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June 26, 2006

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From: David E. Janssen
Chief Administrative Officer

Bruce A. Chernof, M.D.
Director and Chief Medical Officer

REPORT ON THE DEPARTMENT OF HEALTH SERVICES REQUEST FOR ADDITIONAL ADMINISTRATIVE POSITIONS IN FY 2006-07 PROPOSED BUDGET (AGENDA OF JUNE 26, 2006 - BUDGET DELIBERATIONS)

On April 18 2006, your Board instructed my office, in collaboration with the Director of Health Services, to report back during the June Budget Deliberations with additional justification and performance measurements for the approximate 100 administrative positions included in the FY 2006-07 Proposed Budget.

These positions will provide centralized support and direction to critical areas of the Department's administration, including contract monitoring, quality improvement and patient safety, data integrity/standardization, clinical resource management, Medi-Cal Redesign, planning and program oversight, strategic planning, accounts receivable, and Board relations.

A complete breakdown of the 105.4 positions, along with justification and performance measures provided by the Department, is shown in Attachment A. The FY 2006-07 Final Changes recommendation for DHS includes 2.0 additional administrative positions; Attachment B reflects the justification and performance measures for these positions.

If you have questions or need additional information, please contact me, or your staff may contact Burt Kumagawa of my staff, at (213) 893-9742.

DEJ:DL:SAS
DRJ:BK:bjs

Attachments

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

Los Angeles County Department of Health Services
FY 2006-07 Proposed Budget
New Administrative Positions

Functional Area/Positions	Program Justification	Key Performance Measures
Centralized Contract Monitoring 9.0 Financial Specialist III 5.0 Staff Analyst, Health 17.0 Contract Program Auditors 3.0 Secretary III 1.0 Administrative Asst III 35.0 Budgeted Positions	Centralized Contract Monitoring (CCM) is responsible for fiscal and administrative monitoring, and for oversight responsibilities in standardizing programmatic review. Additional staff will enable CCM to expand fiscal monitoring activities of hospitals, health centers, and administration office contractors, perform program oversight and administrative monitoring, and provide administrative support to CCM unit managers. Deficiencies in these areas could result in increased DHS/County liability, and sanctions or penalties from grantors or other fund sources.	Administrative Monitors: DHS will complete an additional 150 reviews per year. Program Oversight: DHS will review approximately 15 percent of their 3,000 contracts annually for program oversight compliance. Fiscal Monitors: DHS will conduct 90 more financial audits per year.
Audit and Compliance 7.0 Staff Analyst, Health	Audit & Compliance performs detailed quality analyses and evaluates monitoring for approximately 3,000 contracts that DHS uses each year. Additional positions will strengthen contract monitoring, evaluate competencies in contract administration and contract use, and significantly improve contract accountability by addressing unmet workload for quality analyses and increasing the number of sample reviews of the work performed by the contract monitoring staff.	- By January 2007, increase the number of contract quality analyses from approximately 1.5 percent to 5 percent of all contracts - By FY 2007-08, increase the number of contract quality analyses to 15 percent of all contracts

Los Angeles County Department of Health Services
FY 2006-07 Proposed Budget
New Administrative Positions

Functional Area/Positions	Program Justification	Key Performance Measures
Consolidated Business Office 1.0 Health Care Financial Analyst 2.0 Accounting Technician II 1.0 Intermediate Supervising Typist Clerk 2.0 Senior Typist Clerks 8.0 Intermediate Typist Clerks 14.0 Budgeted Positions (no additional appropriation provided)	New positions will install and maintain an accounts receivable (A/R) system for the comprehensive health centers/health centers (CHC/HCs) for the LAC+USC Healthcare Network, Southwest Network and ValleyCare Network. This A/R system will require a new organization structure to manage the accounting activities of individual accounts. Staff will perform several functions for this new system, including insurance code and billing updates, payment posting, contractual and program adjustments, and statistical updates. Additionally, because there is not an A/R system in place at the CHC/HCs, County and State auditors have recommended this system in order to enhance revenue account tracking and revenue projections, as well as to improve accountability and control.	This system is scheduled to be operable by January 2007. Staff will adjudicate and liquidate accounts annually for CHC/HC visits at three networks as follows: Facilities — Visits LAC+USC CHC/HC: 355,878 Southwest CHC/HC: 120,441 Antelope Valley HCs: 66,082 Total 542,401 (estimates based on FY 2004-05 visits and CBO billing summaries)

Los Angeles County Department of Health Services
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New Administrative Positions

Functional Area/Positions	Program Justification	Key Performance Measures
Office of Clinical Affairs and Affiliations 1.0 Senior Physician MD 6.0 Physician Spec. MD 1.0 Asst Nurse Dir. Admin 1.0 Health Facility Consultant 1.0 Staff Analyst 1.0 Intermediate Typist Clerk 11.0 Budgeted Positions	Added appropriation funds 10 ordinance items approved in FY 2005-06, and one new Physician Specialist for the High Desert Health System. The Office is responsible for JCAHO preparation for unannounced visits, performance management, Resident Supervision surveys required as a result of revised Affiliation Agreements, best practices program, patient safety program, and expanded development and monitoring of benchmark indicators. Physician Specialists serve as facility Patient Safety Officers (PSO) coordinating the systematic implementation of effective practices to reduce near misses, decrease potential exposure to malpractice liability, reduce adverse events, and improve patient outcomes. One PSO position is assigned to each major cluster. This oversight protects the County from adverse human and financial effects of accidental losses. Positions provide guidance to facilities in the areas of clinical judgment, reasoning, analysis, and evaluation relative to standards of nursing and medical care in conducting special risk management and quality improvement related projects and studies, and will manage litigated medical malpractice claims and system-wide corrective action.	- By June 2007, and ongoing: 1. Conduct two Resident Supervision surveys to ensure appropriate supervision in the clinical area. 2. Expand the number of best practices groups to include Anesthesia and Emergency Medicine Committees. - By June 2007: 1. Conduct two facility Failure Mode and Effects Analyses. 2. Plan, organize, and implement patient safety education for all staff levels within facilities; conduct annually for facilities with a PSO. 3. Implement a system-wide, on-site Incident Reporting System that captures data related to adverse incidents, near misses or close calls, and unsafe conditions. - By June 2008, develop facility-based Patient Safety Program - Conduct practice sessions in order to meet new 2006 JCAHO requirement of continuing readiness.

Los Angeles County Department of Health Services
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New Administrative Positions

Functional Area/Positions	Program Justification	Key Performance Measures
Clinical Resource Management 3.0 Nursing Care Specialist II 1.0 Senior Typist Clerk 1.0 Information Systems Specialist 2.0 Senior Programmer Analyst 3.0 Information Systems Analyst II 10.0 Budgeted Positions (no additional appropriation provided)	Clinical Resource Management oversees Inpatient Clinical Pathways (ICP) and the Disease Management Program (DMP), which are proven solutions that improve care and patient safety, lower length of stays (LOS), and provide a system-wide approach that reduces inappropriate variability. ICPs are evidence-based treatment approaches for patients with problem prone and high-volume conditions. This is done through the use of pre-printed, diagnosis-specific physician orders and structured nursing documentation. New staff will increase production and implementation of pathways as follows: 1. Redesign and reduce the size of pathways without diminution of clinical effectiveness 2. Develop in-depth analytics for select, clinically important outcomes from pathway implementation 3. Standardize chronic disease management procedures 4. Review and enhance clinical content; improve data collection and dissemination methods 5. Improve patient safety while facilitating easy and clear prescribing of the most commonly prescribed medications 6. Improve clinical care expertise of staff working with chronic disease patients and develop paper-based and electronic tools to improve care for chronic diseases	1. By December 2006, establish ten additional pathways; reduce select pathway size by 10 percent. 2. Implement real-time printing in two hospitals by December 2006, in three hospitals by June 2007. 3. By June 2007, reduce average LOS for select pathways by 10 percent. 4. By December 2006, demonstrate 100 percent increase in inpatient influenza vaccination for appropriate patients; disseminate department-wide and facility-specific quarterly and annual reports of ICP macro- and micro-indicators. 5. By June 2007, create standardized approach to management of depression for DMP patients; create and implement templates for electronic charting of phone contacts with DMP patients.

Los Angeles County Department of Health Services
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Functional Area/Positions	Program Justification	Key Performance Measures
Planning and Program Implementation 1.0 Director, Program Implementation 1.0 Sr. Decision Support Specialist 2.0 Staff Analyst, Health 1.0 Senior Staff Analyst, Health 1.0 Management Secretary IV 1.0 Management Secretary III 1.0 Utilization Review Nurse 8.0 Budgeted (no additional appropriation provided for 6.0 of these budgeted positions)	This office oversees creation of new programs, maintenance of key programs (i.e. Medical Hub Clinics, Homeless Initiative, etc.) and management of others, such as the Patient Flow Project and segments of the King/Drew Medical Center contingency plan. This office also coordinates with outside agencies. New staff would improve DHS' ability to implement performance measurements relative to key initiatives. The Social Security Insurance (SSI) Outreach Project was created to assist clients with accessing SSI benefits. Homeless patients often are eligible for SSI due to physical or mental disability, but cannot successfully complete the application process. If homeless patients receive SSI, they will also receive Medi-Cal, housing and other needed support services, which reduces their use of emergency services or hospitalization. For Homeless Prevention Initiative, staff will implement recommendations to improve discharge planning, minimize losses of revenue, and reduce high-acuity service needs of homeless patients.	Staff will document and track six key initiatives to ensure adherence to timelines. 1. Medical Hubs: By March 2007, complete Phase I implementation at DHS facilities, providing overall capacity for 800 visits by DCFS foster children. 2. Homeless Initiative: By September 2006, provide housing vouchers for 50 homeless patients. 3. Discharge Processes: - Screen 100 clients for SSI eligibility within the first six months, increasing to a minimum of 250 clients annually. - Assist a minimum of 150 clients annually with the SSI process. 4. Patient Flow: During FY 2006-07, reduce percentage of Medi-Cal controllable denied days by 10%. Also, oversee initiation of patient flow task force implementation plan. Collaborate with State Medi-Cal office to obtain delegated TAR status in FY 2007-08. 5. Outside Agency Coordination: By August 2006, create initial process/response to work with State Department of Corrections regarding County residents and appropriate level of care. Refine plan by November 2006. 6. Interdepartmental Collaboration By November 2006, work with DMH and CAO to create and finalize an MOU for provision of cooperative services

Los Angeles County Department of Health Services
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Functional Area/Positions	Program Justification	Key Performance Measures
Program Audits and Reimbursement 1.0 Fiscal Officer II 6.0 Principal Accounting Systems Techs. 7.0 Budgeted (no additional appropriation provided for these budgeted positions)	Positions will be responsible for filing new cost reports, developing interim rates, calculating Certified Public Expenditures, and completing audits and appeals. Related to the Governor's Medi-Cal Redesign Initiative, SB 1100. Under this initiative major changes were made to the program and the way that services are paid to public hospitals. New positions will help ensure that DHS is able to maximize its share of available Medi-Cal funding. Cash flow reduction may result if reimbursements are held pending disputes resolution.	New staff will prepare Interim Cost Reports at the beginning of the fiscal year (likely in November since State deadline has yet to be established). Staff will prepare Adjusted Cost Report nine months after the end of the fiscal year to update to actual Medi-Cal paid days, and will work with auditors (State or Federal not yet known) to protect and maximize revenues.
Office of Planning 2.0 Research Analyst II 1.0 Research Analyst III 3.0 Budgeted	Added appropriation funds three ordinance items approved in FY 2005-06. Responsibilities include: 1. Data analysis and reports preparation for use during the strategic planning process. 2. Development and coordination of Performance Counts! implementation efforts. Additional data and information produced for this project will assist DHS executives in making more informed decisions. 3. Assess the quality and completeness of patient data, prepare reports and recommendations regarding the quality of data, evaluate program effectiveness, and analyze implications on quality of patient care. As an example staff will implement and evaluate a project related to Olive View/UCLA Medical Center emergency room patients, with the goal of reducing unnecessary emergency room visits through case management.	1. By November 2006, produce annual Performance Counts! report, including results of measures and indicators for each program area in FY 2004-05, and projected results for FY 2006-07. 2. By September 2006, produce a strategic planning data book, including descriptive patient data, market share information, and other external indicators. 3. By December 2006, produce an annual patient data report, including patient demographics, insurance status, diagnosis, and service utilization. 4. By November 2006, produce evaluation of the Olive View/UCLA project, including summary of patient demographics, service usage, outcomes, and impact analysis.

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Functional Area/Positions	Program Justification	Key Performance Measures
Health Data Integrity and Analysis 1.0 Secretary II 1.0 Staff Analyst, Health 2.0 Assistant Staff Analyst, Health 1.0 Information Services Analyst II 5.0 Budgeted	Added appropriation funds five ordinance items approved in FY 2005-06. This new unit will promote data quality throughout DHS. Staff will identify data quality problems, analyze causes, and propose solutions. Working with facilities and programs, the unit will assess data quality and compliance with data standards, develop initiatives to improve quality and standardization, and work with facilities and programs to implement.	By March 2007, review and analyze data from facilities and other data sources to identify problems with data quality and compliance with data standards; prepare report on issues. By September 2007, develop facility-specific procedures for implementing and maintaining data standards, document apparent barriers to successful implementation, develop feasible solutions, and develop feedback reports to monitor adherence.
Information Resources Management 2.0 Staff Analyst, Health	New positions will supplement existing staff to assist with the expanding information technology (IT) contract workload, which has recently become more complex, taking six months to two years to develop documents for new projects. Additional positions will support new Request for Proposals, renewal of existing contracts, processing of work orders, and procurement of major, new IT systems. Pending system agreements being developed include operating room scheduling, enterprise laboratory, picture archiving communications, and QuadraMed.	Specific initiatives/measures are: - By December 2006, complete all year-end renewals
Board Relations 1.0 Manager, Board Relations 1.0 Management Secretary III 2.0 Budgeted Positions	Positions will assist the Director with key communication functions of the office, including interface between the Board Office and the department to ensure consistency, and to ensure timely and complete response to board orders, assignments, requests and various communication; ensuring timely filing of all board letters; and staffing of Health Deputy Meetings.	By June 2007: 1. Process 100% of DHS Board letters in accordance with the Executive Office's time requirements 2. Respond to and resolve 100% of constituent complaints and all board referrals in a timely manner 3. Research and provide timely response to 100% of Health Deputy requests for information 4. Track and ensure timely response to 100% of all Board required reports and memoranda.

Los Angeles County Department of Health Services
FY 2006-07 Proposed Budget
New Administrative Positions

Functional Area/Positions	Program Justification	Key Performance Measures
Pharmacy 1.0 Clinical Pharmacist (no additional appropriation provided for this budgeted position)	Position will assist with implementation of the new pharmacy information system at all DHS sites, including database design/build, installation, and ongoing maintenance. Oversees maintenance, upgrade, evaluation, and implementation of information systems and associated automation systems. Also provides training, support, implementation and coordination on improvements, and ensures compliance with State/Federal regulations. New hire will support all facility pharmacies, including a new system to be installed at two hospital sites in June 2006, as well as a new outpatient system at seven sites by July 2006.	Specific measures include: 1. Conduct annual survey of facilities to determine quality of service provided by systems staff. 2. During FY 2006-07 establish Pyxis interface with the Quadramed pharmacy system. 3. During FY 2006-07, create pharmacy charge-master to allow accurate cost allocation of medications utilized.
Director's Office Support 1.0 Senior Staff Analyst, Health	This position report to the Director and will administer the No-Fault Settlement Agreement between DHS and the Chicano Employees Association and the Los Angeles County Hispanic Managers Association. This position enables DHS to comply with legal requirements and minimize the potential for further litigation. Also ensures that all employment records are prepared, maintained, and retained for positions covered by this agreement. Position will also review decisions regarding hiring and or promotion to management positions.	Key initiatives/measures include: 1. By September 2006, establish timeframes for settlement agreement elements for which no timeframes currently exist. 2. Ensure that all deliverables and timeframes are met according to the settlement agreement. 3. Determine if Hispanics are utilized commensurate with availability in relevant labor markets, civilian labor force, and availability in the eligible candidate pool; notify Director and Office of Affirmative Action Compliance of results and recommend measures as necessary; inform advisory group of corrective actions.

Los Angeles County Department of Health Services
FY 2006-07 Proposed Budget
New Administrative Positions

Functional Area/Positions	Program Justification	Key Performance Measures
External Relations 0.4 Senior Secretary II 1.0 Staff Analyst, Health 1.4 Budgeted	Positions will provide analysis and secretarial support for the Communications Office, which informs the media and public about news, services, and achievements of the Department, and creates a broad base of public and professional support. The new position will coordinate analysis, Board positions, and advocacy on hundreds of pieces of State and Federal legislation, regulations, and proposed rules. Position will also review and update the County's Legislative Agenda and Federal Agenda, and work closely with the CAO in formulating Board policy position recommendations. This would also enhance the Department's ability to comply with new legislation, laws and regulations, which could translate into maximized revenue and/or increased access to quality patient care	Staff will assist with the following: 1. Improve internal and external access to information by ensuring timely and accurate preparation and distribution of all press releases, media advisories, informational brochures, and responses to media requests. 2. Increase capacity and improve ability to analyze, interpret, and implement programs or changes resulting from new legislation by regularly identifying, analyzing, and recommending policies and/or actions needed as a result of legislation impacting operations.
Position Transfer (from Rancho Los Amigos to Health Services Administration) 1.0 Public Information Officer II	DHS is subject to continuous public scrutiny that requires staff to focus on media relations. This position will enhance the Department's ability to provide its stakeholders, patients and staff with vital information. It will also enable staff to provide media relations and publications support to administration, Public Health, EMS, and the five hospital networks. This position will help improve the quality of, and access to, information about DHS and its programs. For example, staff has begun re-writing and producing new publications for the Community Health Plan as part of a marketing plan to increase membership.	In 2005, more than 1,200 media calls were received. Forty-three percent of these calls were from newspapers, requiring enormous time compiling data and/or arranging interviews with key staff. Specific initiatives/measures are: 1. Improve quality and ensure timely distribution of news releases, which are vital to getting information to residents. 2. Continuously, interface with the Office of Emergency Management, serve as crisis communication liaison, and provide emergency preparedness training to EMS, Public Health and facilities.
Position Deletions -3.0 Positions	Reflects administrative correction of budgeted positions.	

Los Angeles County Department of Health Services
FY 2006-07 Final Changes Recommendations
New Administrative Positions

Functional Area/Positions	Program Justification	Key Performance Measures
Office of Diversity 1.0 Staff Analyst (no additional appropriation provided)	Additional position will assist in coordinating Departmental compliance issues, including new employee orientation and staff development training in the areas of medical interpretation, cultural competency, and mandated cultural and linguistic policy compliance. This position also assists with collaborative efforts with facilities and programs to establish and improve the health care delivery system. This will be accomplished through increased access to services by individuals with limited English proficiency, as well as effective communication with patients to avoid unnecessary testing and/or costly mistakes.	Key performance measures are: 1. By November 2006 provide orientation and all appropriate training regarding Federal & State regulatory statutes and JCAHO requirements. 2. By February 2007, develop cultural competency training program. 3. By July 1, 2007 complete initial phase of cultural competency training for approximately 2,000 hospital and facility staff.
Fiscal Services - Special Funds 1.0 Senior Accounting Systems Technician	Position will supervise professional and technical accounting staff to address increased workload resulting from Measure B, trauma system funding, increased In-Custody Program legal claims, and changes to the Emergency Treatment Authorization Program. These issues have complicated management and utilization of trauma, emergency hospital, and private physician services accounting controls, reporting systems, and fiscal record-keeping.	Position will supervise preparation and submission of the following: 1. Preliminary and Final Annual Trust Fund Reports to the State in November and April respectively. 2. Special Funds Monthly Management Report by the 25th of following month. 3. Research and analysis of In-Custody legal claim inquiries; prepare written responses of findings, with recommendations. 4. Prepare annual budget requests for the Hospital and Physician Services Special Revenue funds.