



MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Sachi A. Hamai, Executive Officer-
Clerk of the Board of Supervisors
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

At its meeting held November 27, 2007, the Board took the following action:

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The following statement was entered into the record for Supervisors Burke and Yaroslavsky:

“The County of Los Angeles is responsible for providing healthcare to one of the largest Medicaid eligible populations in the nation. The Departments of Public Social Services (DPSS) and Health Services (DHS) report that there are over 1,600,000 individuals enrolled in the Medi-Cal Program in Los Angeles County – serving our most vulnerable population.

“The healthcare safety net in Los Angeles County and the Medi-Cal beneficiaries it serves are suffering greatly as a result of inadequate Medi-Cal payments and an inappropriately high rate of Treatment Authorization Request (TAR) denials and deferrals. These two issues are major contributing factors in the unusually high and unacceptable number of hospital and emergency department closures in Los Angeles County.

“As demonstrated in the 2006 California Medical Assistance Commission (CMAC) Annual Report, hospitals in Southern California receive an average contractual reimbursement rate that is 17% lower than what hospitals receive in other regions.

“In addition, the California Department of Health Care Services (CDHS) recently conducted a TAR Sample Study that showed hospitals in Los Angeles County face a substantially higher rate of TAR denials and deferrals than any other region in the State. (The study compared how each of the Medi-Cal Field Offices reviewed almost 400 identical TARs.)

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“Although healthcare financing experts would cite historical reasons for some degree of disparity in the CMAC rate, the present day conditions of healthcare in California require funding parity statewide. The Medi-Cal beneficiaries of Southern California should be entitled to parity in the reimbursement rate with the rest of the State. The net effect on the patients is extremely detrimental. Hence, any disparity in funding of healthcare between Southern California and other parts of the State is inherently unjust to Medi-Cal beneficiaries and must be rectified.

“While we are optimistic about the State of California’s progressive efforts in the area of healthcare reform, we are also pragmatic in realizing that comprehensive reform can be a complex and lengthy process. In the meantime, Southern California patients will continue to suffer absent immediate action to correct the funding disparity between Southern California and the rest of the State of California.”

Arnold Sachs addressed the Board.

After discussion, on motion of Supervisor Burke, seconded by Supervisor Antonovich, unanimously carried (Supervisor Yaroslavsky being absent), the Chief Executive Officer was instructed to:

1. Work in collaboration with the Director of Health Services and the California Medical Assistance Commission (CMAC) to address the Medi-Cal reimbursement rate disparities between Southern and Northern California; as well as the California Department of Health Services to examine the disparities in the denials of Treatment-Authorization-Requests (TAR) between Southern and Northern California, with the CEO’s efforts to include, but not be limited to, the following actions:
 - Work with the County’s Inter-Governmental Relations Division to immediately engage CMAC and the California Department of Health Services to explore an administrative remedy to both issues, as well as examine the feasibility of legislative relief should administrative relief not be expeditiously available; and
 - Engage other Southern California healthcare providers and counties to collaborate with Los Angeles County in order to gain parity on both issues for the entire geographic region;

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2. Prepare and send a five-signature letter to Governor Schwarzenegger, the County's Legislative Delegation in Sacramento, the California State Secretary of Health and Human Services, and all members of CMAC, expressing the Board's grave concern with regard to the disparities in the Medi-Cal Program and the TAR Denial Rate and request administrative and/or legislative relief which would yield parity on both issues; and
3. Report back to the Board at the meeting of January 22, 2008 with findings and recommendations.

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Copies distributed:

Each Supervisor
Chief Executive Officer
County Counsel
Director of Health Services