



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
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December 2, 2004

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:

**APPROVE THE APPOINTMENT OF BRUCE A. CHERNOF, M.D.,
AND APPROVE AMENDMENT OF THE COUNTY CODE SECTION
(All Districts) (3-Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve the appointment of Bruce A. Chernof, M.D. to Chief Deputy Director, Health Services, Clinical and Medical Affairs (UC), Item Number 4552A at an annual salary of \$235,000 (\$19,583.333 monthly) and with six months termination benefits upon the effective date of the accompanying ordinance, and approve the accompanying ordinance amending Section 6.78.350 to authorize termination benefits in an amount up to six months salary for a person on Item Number 4552A, with the prior approval of the Board of Supervisors and upon the meeting of certain conditions.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTIONS:

In accordance with County Code Section 6.78.350, L, the Department requests approval to appoint Bruce A. Chernof, M.D. to Chief Deputy Director, Health Services, Clinical and Medical Affairs (UC), Item Number 4552A, at an annual salary of \$235,000 (\$19,583.333 monthly). The proposed annual salary for Dr. Chernof is approximately 34.6 percent above the County Code flat monthly compensation of \$174,539.00 (\$14,544.93 monthly).

In addition, the Department is also recommending that the Board approve the accompanying ordinance amending County Code Section 6.78.350, L to allow termination benefits to a person on this unclassified position in an amount equal to up to six months salary, with the prior approval of the Board and upon the meeting of certain conditions, and authorize six months termination benefits to Dr Chernof upon the effective date of the ordinance.

FISCAL IMPACT/FINANCING:

The FY 2004-05 maximum obligation is \$235,000. The date of hire for Dr. Chernof would be upon Board approval of the above recommended actions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

As the Chief Deputy Director, Health Services, Clinical and Medical Affairs, Dr. Chernof will work under the direction of Department of Health Services Director and Chief Medical Officer, Thomas L. Garthwaite, M.D. and will head the newly established Office of Clinical Affairs and Affiliations. This office is a fundamental facet of the Department of Health Services (DHS) ongoing System Redesign established to facilitate proactive oversight, management, reporting and evaluation of centralized functions related to Affiliations/Graduate Medical Education (GME), Medical Staff monitoring, and Service consolidation.

Dr. Chernof will be responsible to provide direction and overall oversight for the Department's clinical programs, services and affiliations. This leadership role includes ensuring proactive and data driven planning for clinical programs, affiliations and medical staff development on a system-wide basis within DHS. The position responsibilities related to Graduate Medical Education, include renegotiating contracts with affiliates; providing oversight of contracts; monitoring and responding to accreditation issues regarding training programs; leading evaluation and refinements of training programs leading to program consolidation or development; and coordinating the strategic role of research across the Department.

In addition, Dr. Chernof will be responsible for Clinical Programs and will lead program evaluation, including new program development, program closures and consolidations; will develop and designate centers of excellence; lead a process to adopt new technology and to standardize equipment and supplies; identify and facilitate the spread of best practices across all clinical settings; and will participate in the development of clinical performance measurements and in the quality improvement/ patient safety initiatives of the Department.

Dr. Chernof is experienced in health care operations in the private sector and has particular expertise in County hospital administration, having served as a Physician Specialist, M.D. in the capacity of Medical Director, Quality Improvement in the Departments of Medicine and Ambulatory Care at Olive View-UCLA Medical Center for nearly three years. During this period, Dr. Chernof developed a comprehensive Quality Improvement program that was lauded by the Joint Commission on Accreditation of Healthcare Organizations (JACHO) and received numerous awards. He also spearheaded the creation of *ValleyCare*, a virtually integrated delivery system for under- and un-insured families in the San Fernando Valley that was a featured model of the Los Angeles County 1115 Waiver program through the Federal Health Care Financing Administration.

In his current position as a Health Net Regional Medical Director, a post held since December 1997, Dr. Chernof led in the creation of the Health Net Healthy Families Program (California's S-CHIP initiative), currently the second largest provider of care for Healthy Families children, serving more than 80,000 members in California. His involvement included network development, actuarial modeling, Evidence of Coverage creation, marketing efforts, creation of member education materials, and ongoing medical management. He currently supervises the medical management of 485,000 lives in an array of Health Net networks ranging from individual fee for service providers to highly delegated, capitated physician groups and independent practice associations. He is further responsible for support and oversight of all aspects of his organization's quality improvement programs, including audit and accreditation activities.

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Dr. Chernof's work background includes academic experience at UCLA and service as the Director, 5-year MD/MBA Program and as Chair, MD/MBA College, Geffen School of Medicine. His initial assignment in 1997 was to create and implement a five-year combined MD/MBA dual degree program, which was only the fourth in the country at the time. He was named Chair in 2002 and is currently responsible for curriculum development, course creation, mentoring programs, and creation of a MD/MBA Advisory Board comprised of health care and industry leaders.

Dr. Chernof is an honors graduate of Harvard University in Cambridge, Massachusetts and earned his medical degree from the UCLA School of Medicine. He is Board Certified as a Diplomate, American Board of Internal Medicine, as well as a Diplomate, National Board of Medical Examiners. Dr. Chernof has held a number of academic appointments at the UCLA School of Medicine beginning in 1991 as a Clinical Instructor in medicine and leading to his current position of Adjunct Associate Professor of Medicine.

Throughout his medical career, Dr. Chernof has participated in numerous professional activities and affiliations, served on extensive committees, and continues to maintain active membership in several medical societies. Dr. Chernof has won various honors and awards, including the San Fernando Valley Business Journal 2003 Finalist, Valley Health Care Leaders Award. In 2002, he received the UCLA School of Medicine Award for Excellence in Education. He is also the recipient of various research grants and fellowships and has produced profuse research papers, abstracts and presentations.

AUTHORITY

The County Code for recruitment purposes, permits the Director of Health Services to set the compensation of Dr. Chernof up 50% above the flat monthly salary established in the Code, well above the salary that is being recommended to the Board. The County Code needs to be amended in order to authorize termination benefits upon the appointment of a person to Dr. Chernof's position.

APPROVALS

The accompanying ordinance implementing amendments to Title 6, Salaries, of the County Code has been approved as to form by County Counsel.

Respectfully Submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:md

Attachment

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

ANALYSIS

This ordinance amends Title 6 - Salaries, of the Los Angeles County Code by:

- Authorizing the appointing power to provide to one unclassified position in the Department of Health Services up to six months' termination benefits, with the prior approval of the Board of Supervisors and upon the meeting of certain conditions.

RAYMOND G. FORTNER, JR.
County Counsel

By _____
LESTER J. TOLNAI
Principal Deputy County Counsel
Management Services Division

LJT:mag
12/02/04 (requested)
12/03/04 (revised)

ORDINANCE NO. _____

An ordinance amending Title 6 - Salaries, of the Los Angeles County Code, relating to authorizing termination benefits to one unclassified position in the Department of Health Services.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Subsection L of Section 6.78.350 is hereby amended to read as follows:

6.78.350 Additional information.

...

L. Compensation of Certain Positions. Notwithstanding any other provision of the County Code, the director of health services, for recruitment purposes, may establish the compensation of any of the following positions at the time of initial appointment at a rate up to 50 percent above the rate shown in Section 6.28.050 which is effective on the date of appointment. Such compensation when established shall be the initial flat rate per month.

Item No.	Title
4552	Chf Dep Dir, HS, Clinical & Med. Affairs (UC)
4568	Director, Office of Managed Care (UC)

Thereafter, the flat rate per month for the above positions shall be increased by the percentage adjustment factor provided by this section on the effective dates shown below.

Percentage Adjustment Factor	Effective Date
2 Percent	October 1, 2002
2.5 Percent	January 1, 2005
2.5 Percent	January 1, 2006

For recruitment and retention purposes for the position of Chief Deputy Director Health Services, Clinical and Medical Affairs (UC), Item No. 4552 only, the director of health services may, with the prior approval of the Board of Supervisors, also provide, in addition to those benefits specified by the County Code, an amount equal to up to six months' salary at the then current rate upon the termination of the appointment to the unclassified position. The termination benefits shall be inapplicable: (1) if the employee does not complete one year of service in that position prior to such termination; (2) if the employee has been charged with or is convicted of a felony; or (3) if the employee exercises return rights to the classified service pursuant to section 33.6 of the County Charter.

The rate or rates established by this provision constitute a base rate.

...

SECTION 2. Pursuant to Government Code Section 25123(f), this ordinance shall take effect immediately upon final passage.