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September 23, 2008

TO: Each Supervisor

FROM: John F. Schunhoff, Ph.D.
Interim Director

SUBJECT: **PATIENT VISITS PROJECTIONS FOR THE MARTIN LUTHER KING MULTI-SERVICE AMBULATORY CARE CENTER (MLK MACC) – INFORMATION FOR SUPPLEMENTAL BUDGET (OCTOBER 7, 2008 AGENDA)**

On June 17, 2008, on motion of Supervisor Molina, your Board directed the Chief Executive Office (CEO) and the Department of Health Services (DHS) to move $33 million from the MLK MACC Fiscal Year (FY) 2008-09 budget to the Provisional Financing Uses (PFU) budget. This action was taken to reflect an MLK MCC budget based on the number of visits being provided at that time. Alternatively, if DHS could increase the visits to the MLK MACC to exceed 150,000 per year, these funds could be restored at the MLK MACC.

This memo is to (1) provide your Board with a report on DHS' actions to increase the number of patient visits at the MLK MACC; and (2) request that your Board restore the $33 million now in the PFU budget to the MLK MACC budget for Fiscal Year (FY) 2008-09, based on clinic expansions and other changes being implemented at the MLK MACC. We anticipate that these changes, described below, will increase visit volume at the MLK MACC to 177,207 patient visits for FY 2008-09 and 180,072 for FY 2009-10. This request to restore funding will be made to your Board during discussions on the Supplemental Changes on October 7, 2008.

Background

As you know, following the closure of the former Martin Luther King, Jr. - Harbor Hospital in August 2007, the MLK MACC was created to provide outpatient, urgent care and specialty care services. In January 2008, DHS contracted with Health Management Associates (HMA) to assess the transition of MLK from a hospital to a MACC, and to make recommendations and determine benchmarks that are essential to a productive, efficient, and quality ambulatory program.

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HMA conducted an extensive review of current operations and compared MLK MACC staffing to industry standards for similarly sized institutions. HMA's staffing recommendations were based on services that are currently provided at the MLK MACC, and the potential demand for services and capacity for meeting these services over the next 12 months. HMA recommended a staffing plan of 628-638 employees (not including custodial staff) based on the current services model and a projected volume of 176,986 visits across all service areas. In August 2008, staffing at the MLK MACC was reduced to 680 County employees (including 47 custodial staff).

Following the August 2008 "right sizing" of the MLK MACC clinic staff, DHS and MLK MACC management analyzed patient demand and clinic capacity in each MACC clinic area with the goal of improving efficiency and patient access, while increasing the volume of patient visits. DHS finance staff also reviewed how visit data is captured in each clinic at the MLK MACC to ensure that workload is being accurately counted.

It should be noted that the HMA analysis, upon which the MLK MACC staffing model was based, used workload data which included both billable and non-billable patient visits in the total HMA projected workload of 176,986 annual visits. For example, HMA included workload for such areas as Physical Therapy, Occupational Therapy, and Employee Health, which are generally not billable visits as defined by Medi-Cal Cost Based Reimbursement Clinic guidelines. The number of billable visits in FY 2008-09 based on the projected workload is approximately 160,000.

Discussion Summary

The Department is projecting an annual visit workload for FY 2008-09 of 177,207 based on the following:

- a) projected visits of 154,316 for FY 2008-09 (based on workload data for April through June 2008);
- b) clinic expansions (discussed below) which will be effective October 1, 2008 and will result in an additional 7,074 projected visits for FY 2008-09;
- c) a growth trend in various clinics based on efforts implemented in recent months to increase volume resulting in an additional 5,700 projected visits for FY 2008-09; and
- d) adjustments for previously unreported visits totaling 10,117 which will require system set up and user training to enable appropriate data capture and reporting.

Actions to Increase Visits by Clinic Area

Based upon the review of clinic capacity and patient demand, we have identified the following MLK MACC clinic areas for additional growth during FY 2008-09. When fully implemented by fiscal year end, these changes will account for 7,074 additional visits in 2008-09 and 9,432 additional visits in FY 2009-10.

- The Community Health Plan (CHP) clinic will expand access to the adult clinic to non-CHP members. Traditionally, this clinic has been open to CHP members only. This expansion will help address current demand for primary care from non-CHP members reflected in the current backlog for general medicine, daily phone calls requesting appointments, MLK urgent care, etc. This change is anticipated to result in a projected increase of 1,000 visits annually.

- Geriatric providers (currently seeing patients three days a week at Hubert H. Humphrey CHC) will staff a morning clinic once per week at MLK-MACC. Referral sources are the general medicine backlog of patients aged 65 and older, urgent care referrals, Public Private Partners (PPPs), community outreach, etc. This change is anticipated to result in a projected increase of 800 visits annually.

- OB/GYN will increase the number of gynecology sessions for two physician providers and one nurse practitioner due to the high service demand. Referral sources are urgent care, MLK clinics, PPPs, community outreach, and clinic backlog. This change is anticipated to result in a projected increase of 1,500 visits annually.

- Orthopedics recently hired one part-time physician to address the demand in this clinic. Referral sources are urgent care, MLK clinics, clinic backlog, etc. Availability of this physician is expected to result in a projected increase of 400 visits annually.

- The Ambulatory Surgery Center was opened in June 2008 and began performing a limited number of procedures. Referral sources include the MLK MACC clinics, urgent care, PPPs, DHS facilities, and community outreach. It is anticipated that this service will increase visits by 4,132 annually.

- Pediatric Allergy will increase clinic sessions from one to two weekly. Referral sources are urgent care, MLK clinics, PPPs, and community outreach. This change is anticipated to result in a projected Increase of 1,000 annual visits.

- General Pediatrics will increase pediatric dermatology clinic sessions by one per week. Referral sources are urgent care, MLK clinics, PPPs, clinic backlog, etc. This change is anticipated to result in a projected increase of 600 annual visits.

Other Adjustments

DHS finance staff completed a detailed review of clinic workload reports and identified that the workload statistics did not accurately capture some of the patient visits that are actually being provided at the MLK MACC. The Department's analysis determined that the staff were not correctly utilizing the patient scheduling system and did not fully understand what clinic services constitute a reportable visit. The visit projections have taken these issues into account. The adjustments related to these issues constitute approximately 5.7% of the total annual projected visits. Staff in impacted clinics are being retrained on the proper use of the system that will permit data capture and facilitate workload reporting. The Department will closely monitor the workload data to ensure the visit counts are accurate.

Summary

The Department projects that the MLK MACC will provide 177,207 patient visits during FY 2008-09, and 180,072 during FY 2009-10. These visit volume projections are based on the workload growth trend, the capture of previously unreported data, and the clinic expansions discussed above.

The Attachment provides a clinic by clinic comparison between the HMA model's targeted visits and DHS' projected visits for FYs 2008-09 and 2009-10.

Conclusion

The MLK MACC continues to adjust to the significant challenges of the last 13 months, including the August 2008 staff reduction. However, the facility cannot continue to provide outpatient care to the South Los Angeles region through the remainder of this fiscal year without restoration of the $33 million that was removed from its budget.

We continue to work on implementing the remainder of HMA's recommendations, and will inform your Board of our progress.

Please let me know if you have any questions or need additional information.

JFS:sr

Attachment

c: Chief Executive Officer
Executive Officer, Board of Supervisors

COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES

MLK MACC

HMA Targeted Visits and Projected Visits

Clinic Group	HMA Annual Visits (1)	FY 08-09 Total Projected Visits (2)	FY 09-10 Total Projected Visits (3)
Community Health Plan	6,000	7,130	7,380
IM - Cardiology	4,000	3,612	3,612
IM - Dermatology	4,500	6,040	6,040
IM - Endocrine/Diabetes	11,000	10,576	10,576
IM - Geriatrics	2,400	1,828	2,028
IM - GI	4,800	5,508	5,508
IM - Hemo/Oncology	7,400	6,392	6,392
IM - General Medicine	12,000	11,056	11,056
IM - Nephrology	2,500	1,456	1,456
IM - Neurology	6,000	5,944	5,944
IM - Oasis	6,500	5,220	5,220
IM - Pulmonary	1,200	952	952
OB/GYN	10,800	14,273	14,648
Ortho Surgery	6,000	7,952	8,052
Urology	4,000	4,268	4,268
General Surgery	-	6,652	6,652
Ambulatory Surgery	-	3,367	4,400
General Surgery & Ambulatory Surgery	12,000	-	-
ENT	5,000	7,696	7,696
Eye	12,000	8,736	8,736
Peds/Allergy	1,500	1,890	2,140
Peds/HUB	6	3,604	3,604
Peds/GI	180	112	112
General Pediatrics	4,200	5,082	5,232
Occupational Health	1,000	600	600
Urgent Care	35,000	29,632	29,632
Oral Surgery/Maxilofacial	9,000	7,956	7,956
OT/Adult	1,000	1,800	1,800
PT/Adult	7,000	6,480	6,480
Radiology Provider Visits	-	1,125	1,500
PPP Referrals to Various Area	-	268	400
Total	176,986	177,207	180,072

(1) Source from HMA Report Deliverable #5 page 15.

(2) FY 08-09 Projected Billable Visits + FY 08-09 Projected Non-Billable Visits = FY 08-09 Total Projected Visits (159,879 + 17,328 = 177,207)

(3) FY 09-10 Projected Billable Visits + FY 09-10 Projected Non-Billable Visits = FY 09-10 Total Projected Visits (162,612 + 17,460 = 180,072)