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May 6, 2005

TO: Each Supervisor

FROM: Thomas L. Garthwaite, MD
Director and Chief Medical Officer

SUBJECT: EVALUATION OF KING/DREW MEDICAL CENTER AND THE MEDICAL SCHOOL AFFILIATION AGREEMENT WITH DREW UNIVERSITY

On April 12, 2005, the Board of Supervisors approved two motions instructing the Department of Health Services (DHS) to report back on how it will ensure the competent delivery of health care services at King/Drew Medical Center. One motion directed the Department to evaluate the pace of reform at King/Drew and establish criteria that would enable it to determine whether improvements in the delivery of care are occurring in an acceptable manner and time frame. The second instructed the Department to lay out a plan for assessing Drew University as an academic partner and options for moving forward without the university, in the event the evaluation finds its performance to be unsatisfactory.

<u>King/Drew Medical Center Restructuring</u>

Several questions were posed by the Board as to whether the pace of reform at King/Drew is satisfactory, how improvement can be measured, and how the Department will assure that the community standard of care is being met.

Assessment of Quality Indicators

As a result of its initial assessment of King/Drew, the Department identified a number of operational problems that required further measurement and correction. In the Navigant contract that was approved by the Board in October, a number of

deliverables were identified under Task 2, Assessment. During the assessment phase, Navigant established baselines in these areas by which to measure clinical improvement at the hospital. The specific deliverables are:

- Reducing the number of admitted patients awaiting a bed in the Emergency Department "holding area" from the baseline of 19 to 10.
- Reducing the length of stay for treated and released Emergency Department patients from a baseline of 744 minutes to 660 minutes.
- Reducing the average length of stay for admitted patients in the Emergency Department from a baseline of 1223 minutes to 990 minutes.
- Improving the percent of patients discharged each day by noon from 2.6 percent to 10 percent and implementing a plan for continuous measurement and improvement.
- Improving by 50 percent operating room utilization from a baseline of 22 percent utilization to 33 percent.
- Reducing the length of stay in the Post-Anesthesia Care Unit from a baseline of 349 minutes to 240 minutes.
- Initiating 100 percent of investigations for critical clinical events within 24 hours of occurrence.

In comparison to the other DHS hospitals, King/Drew performs poorly in these areas. For example, the length of stay for treated and released patients in the emergency department is presently 744 minutes at King/Drew, while it is 600 minutes at LAC+USC Medical Center, 508 minutes at Harbor-UCLA Medical Center, and 403 minutes at Olive View-UCLA Medical Center. Similarly, King/Drew does not compare favorably to national indicators in many of these areas. For example, operating room utilization at KDMC is 22 percent; whereas the literature suggests the national standard is close to 80 percent.

In its assessment, Navigant also identified other performance measures to track, which include both standard quality indicators looked at by national quality groups, such as the National Quality Forum and the Centers for Medicare and Medicaid Services (CMS) and recognized process indicators. Specific examples of operational measures Navigant is tracking include medication errors, completed nursing assessments, number of unexpected deaths and sentinel events, and length of stay.

Navigant is conducting concurrent chart reviews on the medical wards to provide real time assessments of the delivery of care and documentation. This allows the immediate correction of problems when they are identified, rather than a retrospective review. One measure of progress in the delivery of care will be the reduction of problems identified in these reviews that require remediation. Also, having additional nursing staffing monitoring the medical wards on a 24 hour a

day, seven day a week basis to assess and correct problems with care delivery will provide an additional measure of both the quality of care being provided at the hospital and whether corrections put into place are taking effect.

The Department intends to evaluate these indicators on a regular basis to assess the progress of operational improvements at King/Drew.

Measuring the Pace of Reform

As noted above, DHS is utilizing existing quality measures and the performance measures established by Navigant to gauge the level of progress at the hospital. Additionally, as has been previously reported, the Department's Audit and Compliance Division and Quality Improvement Program, in collaboration with the Auditor-Controller, have initiated a compliance review of Navigant's progress in achieving the tasks identified in its assessment, as well as in meeting the individual deliverables contained the Interim Management section of the contract.

The report on Navigant's completion of their self-established deliverables is being finalized and will be transmitted under separate cover. Based on the Audit and Compliance Division's review, to date, 59 percent of the sample of Navigant recommendations due by February 28 have been implemented. Of particular concern is the finding that in numerous instances management had initiated reforms, but full implementation at the staff level was not achieved. These findings have been discussed with Navigant and in response they immediately initiated corrective actions to address the identified issues.

The Audit and Compliance Division is still completing its review of Navigant's compliance with the Interim Management deliverables and this report will be completed by the end of May.

In addition to assessing the trend of improvement in clinical operations, there are a number of critical milestones associated with this restructuring work, a timeline for which is attached. These include acceptance of the plan of correction and resurvey by the Centers for Medicare and Medicaid Services (CMS), seeking re-accreditation by the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO), and the medical school's accreditation status with the Accreditation Council on Graduate Medical Education (ACGME).

Ensuring the Community Standard of Care is Met

Reported lapses in patient care and medical errors naturally lead to questions about the safety of operations at King/Drew. While regular evaluation of the indicators identified above are key to determining whether restructuring efforts are

proceeding apace, they do not necessarily measure the adequacy of the care provided at King/Drew. While the Department and Navigant will continue to monitor quality and safety factors, to a great degree DHS must also take into account the assessment of outside regulatory and licensing agencies in making this determination.

As you know, both CMS and California Department of Health Services State Licensing Division have conducted numerous on-site reviews at King/Drew and are fully aware of the clinical weaknesses at the hospital and of specific sentinel events. These reviews, as well as their knowledge of best practices across the country, allow both agencies to determine whether the care provided at King/Drew falls within an acceptable standard of care and safety. Their current determinations have not resulted in the withdrawal of CMS certification or state licensure.

CMS and State Licensing bring a breadth of both national and statewide data and experience when assessing King/Drew and the responsibility for ensuring that health and safety requirements are met. While I acknowledge there are areas and issues at the facility requiring aggressive monitoring and corrective action, CMS' and State Licensing's determinations not to take adverse action against the facility support the continued efforts to improve the quality of care provided and correct the deficiencies identified. DHS will continue to work closely and keep both agencies fully informed of activities at the hospital. Should anything that would alter this determination be identified by DHS, Navigant, or the regulatory agencies, the Board will be immediately notified and a recommendation for action will be provided.

Affiliation with Drew University

In September 2004, the Board approved a 21 month extension of the affiliation agreement with Drew University. The replacement agreement was time limited in an effort to provide an opportunity to reassess the medical school's progress in making necessary improvements prior to providing a recommendation to the Board as to whether to continue the relationship with Drew University. This agreement put into place more explicit requirements for the medical school and established monetary sanctions for non-compliance. To date, the Department has initiated sanctions totaling $21,000 against Drew University for its failure to comply with the contract terms.

While Drew University has taken steps to reorganize its board and to obtain outside support and expertise in evaluating its resident training programs, the Department remains concerned that necessary planning and restructuring,

particularly with regard to its academic leadership, has not been fully developed or implemented.

The Department believes strongly that the appointment of a permanent president is critical to stabilize the institution and allow for the recruitment of strong clinical and academic leadership. DHS is aware of the recommendation made by the Steering Committee on the Future of King/Drew Medical Center to establish and appoint a single executive over both the hospital and medical school and is investigating the feasibility of creating such a position. At my request, County Counsel will be meeting with the attorney representing the Steering Committee to evaluate the legal implications of such a change.

Based on the aforementioned concerns, DHS has notified the medical school that if the following items are not fully implemented by August 31, 2005, the Department will allow the existing contract to expire on June 30, 2006, and will pursue an alternative strategy for the delivery of physician services. The deliverables established for Drew University are:

- Appointment of a permanent President and/or Dean of the College of Medicine.
- Completion of a comprehensive evaluation of the organizational structure and administrative leadership of the university, as it pertains to the medical school, and implementation of necessary changes in academic leadership.
- Immediate development and implementation of a comprehensive plan to meet all previously identified ACGME deficiencies in preparation for the December 2005 Institutional Review of training programs.
- Development and implementation of a program to fill each of the critical clinical Department Chair positions which are vacant or held by interim appointees. The newly recruited and appointed chairs must be qualified for appointment at the rank of Professor or Associate Professor and have demonstrated track records of excellence in the direct delivery of care and education of medical trainees. These individuals also must have demonstrated skills in managing physicians and the stature necessary to attract high quality faculty and residents. Research, while important, should not be the primary metric for identifying potential candidates until patient care and teaching are on solid footing. The issues that face Drew University require physician leaders with an interest and aptitude for direct patient care and teaching of residents.
- Compliance with all contract reporting requirements, both for content completeness and timeliness.

In the interim, the Department has initiated a planning process in the event the relationship with Drew University is terminated. Among the options being evaluated and developed are:

- Operating a non-teaching facility.
- Establishing a model similar to that at Olive View-UCLA Medical Center in which UCLA residents rotate to King/Drew for training experience.
- Direct sponsorship and operation of a training program by DHS without an academic partner.
- DHS sponsorship and operation of a training program with another academic partner, such as UCLA, the University of Southern California, or other appropriate entity.

Even if the Department were to retain a teaching model at King/Drew, it would likely be much more limited than what presently exists at the hospital. This evaluation of hospital-based training programs will occur in the context of the clinical needs of the patient population, which may result in a more limited number of core residencies, such as Internal Medicine, Psychiatry, and General Surgery. An additional number of smaller specialized residencies and fellowships would be targeted to the needs of the population that uses King/Drew, such as neurology/rehabilitation/stroke care, diabetes/lipids/hypertension, and cardiology-peripheral vascular disease.

There are many requirements associated with transitioning out of the agreement with Drew University, such as placement of residents, identifying and entering into an agreement with a new academic partner, necessary reviews and approvals by ACGME, that would take some time to effect. The Department believes the remaining period of time between the potential September 1, 2005, notification of Drew University and the June 30, 2006, contract expiration date provides a sufficient amount of time to achieve these steps.

Over the next four months, as it assesses the medical school's achievement of the goals set forth above, the Department also will undertake its own planning process to answer the questions of what the configuration of services should be at the hospital and whether King/Drew should be operated as a teaching facility. Irrespective of the determination on its status as a teaching hospital, the Department believes a reassessment of King/Drew's clinical mission is required. During this period, DHS will:

- Assess and determine the appropriate scope of clinical services to be offered at King/Drew.
- Determine what hospital model to pursue (e.g., teaching or non-teaching hospital).

- Determine which teaching model to employ, if determination is to proceed as a teaching hospital.
- Identify the clinical services for which training programs may be appropriate.
- Initiate implementation of the clinical and training program restructuring.

By September 1, 2005, the Department will provide a recommendation to the Board for a reconfigured hospital clinical program and the attendant training programs that would remain at the facility.

Please let me know if you have any questions.

TLG:ak

Attachment

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

Timeline of Critical Milestones

January 3, 2005	Provide a comprehensive written Assessment Plan of King/Drew Medical Center. (Navigant[1])
January 17, 2005	Develop a new Performance Improvement Program, which is compliant with Joint Commission on the Accreditation of Healthcare Organizations (JCAHO) National Patient Safety Goals and after approval by County work toward implementation. (Navigant)
January 17, 2005	Establish a tutoring and mentoring program for nurse managers, with clearly established skills and management competencies. (Navigant)
January 17, 2005	Review the work previously provided by The Camden Group and, to the extent necessary, complete the restructuring of the nursing administration functions and office. (Navigant)
February 1, 2005	Restructure the medical staff office. (Navigant)
February 1, 2005	Review medical staff's compliance with medical staff bylaws and submit written recommendations for necessary changes. (Navigant)
February 1, 2005	Provide a detailed, written recommendation as to the appropriate mix/scope of clinical services to be offered at King/Drew Medical Center. (Navigant)
February 1, 2005	Provide a detailed, written plan for the coordination of administrative and clinical services between Humphrey Comprehensive Health Center and King/Drew Medical Center. (Navigant)
March 1, 2005	Develop and implement transition plan to replace Contractor's interim managers with permanent managers. (Navigant)
March 1, 2005	Identify gaps in mid-level management positions and, in consultation with DHS, recruit, interview, and make recommendations for hire to those positions, as necessary. (Navigant)

[1]Refers to deliverables included in Navigant contract.

March 15, 2005	Recommend and implement new credentialing and privileging processes and confirm all physician credentials. (Navigant)
March 15, 2005	Review the work previously provided by The Camden Group and, to the extent necessary, complete the review and revision of nursing policies and procedures to determine the level of appropriateness and compliance with outside regulatory requirements. (Navigant)
May 2005	Accreditation Council on Graduate Medical Education (ACGME) Residency Review Committee (RRC) site visit of Anesthesiology program.
May 12, 2005	Plan of Correction for October resurvey due to Centers for Medicare and Medicaid Services (CMS).
June 1, 2005	Assess clinical competence of all members of medical staff and develop and begin implementing necessary skills remediation. (Navigant)
July 2005	First mock JCAHO survey conducted by outside entity to assure readiness to apply for re-accreditation.
July 2005	Apply for re-accreditation by JCAHO.
July 2005	ACGME survey conducted by outside entity.
August 2005	ACGME RRC site visit of Family Medicine program.
August/September 2005	Potential resurvey by CMS.
September 1, 2005	Recruit, interview, and make recommendations for hire to the County for the positions of CEO, COO, CNO, and other positions. (Navigant)
September 2005	Second mock JCAHO survey conducted by outside entity to assess progress in successfully meeting JCAHO standards.
October 31, 2005	Expiration of current agreement with Navigant.
November 2005	JCAHO Re-accreditation Survey
December 2005	ACGME Institutional Review