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*To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.*

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January 13, 2014

TO: Each Supervisor

FROM: Mitchell H. Katz, M.D.
Director

SUBJECT: **MONITORING HOME HEALTH AND HOSPICE AGENCIES IN ORDER TO ENSURE HIGH QUALITY CARE**

On September 10, 2013, your Board instructed the Department of Health Services (DHS or Department) to report back on a process that (1) Requires any hospice agency to meet quality of care metrics, such as the Joint Commission on Accreditation of Healthcare Organization (Joint Commission) certification, as a condition of contracting with Los Angeles County when the formal Request for Qualifications is finalized, (2a.) a process that ensures any contract performance audits and quality reviews of hospice and home health agencies are coordinated and centralized to ensure swift and accurate corrective actions are taken when any substantiated problems are identified (2b.) a process that ensures a rational and efficient referral process to qualified contracting agencies for hospice and home health care; and (2c.) a schedule of actions that the DHS will take to enhance and expand the quality and dignity of its end of life programs given any new financing opportunities available through federal health reform.

**Quality of Care Metrics**

As a condition of qualifying to receive a DHS Hospice Services Agreement, hospice agencies are currently required to be licensed and certified under both the State of California and the Centers for Medicare and Medicaid Services (CMS) to engage in the business of providing hospice services, which include skilled professional nursing and one or more therapeutic services as defined by the United States Department of Health and Human Services under "Conditions of Medicare Participation for Home Health Agencies." Upon execution of an Agreement, each hospice agency is required to establish and utilize a comprehensive quality control plan; a performance improvement plan; and a performance standards and outcome measures plan to assure the County a consistently high level of service. The Department will, to the extent reasonable, require that any hospice agency meet quality of care metrics similar to the standards

established by the Joint Commission as a condition of contracting with Los Angeles County when the formal Request for Qualifications is finalized. Currently, none of the agencies that the County contracts with for hospice services are accredited with the Joint Commission. It is not clear that a sufficient number of Joint Commission accredited hospice agencies are available within Los Angeles County to provide the needed level of services to DHS patients. The Department will conduct an analysis of the available services in the Los Angeles County market ahead of developing the next solicitation. Although requiring Joint Commission accreditation may not be feasible, the Department intends to require agencies to demonstrate that they are certified and in good standing with the State of California and CMS, who regulate compliance with quality and safety requirements.

**Home Health and Hospice Referral Process**
The DHS facilities that currently use Home Health and Hospice providers include: LAC+USC Medical Center (LAC+USC MC), Harbor-UCLA Medical Center (H-UCLA MC), Olive View-UCLA Medical Center (OV-UCLA MC), and Rancho Los Amigos National Rehabilitation Center (RLANRC). The referral process begins when a physician orders home health or hospice services for a patient. The process is a collaborative effort between the Utilization/Case Management Units at the DHS facilities and the patients' family members. The Utilization/Case Management Units consider and/or select providers based on patients' medical needs, language, service area relative to the patient's home, providers' availability, responsiveness (including submission of required documentation), ability to provide required specific services (such as medication, medical equipment, skill level staff, continuous care, etc.). Patients along with their family members have the final say on which hospice provider they choose.

**Performance Audits and Quality Reviews**
The home health and hospice contracts are monitored on an annual basis by a committee comprised of registered nurses from the DHS facilities. The comprehensive monitoring review for each contract includes a sample of patients from all DHS facilities. In addition to annual monitoring, the committee meets quarterly to communicate and address contractor issues and concerns.

**Process Enhancements**
Beginning in 2014, the annual monitoring of the service/programmatic related contract requirements performed by DHS facility registered nurses will be supplemented with a DHS Centralized Contract Monitoring (CCM) Division staff member who will be responsible for oversight of the fiscal requirements of the contract, which includes billing and payment.

In addition, representatives from DHS' Audit and Compliance (AC&D), Contracts and Grants (C&G), and CCM Divisions will also participate in the quarterly meetings

mentioned above, to collaborate and standardize the various program processes (provider referrals, invoice review and approval, required contractor documentation, contractor discrepancy reports, etc.) among the various DHS facilities.

DHS is also in the process of convening system-wide focus groups for major contractual categories. The main objective of the focus groups is to provide a forum for identifying, reviewing, and ameliorating concerns and problems related to programmatic service provision and invoicing. The composition of each focus group includes relevant facility-based contract monitors and staff from AC&D, C&G, and CCM. These focus groups will further enable CCM to provide centralized oversight of and problem-solving for key contractor performance domains. DHS has already created a "Home Health and Hospice Focus Group", which has had an initial set of meetings and will continue to convene on a periodic and on-going basis. To ensure that our current referral processes are optimized, CCM will continue to work closely with the facilities to identify potential improvements.

**Federal Health Reform Changes in 2014**

Some provisions of the Affordable Care Act will incentivize higher quality of care among hospice providers that receive Medicare funding. Long-term care hospitals, inpatient rehabilitation facilities and hospice providers will participate in Medicare value-based purchasing with quality measure reporting starting in FY 2014, with penalties for non-participating providers. The implications of these changes for hospice agencies serving our predominantly Medicaid patient population are not yet clear. The Department will continue to analyze upcoming regulatory changes affecting the delivery of hospice and home health care services.

**Conclusion**

The Department will continue to actively monitor the Hospice Services Agreements and will continue to keep your Board fully apprised of progress made to ensure quality end of life care for DHS patients. Should you have any questions, please feel free to contact me or Anish Mahajan, Director of System Planning, at (213) 240-8416.

AM:st

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors