September 24, 2013

Gloria Molina  
First District

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

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Mark Ridley-Thomas  
Second District

Zev Yaroslavsky  
Third District

Don Knabe  
Fourth District

Dear Supervisors:

Michael D. Antonovich  
Fifth District

**AUTHORIZATION TO ACCEPT AN AWARD AND FUTURE AWARDS  
FROM THE DEPARTMENT OF HEALTH AND HUMAN SERVICES  
TO PROVIDE HANSEN'S DISEASE OUTPATIENT MEDICAL  
SERVICES AT LAC+USC MEDICAL CENTER  
(FIRST SUPERVISORIAL DISTRICT)  
(3 VOTES)**

Mitchell H. Katz, M.D.  
Director

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

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

**SUBJECT**

Authorization for the Department of Health Services to accept an Award and future awards from the Department of Health and Human Services' National Hansen's Disease Programs for the continued provision of outpatient medical services to patients with Hansen's disease at LAC+USC Medical Center.

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Los Angeles, CA 90012

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Fax: (213) 481-0503

**IT IS RECOMMENDED THAT THE BOARD:**

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1. Authorize and instruct the Director of Health Services (Director), or his designee, to accept and sign an Award Number HSH258201300015C (Award), substantially similar to Exhibit I, from the U.S. Department of Health and Human Services Health Resources and Services Administration's National Hansen's Disease Program (herein "HRSA") to receive: i) \$89,738.88 for provision of outpatient medical services to Hansen's disease patients at LAC+USC Medical Center (LAC+USC MC) effective upon Board approval through December 31, 2013; and ii) \$336,520.80 annually for each annual option exercised by HRSA to extend the Award, for an estimated total award of \$1,435,822.08 for the period through December 31, 2017.
2. Delegate authority to the Director, or his designee, to accept and sign any HRSA documents needed to effectuate the options to extend the term of the Award or to make non-substantive

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changes to the Award, subject to review and approval by County Counsel.

3. Delegate authority to the Director, or his designee, to accept and sign future awards from HRSA for the continued treatment of Hansen's disease patients, as well as any documents to extend or otherwise non-substantively change such awards, subject to review and approval by County Counsel, and with notice to the Board and Chief Executive Office (CEO).

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

Approval of the recommended actions will allow the Department of Health Services to continue to receive funding from HRSA, helping defray approximately 67 percent of the cost of providing Hansen's disease diagnosis, outpatient treatment, case management, follow-up of persons diagnosed with Hansen's disease, and screening of any person who has lived in the same household with a new Hansen's disease patient in the three year period prior to the diagnosis and the beginning of treatment. Hansen's disease is more commonly known as leprosy.

Care for patients with Hansen's disease has been provided at LAC+USC MC since July 1973 and since 1981, the federal government has been providing funding for the Hansen's disease outpatient medical services program.

#### **Implementation of Strategic Plan Goals**

The recommended actions support Goal 1, Operational Effectiveness, and Goal 2, Fiscal Sustainability, of the County's Strategic Plan.

#### **FISCAL IMPACT/FINANCING**

The total award is in the amount of \$1,435,822.08 effective upon Board approval through December 31, 2017. The annual program cost is \$501,619.80, funded by \$336,520.80 in HRSA funds, estimated Medi-Cal Revenue of \$39,535 and net County cost of \$125,564. Attachment A provides detail of the award. Funding is included in the Fiscal Year 2013-14 Adopted Budget and will be requested in future fiscal years.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The federal Hansen's disease program is authorized by Public Law 99-117, Section 2. (a), Section 320 and is administered by the Department of Health and Human Services in accord with their regulations. When the federal government closed its public health hospitals in 1981, a contract care program was developed to provide services in communities where the majority of people with Hansen's disease were identified as residing. As a result, outpatient Hansen's disease clinics formed in California, Georgia, Florida, Illinois, Massachusetts, New York, Puerto Rico, Texas and Washington. Since

this time, LAC+USC MC is designated as a regional center with a catchment area that includes the following counties: Kern, Orange, San Luis Obispo, Santa Barbara, San Bernardino, Tulare and Ventura. The two other California regional centers are in San Diego and San Francisco.

Since 1981, the Board has approved acceptance of HRSA awards for the continued provision of this program. The most recent approval was on March 6, 2007, which extended the provision of services through December 31, 2009. While funds were received for the provision of uninterrupted services for Hansen's disease for the period January 1, 2010 through September 24, 2013, the funds were accepted by LAC+USC MC without approval of the Board. LAC+USC MC staff mistakenly accepted the award without following the Board's contract acceptance guidelines. Steps have been taken to remind LAC+USC MC staff regarding the bodies, and representatives thereof, that are legally authorized to contract on behalf of the County of Los Angeles (including those which bring revenue to the County).

Services have continued to be provided uninterrupted and the federal government has been providing funding to support the program throughout this time period.

Board approval of the recommended actions will authorize the acceptance of the award from HRSA to help support the continued provision of Hansen's disease outpatient medical services at LAC+USC MC for individuals in the Los Angeles catchment area with the central goal of preventing disability through early diagnosis and treatment.

County Counsel has approved the attached Award, Exhibit I, as to form.

#### CONTRACTING PROCESS

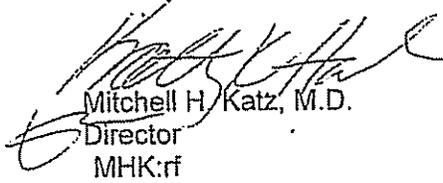
The County receives funds from HRSA to provide medical care to Hansen's disease patients, therefore the County's contracting process is not applicable.

#### IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of the recommended actions will allow LAC+USC MC to continue receiving funds to provide vital outpatient medical services to Hansen's disease patients to prevent disability through early diagnosis and treatment.

The Honorable Board of Supervisors  
September 17, 2013  
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Respectfully submitted,



Mitchell H. Katz, M.D.  
Director  
MHK:rf

Enclosures (2)

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

ATTACHMENT A

CONTRACT AWARD WITH THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO PROVIDE HANSEN'S DISEASE OUTPATIENT MEDICAL SERVICES AT LAC+USC MEDICAL CENTER FOR THE PERIOD

EFFECTIVE UPON BOARD APPROVAL\* – DECEMBER 31, 2017

| PERIOD              | DATE  | AMOUNT                |
|---------------------|---|-----------------------|
| Base                | Effective upon Board approval - December 31, 2013 | \$ 89,738.88          |
| Option Period One   | January 1, 2014 - December 31, 2014               | \$336,520.80          |
| Option Period Two   | January 1, 2015 - December 31, 2015               | \$336,520.80          |
| Option Period Three | January 1, 2016 - December 31, 2016               | \$336,520.80          |
| Option Period Four  | January 1, 2017 - December 31, 2017               | \$336,520.80          |
|                     | <b>TOTAL :</b>                                    | <b>\$1,435,822.08</b> |

\*Board of Supervisors approval is anticipated to be on September 17, 2013.