Executive Office

County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE
713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
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DAVID E. JANSSEN
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

October 7, 2005

To: Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

REPORT ON CHANGES PROPOSED FOR THE BYLAWS OF THE KING/DREW MEDICAL CENTER HOSPITAL ADVISORY BOARD (ITEM NO. 96, AGENDA OF OCTOBER 11, 2005)

On September 20, 2005, your Board instructed County Counsel and my office to report back on changes proposed to the King/Drew Medical Center Hospital Advisory Board (HAB) bylaws and to identify the parties requesting those changes.

County Counsel has provided the attached report which provides background information on the bylaws and how they were developed, including proposed changes which were eventually incorporated into the bylaws presented to your Board. The County Counsel report references a February 18, 2005 report from my office, which included, among other information, an outline of topics to be covered by the HAB bylaws. A copy of the February 18 report is also attached.

Please contact me if you need additional information, or your staff may contact Sheila Shima, of my office, at (213) 974-1160 or Anita Lee, County Counsel staff, at (213) 974-1818.

DEJ:DIL
SAS:alc
Attachments

c: Executive Officer, Board of Supervisors
County Counsel
Director of Health Services
Chair, King/Drew Hospital Advisory Board

HAB Bylaws

ATTACHMENT I

COUNTY OF LOS ANGELES
OFFICE OF THE COUNTY COUNSEL

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RAYMOND G. FORTNER, JR.
County Counsel

October 6, 2005

TO: DAVID E. JANSSEN
Chief Administrative Officer

FROM: ANITA D. LEE
Principal Deputy County Counsel
Health Services Division

RE: **King/Drew Medical Center Hospital Advisory Board**

At the request of the Board of Supervisors, we have created the following memorandum to provide background information on the content of the bylaws of the King/Drew Medical Center Hospital Advisory Board ("HAB"), and how those bylaws were developed.

BACKGROUND ON THE HAB AND ITS DUTIES

One of Navigant Consulting Inc.'s recommendations for improving King/Drew Medical Center ("KDMC") suggested the creation of the HAB. Its purpose was to exercise, to the extent possible, delegated authority from the Board of Supervisors to perform the governance functions outlined by the Joint Commission on the Accreditation of Healthcare Organizations ("JCAHO"). It was always clear that the official governing body for KDMC would remain the Board of Supervisors and that the HAB would work with the Department of Health Services ("DHS") on certain system-wide issues, like scope of services and budget.

After approving the concept of the HAB, the Board of Supervisors instructed the Chief Administrative Officer ("CAO") to report back to it on the basic structure of the HAB, and its proposed duties. This report was made in a memorandum dated February 18, 2005. The report included a description of the membership, which was expected to be 13 persons, including four ex officio members. KDMC's Chief Executive Officer was included as a non-voting

member. The report also included an outline of topics to be covered by the HAB's bylaws, including the inclusion of certain standing committees, and indicated that the bylaws were to be drafted with the assistance of County Counsel, and were to receive final approval from the Board of Supervisors. Finally, the report included a description of the scope and extent of the decision making authority delegated to the HAB. The Board of Supervisors accepted this report at its February 22, 2005, meeting.

THE FIRST SET OF BYLAWS

Prior to the first meeting of the HAB, Hank Wells of Navigant, and I representing County Counsel, prepared a draft set of bylaws for presentation to the HAB. In doing so, we consulted the governing body bylaws used by several other hospitals, as well as the legal requirements for entities subject to the Brown Act. The list of duties in the bylaws was modeled closely after those listed in the CAO's February 18, 2005, memorandum, with the addition of several procedural duties, such as the appointment of committee members.

The draft bylaws were discussed at the May 9, 2005, HAB meeting. One member, Ms. Ochoa, had concerns about some of the provisions but was unable to attend that meeting. The HAB formally adopted the bylaws at that meeting with the clear expectation that they would be amended subsequently as discussion and experience revealed the need for change.

THE VERSION PRESENTED TO THE BOARD

The version of the bylaws presented to the Board of Supervisors contains several changes from the original draft, which are discussed below in the order in which they appear in the bylaws. Regardless of their origins, each of these changes was presented to the HAB at a special, noticed meeting on August 31, 2005, and the changes were approved by the HAB.

1. Mission Statement

Among other things, Ms. Ochoa recommended that the description of the HAB's mission in Article II - Purpose and Objectives be expanded to include the idea of overseeing the implementation of Board directions concerning KDMC. At its July 11, 2005, meeting, the HAB appointed a subcommittee of Hank Wells, Anita D. Lee and Kathy Ochoa to discuss Ms. Ochoa's concerns and prepare revised bylaws for presentation to the HAB as a whole. That

subcommittee determined that the suggested change to the mission statement made good sense, and recommended that it be added to the bylaws. The HAB as a body, also accepted this change.

2. Increase in the Number of HAB Members

A nominating committee composed of Sylvia Drew Ivy, Jim Lott and Bart Williams was appointed in June to consider vacancies which existed after two of the appointed members resigned. In its report back to the HAB in July, this committee included a recommendation that the size of the HAB be expanded by two members, with a recommendation to the Board of Supervisors that these positions be filled with representatives from the community. It should be noted that the Board of Supervisors had charged the HAB with determining means for community input. The HAB adopted that recommendation with the understanding that the expansion would require approval of the Board of Supervisors.

3. Voting Status for the Chief Executive Officer

Another of Ms. Ochoa's recommendations was to make the KDMC Chief Executive Officer ("CEO") a voting member of the HAB. Under the original bylaws, the CEO was a member, but could not vote. She reasoned that because the other ex officio members (i.e., the chair of Charles R. Drew University of Medicine and Science, the Professional Staff Association President and the Director of Health Services) all could vote, it did not make sense to treat the CEO differently. Mr. Wells, who had observed other hospital governing bodies, indicated that he had seen the CEO position handled both way. The HAB decided to approve the change giving the CEO voting authority.

4. Definition of a Quorum

Originally, the bylaws indicated that a quorum would be 7 voting members or 8 if the HAB had 15 members. It was recommended the definition be changed to 50% plus one of the total filled voting members. This change was recommended because the membership of the HAB was fluctuating, based on the number of filled positions and unfilled vacancies, and it was unclear in such circumstances how a quorum was to be determined. The proposed formulation is considered clearer and more easily applied, and was therefore approved.

5. Changes to the Duty Statement

Ms. Ochoa also had concerns about the provisions in the duties section of the bylaws directing where the HAB should send its reports or recommendations. She believed that such determinations should be made by the HAB. Although the subcommittee determined that specific instruction to report to DHS was important in several areas, in other places, the designation of who should receive the report seemed unnecessary or irrelevant. Accordingly, in those places, the specific instruction regarding the entity to receive the information was removed.

6. Qualifications of HAB Officers

As originally proposed, the bylaws did not limit who could be an officer. Ms. Ochoa was concerned that, because the HAB has some responsibility for review of the relationship with Drew University and of the policies and practices of DHS and the Professional Staff Association, it was not appropriate for individuals affiliated with those organizations to serve as officers of the HAB. Accordingly, she recommended that only members at large be able to hold office. The HAB accepted her reasoning and accordingly adopted this change.

7. Quality Oversight Committee

The quality oversight committee was one of the standing committees recommended to the Board of Supervisors. This committee, once appointed by the HAB and committee chair, initially spent time determining the appropriate scope of its charge and composition. The bylaws were amended to conform to the committee's determinations.

8. Executive Committee

As originally drafted, the bylaws did not have an executive committee. However, the HAB's officers, after several months of operation, realized that the full board was not able to meet often enough to respond in a timely way to all issues which required HAB action. Accordingly, they recommended to the HAB that an executive committee be created which would be able to act between HAB meetings on the HAB's behalf. The full HAB agreed that this would be appropriate, and did not believe that it would be consistent with the urgent nature of those actions to make them contingent on later HAB

ratification. Accordingly, ratification was not required. However, there was an expectation that the executive committee would report its actions to the full board.

Please call should you have any questions or require additional information.

ADL:vn

c: Thomas L. Garthwaite, M.D.
Hector Flores, M.D.

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Board of Supervisors
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Fifth District

February 18, 2005

To: Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

REPORT ON THE ADVISORY BOARD FOR KING/DREW MEDICAL CENTER (ITEM NO. S-1, AGENDA OF FEBRUARY 22, 2005)

On February 8, 2005, on a motion by Supervisor Burke, as amended by Supervisor Knabe, your Board approved in concept the Advisory Board for Martin Luther King, Jr./Drew Medical Center (KDMC), as recommended by Navigant Consulting (Navigant) in its final assessment report. Your Board further requested that Navigant report back in two weeks with answers to questions regarding the Advisory Board's membership, frequency of meetings, and accountability, in addition to other issues related to the Advisory Board's creation and on-going responsibilities.

Navigant's attached governance implementation report, developed with input from County Counsel, the Department of Health Services (DHS), and my office, clarifies that your Board will remain the official governing body for KDMC for all purposes and retain ultimate authority for the quality of care and the operation of KDMC. As further discussed in the report, however, specific responsibilities would be delegated to the Advisory Board to enable it to provide policy-level direction and oversight to KDMC on behalf of your Board.

The report describes the proposed duties and responsibilities of the Advisory Board, which will be called the KDMC Hospital Advisory Board (HAB), and includes recommendations for 7 of the initial 13 voting members of the HAB. This includes four members of the current KDMC Advisory Board who have agreed to continue as members of the HAB and three ex-officio voting members (DHS Director, Drew University Board Chairman or designee, and President of the KDMC Professional Staff Association). The HAB membership proposed at this time is also attached as part of the report. A subsequent communication will be provided to your Board on February 22, 2005, with additional names of individuals, selected from candidates submitted to my office who have expressed willingness to serve on the HAB.

It is anticipated that these appointed HAB members, with participation from my office, DHS and Navigant, would recommend for consideration by your Board additional members for any remaining seats and for additional seats as needed to ensure that the optimal range of expertise is available to the members in meeting their duties and responsibilities. The HAB would also develop its process for ensuring participation and ongoing input from the communities served by KDMC. The list of potential candidates for HAB membership will continue to be coordinated through my office.

Upon approval of the report by your Board, the HAB will have 60 days to develop bylaws, with advice and assistance from County Counsel, and to submit them for approval by your Board. The bylaws will govern HAB activities, including member terms, member succession, meeting frequency, the standing committee structure, and the scope and extent of authority delegated by your Board. The HAB will, within 30 days, develop a staff support plan. Navigant recommends that staff support be provided by the office of the KDMC Chief Executive Officer.

The report further describes the various tasks the HAB will be authorized to perform, including to assure that KDMC has organizational management and planning, to work with KDMC leadership in directing staff to correct deficiencies it discovers in these areas, to assure the coordination and integration among KDMC leaders to allow them to establish policy and maintain quality care and patient safety, and to evaluate the availability of resources and make recommendations to DHS on changes necessary to assure patient safety and quality care.

The HAB will also participate in the selection of an individual for appointment to the position of KDMC Chief Executive Officer. In addition, the HAB will recommend to DHS the scope of hospital services, an annual operating budget and a long-term capital expenditure plan for KDMC, and will participate with DHS and my office in developing final budget and capital expenditure plans for presentation to your Board. The HAB will not, however, have responsibility for DHS contracts or contract monitoring, and therefore has no responsibility for the Navigant contract.

Please contact me if you have questions or need additional information.

DEJ:DIL
SAS:bjs

Attachments

c: Executive Officer, Board of Supervisors
County Counsel
Director of Health Services

King Drew Medical Center
Governance Implementation

- The name of the governing body will be the King/Drew Medical Center (KDMC) Hospital Advisory Board (HAB).
- The Los Angeles County Board of Supervisors (BOS) will remain the official governing body for KDMC for all purposes, including compliance with federal Medicare regulations, Joint Commission on the Accreditation of Healthcare Organizations (JCAHO) standards, and state licensing rules. BOS will therefore retain ultimate authority for the quality of care and the operation of KDMC. However, to the extent possible, BOS will delegate the responsibilities described below to HAB, with the goal that HAB provide policy-level direction and oversight to KDMC. In some cases, HAB will be given final decision making authority; in all other circumstances, HAB will make recommendations which will be presented to BOS or the Director of the Los Angeles County Department of Health Services (DHS) for consideration.
- HAB members will be appointed by BOS. Membership will include the following:
    - Current members of the KDMC Advisory Board who are willing to serve as voting members of the HAB
    - Ex officio HAB voting members:
        - Director of DHS
        - Charles R. Drew University of Medicine and Science (Drew) Board Chairman, or his designee
        - President of the KDMC Professional Staff Association
    - Additional voting members to bring the total initial membership to 13
    - Ex officio non-voting member:
        - KDMC Chief Executive Officer
    - Successor or replacement members will be appointed by BOS from a list of nominees provided by HAB
- Within 60 days of the appointment of HAB, with the advice and assistance of the Los Angeles County Counsel, HAB will develop bylaws and submit same for BOS approval. Topics to be covered in the bylaws include:
    - HAB member terms (Navigant recommends three-year terms), filling of vacancies, removal of members, etc.
    - Conflict of interest policy, consistent with California state law
    - Meeting frequency (Navigant recommends at least monthly, more often during first several months)
    - Standing committee structure, with regular meetings scheduled at least monthly, which may include the following:
        - Quality Committee
        - Credentialing Committee (including medical staff representation)
        - Strategic Planning Committee
        - Finance Committee
    - The scope and extent of decision making authority delegated by the BOS (see below for enumeration.)

- Compliance with public meeting requirements

- To assure accountability, HAB will make periodic reports, in addition to those specified in this document, to BOS on its activities.
  - At the outset, this report shall be provided monthly; upon instruction from BOS, this report shall change to a quarterly basis.
  - These reports may include the following:
    - Decisions and recommendations made since previous report to BOS
    - Pending projects, audits and reviews
    - Critical licensure and accreditation issues
    - Summary of participation by individual HAB members
- Within 30 days of appointment, HAB will develop a staff support plan (Navigant recommends staff be provided by the office of KDMC Chief Executive Officer).
- HAB would be given the authority to perform the following tasks, related to JCAHO required governing body functions:
  - Evaluate KDMC organizational management and planning and work with hospital leadership to correct deficiencies it discovers in these areas.
  - Recommend scope of hospital services to DHS, for approval as appropriate by BOS.
  - Participate in selection of an individual for appointment by the Director of DHS to the position of Chief Executive Officer of the hospital.
  - Assure the coordination and integration among the hospital's leaders to allow them to establish policy and maintain quality care and patient safety.
  - Evaluate the availability of resources and make recommendations to DHS on changes necessary to assure patient safety and quality care.
  - Evaluate annually the hospital's performance in relation to its vision, mission, and goals, and provide such evaluation to BOS and DHS for their consideration along with recommendations for improvement.
  - Provide a system for resolving conflicts among leaders and the individuals under their leadership.
  - Receive annual reports from hospital management addressing system or process failures and actions taken to improve safety, both proactively and in response to actual occurrences and assure that hospital leadership has responded appropriately.
  - Review the medical staff bylaws and, after appropriate consultation with DHS, work with medical staff to develop any required revisions to such bylaws for approval by BOS.
  - Exercise delegated authority from BOS to grant, renew, revise, or deny setting-specific clinical privileges that are based on recommendations from the medical staff and are consistent with BOS approved scope of services; this responsibility and authority may be delegated to a committee of the HAB
  - Recommend to DHS an annual operating budget and participate with DHS and the Los Angeles County Chief Administrative Office (CAO) in developing a final budget for presentation to BOS.

- Recommend to DHS a long-term capital expenditure plan and participate with DHS and CAO in developing a final plan for presentation to BOS.
- Receive and evaluate reports on malpractice, patient satisfaction, and compliance with regulatory and accreditation requirements and supply such evaluation to DHS and BOS

- Additional HAB responsibilities, include:
  - Direction to KDMC management, and monitoring of its performance, in at least the following areas:
    - Sustained implementation of Navigant Consulting, Inc. recommendations and the ongoing reporting to HAB and DHS on the status of such implementation.
    - Provision to HAB and DHS of accurate and timely clinical and financial information, including metrics to enable ongoing evaluation of KDMC's performance over time compared with best practice performance levels of similar institutions.
    - Conformity to DHS and other County operating policies and procedures.
    - Identification of clinical and operational problems and the development and implementation of plans to resolve deficiencies in a timely manner, with regular progress reports to the HAB and DHS.
    - Provision of recommendations regarding appropriate external expertise to assist in establishing a HAB education and development program.
    - Maintenance of current scope of services, unless modified by BOS.
  - Oversight of KDMC management's monitoring of compliance by both Charles R. Drew University of Medicine and Science (Drew) and DHS with the terms and conditions of the Medical School Operating Agreement (affiliation agreement), especially as those terms relate to the commitment by Drew and DHS to the dual mission of patient care and teaching at KDMC.
  - Creation of recommendations to DHS of clarifications to the Medical School Operating Agreement in the areas of physician staffing levels, time allocations, and time reporting methodologies, and medical accountability for individual and collective physician performance related to the quality of medical services.
  - Evaluation of graduate medical education programs related to compliance by KDMC, DHS, and Drew with obligations as they relate to appropriate supervision of residents, adherence to Residency Review Committee and ACGME program requirements, and adequacy of clinical experience, and recommend improvements to compliance in these areas, by all parties, as appropriate.
  - Collaborate with DHS to seek opportunities to strengthen graduate medical education programs, including exploring the merits of establishing new relationships with other academic medical centers and/or schools of medicine.

- Development of KDMC Strategic Plan for approval by DHS and BOS.
- Development of an Information Technology Plan consistent with KDMC's and DHS' clinical and business strategy for approval by DHS and BOS.
- Evaluation of financial performance consistent with KDMC's annual operating budget and productivity standards and recommending and directing the implementation of expense reduction, clinical resource management and revenue cycle initiatives, after coordination with DHS; any service reductions require approval by BOS.
- Evaluation of hospital business practices, policies and procedures that influence the quality of care and/or impede efforts to provide care in the most cost effective manner possible. Where a business practice is particular to KDMC, initiate changes as appropriate. Where a business practice is based on DHS or County-wide policy, make recommendations to DHS for change. In all cases, assure compliance with appropriate KDMC, DHS, or County-wide policies.
- Review Human Resources activities with respect to recruitment and retention and implementation of improvements in employee training and orientation, and management training and development. Make recommendations to DHS regarding changes in labor contract terms and conditions, supervisor/employee relations, performance evaluations and opportunities to reduce workers compensation utilization.
- Review the provision of services by KDMC staff to other DHS health centers.
- Cooperation and consultation with DHS in its oversight of the interim management and implementation services provided by Navigant Consulting, Inc.

- In the event HAB identifies any Los Angeles County policies and procedures that impede management's efforts to provide high quality, cost effective clinical services, it will be the responsibility of HAB to report such instances to DHS and BOS along with an appropriate recommendation for relief.

King Drew Medical Center
Proposed HAB Membership

Current members of the KDMC Advisory Board who are willing to serve as voting members of the HAB:

1. Hector Flores, MD, Chairman
2. Michael Drake, MD
3. Joseph Van Der Muelen, MD
4. James Lott

Additional HAB voting members:

1. Director of LADHS, ex officio – Thomas Garthwaite, MD
2. President of PSA, ex officio – Rosalyn Scott, MD
3. Drew University Board Chairman, or his designee, ex officio