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June 30, 2005

TO: Each Supervisor

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

SUBJECT: SUMMARY REPORT ON DHS PHYSICIAN MANAGEMENT, PERFORMANCE EVALUATIONS, WORKLOAD REPORTS AND PEER REVIEW

This report summarizes actions taken by the Department of Health Services (DHS) in response to the December 7, 2004 Board motion regarding physician evaluation, oversight, and management.

Creation of an Office of Clinical Affairs and Affiliations

The most critical change in the Department relative to these issues is the hiring of a Senior Medical Director for Clinical Affairs and Affiliations who is responsible for the implementation and coordination of the activities described below.

Physician Workload

DHS now has a limited, but operational data repository that captures the critical clinical transactions (outpatient visits, inpatient admissions, etc.) on a daily basis from all our institutions. Areas where the measurement of workload is most straightforward will be aggregated first (e.g. radiology and outpatient face-to-face visits). Validation of this data to the medical record will occur this summer with facility-specific reporting expected in the fall of this year. If the validation proves correct, cross facility Relative Value Units (RVU) benchmarking will begin in early 2006.

DHS continues to make progress on standardizing how clinical work is coded as we develop Department-wide business rules to ensure data is compared appropriately.

Peer Review

Over the past six months, the Department completed an independent, on-site evaluation of the peer review, potential quality issue (PQI) evaluation, and credentialing processes at each facility. These reviews focused specifically on the thoroughness of file contents, completeness of documentation, and loop closure for all identified issues. This evaluation identified facility-specific best practices that are being generalized across the other facilities. The evaluation also identified several specific areas for Department-wide improvement. Highlights of these improvements include:

- Development and implementation of a standardized tool to collect peer review and other relevant information as part of the peer recredentailing process.
- Formalizing reporting of peer review activities at each hospital's governing body meeting to ensure timely and comprehensive action.
- Development of a focused educational program for medical staff on peer review by the DHS Quality Improvement Department.
- Creation of a DHS Department-wide Executive Peer Review and Corrective Action Plan Oversight Committee. This new committee's membership is comprised of the Medical Directors of each of the facilities, as well as the Director and senior physicians in DHS Health Services Administration. This committee provides Department level, case-specific oversight of the most critical cases.

Physician Management, Monitoring and Performance Evaluations

DHS Human Resources revised its Performance Evaluation Policy to require annual performance evaluations for all physicians. Prior to this revision the physicians were evaluated every two years. This revised policy has been fully implemented so that all physicians have had an annual evaluation and updated attestations about outside employment. DHS Human Resources also has completed formal training on time card monitoring and performance evaluations for King/Drew Medical Center leadership including Medical Administration, Program Chairs, Program Directors, Program Chiefs and departmental Administrative Coordinators. DHS Human Resources will continue to do targeted training for physician management at all facilities as necessary.

Affiliation Agreement Monitoring and Oversight

The Office of Clinical Affairs has developed and fully implemented an Affiliation Agreement compliance program. The Drew University component has been fully implemented for four months. The University has received sanctions of $21,000 for the fourth quarter of 2004 and $1,000 for the first quarter of 2005 for failing to complete required reporting requirements. The University has also had a $300,000 withhold for not logging the full

number of clinical hours per months available under the contract. A reconciliation is currently underway and further withholds may be necessary if the clinical hours remain underutilized.

The Affiliation Agreements for UCLA and USC are currently under negotiation and should be submitted to the Board for consideration in September. Once completed, similar monitoring tools will be developed for tracking and evaluating reporting requirements in these agreements.

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

TLG:bc
412:007

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