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WILLIAM T FUJIOKA
Chief Executive Officer

September 16, 2009

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

FINAL REPORT ON PROGRESS AND IMPACT OF THE SEPARATION OF PUBLIC HEALTH AND REVIEW OF PROGRAMS WITH POTENTIAL FOR TRANSFER FROM THE DEPARTMENT OF PUBLIC HEALTH TO OTHER DEPARTMENTS (AGENDA OF SEPTEMBER 22, 2009 SUPPLEMENTAL RESOLUTION BUDGET)

On May 30, 2006, upon approving the creation of an independent Public Health Department, your Board instructed this Office to report on the separation's progress on a monthly basis for the first three months of operation and quarterly thereafter for the first year to ensure that the transition occurs orderly and without incident.

Further, your Board instructed this Office, in consultation with SEIU Local 660 (now 721), affected departments, County Commissions, medical and hospital representatives, and health care advocates, to: produce a review of the impact of the separation that includes, but is not limited to, the effectiveness of the Memorandum of Understanding (MOU) between the departments of personal health, public health, and mental health to foster greater teamwork and service integration; and identify if there are any current public health responsibilities which, in the opinion of this Office, your Board should consider for possible placement in a different department with an accompanying recommendation and rationale.

Additionally, on June 22, 2009, during your Board's Budget Deliberations you requested a report by this Office and the Director of Public Health on programs that have the potential to be transferred from the Department of Public Health (DPH) to other County departments.

This Office has provided several reports to your Board regarding the separation of DPH from the Department of Health Services (DHS), the most recent of which was submitted on June 29, 2009. This represents our final report addressing the remaining items from the May 30, 2006 and June 22, 2009 requests. We have developed this report in consultation with DPH and DHS.

In summary, as discussed further below, the major steps to establish the separate DPH have been completed, although work continues on remaining ministerial changes to the County Code and the joint MOU between DHS, DPH and the Department of Mental Health (DMH). In addition, our review of the current DPH responsibilities has not identified any programs which should be transferred to other County departments. This includes the review of the proposed transfer of Alcohol and Drug Program Administration to the DMH, which was provided to your Board in a separate report.

PROGRESS OF PUBLIC HEALTH SEPARATION

The new DPH became effective on July 7, 2006. Two reports were issued by this Office on the progress of the separation of DPH from DHS during its first year of operation: the first on October 11, 2006, after its first quarter of operation, which included the DHS-DPH MOU; and the second on February 14, 2007, after its second quarter of operation. Included in the reports was a schedule that outlined the status of a set of implementation tasks related to the separation of the two departments. At the time of the February 14, 2007 report (Attachment I), the following implementation tasks were still in progress:

- Establish independent pharmacy operation for DPH;
- Reassignment of impacted employees/change of work location if needed;
- Development/completion of Antelope Valley Rehabilitation Centers appendix to the DHS/DPH MOU;
- *Follow-up ordinance changes;*
- Completion of cost allocations, Health Insurance Portability and Accountability Act (HIPAA) compliance issues, and development of additional MOUs with other County departments;
- Various finance/budget issues;
- Final implementation of DPH; and
- *Development/completion of MOU between DHS, DPH, and DMH.*

At this time, all but two of the tasks have been completed. The two tasks that remain are follow-up ordinance changes and the development/completion of the MOU between DHS, DPH, and DMH.

Ministerial Ordinance Changes: Although all substantive ordinance changes required to establish the separate DPH were approved by your Board in May 2006, several technical changes in the County Code still need to be made. DPH is working with County Counsel to ensure that the County Code is updated with these ministerial changes. We will work with both departments to complete these changes by January 31, 2010.

DHS, DPH, and DMH MOUs: Several funding and operational issues have been at the center of discussions since 2007 which have affected the work being done by the departments on the MOU between DHS and DMH. As last reported in our February 14, 2007 memo, this Office was continuing to meet with both departments on proposals to address the funding shortfall identified by DHS for psychiatric services, which would need to be reflected in the financing provisions of the MOU. Since that time, DHS and DMH have reached a funding agreement which is reflected in their respective budgets for the DMH funding of inpatient psychiatric beds at County hospitals. This funding agreement will be incorporated into the MOU.

In addition, discussions continued between DHS and DMH regarding psychiatric outpatient services and urgent care services at LAC+USC, which would also be incorporated into the MOU.

Further, DMH and DPH continue to work on collaborative and integrated approaches to address the needs of individuals with co-occurring substance abuse and serious mental illness. Given the scope of program responsibilities to be addressed in one or more of the DHS, DPH and DMH MOUs, we will work with the departments and County Counsel to complete the MOUs by June 30, 2010.

IMPACT OF PUBLIC HEALTH SEPARATION

As required by the DHS/DPH MOU, executed on July 6, 2006, a joint workgroup, comprised of DHS and DPH representatives, has been established and meets on at least a quarterly basis to discuss items within the MOU or any other topic affecting the two departments. Attachment II is a list of the DHS and DPH members of the core workgroup. The last meeting of this workgroup was held on June 25, 2009, and the next regular meeting is scheduled for September 30, 2009.

Under the DHS/DPH MOU, this workgroup is responsible for determining, on behalf of their respective Directors, where program collaboration has been successfully implemented and can be replicated in other program areas, or where barriers to efficiencies or service improvements may exist and where workable solutions must be developed to eliminate or mitigate those barriers.

Further, the workgroup has on-going responsibility for determining other program areas which should be incorporated into the MOU to further enhance interdepartmental collaboration. In meeting these responsibilities, the workgroup should seek input from stakeholder groups or experts in their respective program areas, as appropriate.

As provided for in the MOU, additions and revisions can be made to the MOU provisions by mutual agreement of DHS and DPH in an expedited manner that enables the departments to keep current the delineated roles and responsibilities of the departments. As an example, the Antelope Valley Rehabilitation Centers (AVRCs) Appendix to the DHS/DPH MOU has been added to the MOU as a major program component to the interdependent working relationship between the two departments. Attachment III is a copy of the AVRCs Appendix, which was agreed to by the departments in January 2007. Additional revisions are being reviewed by the departments on a regular and continuing basis.

The DHS/DPH MOU workgroup meetings have proven effective in the development and sharing of efficiency initiatives in which the two departments may be able to engage. Under discussion is the potential shared use of invoice processing software that may improve the workflow of the departments' purchasing and materials management operations.

As noted above, work is continuing on a joint MOU between DHS, DPH, and DMH in order to foster greater teamwork and service integration. The DHS/DPH MOU workgroup and DMH representatives will be given the task of developing the joint MOU on a timeline which targets completion by June 30, 2010.

While the joint MOU has not yet been executed, the three Health and Mental Health Services (HMHS) Cluster departments meet on a regular basis to discuss departmentwide initiatives and issues affecting their departments. HMHS departments form partnerships and integrate services wherever possible, recognizing that they often have patients/clients in common.

The HMHS Cluster departments also discuss administrative efficiencies in order to achieve cost-savings to address, in part, funding shortfalls resulting from increasing costs, shrinking or stagnant revenue streams and State budget reductions. A recent example of interdepartmental teamwork among the HMHS Cluster departments, as well as the Sheriff's and Probation Departments, is the pharmaceutical cost savings initiative. As outlined in the May 20, 2009 report from this Office to your Board, DHS initiated innovative strategies to manage the rising cost of pharmaceuticals and their practices were extended to the noted departments. As a result of this effort, cost-effective pharmaceutical purchasing practices were shared between the departments and are expected to result in increased cost-savings as these practices are refined.

As to your Board's request regarding the impact of the separation of DHS and DPH, the June 29, 2009 report from this Office to your Board reiterated several reasons for establishing a separate public health department, among them the varying missions and priorities of the departments, as well as the new and existing public health issues which warrant a separate organizational focus and direct responsibility of preventing and controlling serious threats. Further, the establishment of the separate DHS and DPH allows for a better focus on the financing requirements of each department and their respective responsibilities and abilities for addressing their budgetary challenges. It is important to note that, while operational efficiencies are being pursued which could benefit both departments, the specific revenue raising strategies and programmatic changes are, in most instances, unique to each.

POTENTIAL PROGRAM TRANSFERS

In response to your Board's instruction to report on programs that have the potential to be transferred from DPH to DHS, this Office convened an interdepartmental workgroup, comprised of representatives from DPH and DHS. The interdepartmental workgroup conducted its assessment by differentiating between programs whose mission is solely focused on public health and programs with broad, cross-cutting competencies and missions.

Programs whose mission is solely focused on public health would not be recommended for potential transfer as they form DPH's core mission to protect health, prevent disease, and promote health and well-being. These programs are the core of DPH and to transfer them to another department would undermine the balanced portfolio of public health services that is currently in place. On the other hand, programs with broad, cross-cutting competencies and missions offered the potential for placement in other departments. The DPH programs discussed by the interdepartmental workgroup for possible placement in another County department included:

- Alcohol and Drug Program Administration;
- Antelope Valley Rehabilitation Centers;
- Children's Medical Services; and
- Office of Women's Health.

Alcohol and Drug Program Administration

Alcohol and Drug Program Administration (ADPA's) mission is to reduce community and individual problems related to alcohol and drug abuse through evidence-based programs and policy advocacy. The inherent public health nature of ADPA's services were noted, including the proximity and intertwined relationship to other DPH programs. Of particular note, is ADPA's relationship with the Tobacco Control and Prevention, as well as, the Health Assessment and Epidemiology Programs. ADPA was recently evaluated as part of a comprehensive analysis led by this Office as to the organizational placement of the program for possible transfer to the DMH. As noted above, a separate report has been submitted to your Board, which includes our recommendation that ADPA remain in DPH.

Antelope Valley Rehabilitation Centers

Antelope Valley Rehabilitation Centers (AVRC's) mission is to contribute to the restoration of the overall health and functioning of County residents who suffer from substance abuse and addiction. Prior to the public health separation, AVRCs were part of the DHS ValleyCare Network. When the recommendations were developed regarding programs which should remain in DHS or be part of the new DPH, this Office recommended that AVRCs be moved from DHS to DPH because of the public health nature of the substance abuse rehabilitation services provided by AVRC. Additionally, this program has an inherent linkage with ADPA. The subsequent review by the interdepartmental workgroup concurred with the placement of AVRCs in DPH.

Children's Medical Services

Children's Medical Services (CMS') mission is to provide preventive screening, diagnostic, treatment, rehabilitation, and follow-up services. The inherent public health nature of the services provided under the program, the proximity and intertwined relationship the program shares with other DPH programs was noted. The CMS program was considered for possible placement in DHS as an alternative due to the types of services provided in the program; however, based on their review, the interdepartmental workgroup recommended that CMS continue to reside within DPH. This recommendation was due to DHS' prime mission of direct patient care and service delivery, as opposed to CMS' spectrum of services which are broader, and includes screening, diagnostic, and treatment services via public and private hospitals or clinics, as well as community-based providers. Furthermore, as children and families are, at times, referred to DHS facilities for the provision of care, placement of CMS under DHS would raise conflict of interest concerns. Such concern would be raised as DHS, a possible provider, would not only be responsible for providing services to these clients, but also be responsible for referring these clients for care.

Office of Women's Health

Office of Women's Health mission is to improve the health status of women in the County by serving as the focal point for strategic planning, promoting comprehensive and effective approaches to improving women's health, and promoting the expansion of funding for research activities. Although the program was first established with a patient care aspect as one of its prime objectives, the program has evolved into a more administrative and strategic planning program that seeks to improve women's health via policy development and the expansion of funding opportunities for research activities that will lead to improved health outcomes for women.

Health Authority Law Enforcement Task Force

In addition to the aforementioned DPH programs, the interdepartmental workgroup briefly discussed the placement of the Health Authority Law Enforcement Task Force (HALT) program in DHS. As your Board may recall, the transfer of the HALT program to DHS from DPH was approved by your Board as part of the Final Changes recommendations on June 22, 2009.

It should be noted that at the time of the public health separation in 2006, the HALT program remained with DHS. However, subsequent to the establishment of DPH, the HALT program was approved by your Board for transfer from DHS to DPH as part of the 2007-08 Proposed Budget actions. At that time, the transfer of the HALT program to DPH was recommended, in part, to recognize the program's focus on securing and maintaining the public's overall health and well-being, and the agreement between the two departments at that time to the organizational placement of the program in DPH.

The return of the HALT program to DHS, as part of the 2009-10 Final Changes recommendations, was based, in part, on the alternate recognition of the healthcare component of the program, the program's policing and deterrence of illegal healthcare practices by unlicensed physicians and/or private County residents, and the current agreement between DHS and DPH that the program's placement under DHS was, after further review, appropriate.

The changing perspective on the placement of the HALT program is an example of the challenges faced by DHS, DPH and this Office in reviewing and recommending placement of programs that have cross-cutting competencies and missions. Ultimately, the primary goal is ensuring that the programs are able to provide the most effective services to the public, regardless of their organizational placement.

STAKEHOLDER INPUT AND PROGRAM PLACEMENT

A key component of our analysis as to program placement, involves stakeholder input. During our comprehensive assessment of the appropriate placement of the County's ADPA, either in DPH or in DMH, we obtained valuable stakeholder input from meeting with the County's Commission on Alcoholism, Narcotics and Dangerous Drugs Commission, and the Mental Health Commission. These various commission meetings were conducted on July 8, 2009, July 15, 2009, and July 23, 2009, respectively. Furthermore, written comments were received from the Public Health and Mental Health Commissions. It was the unanimous opinion of these two Commissions, as well as their constituents, that ADPA should remain within DPH and not be merged with DMH.

It should be noted that the HMHS Cluster departments meet regularly with their respective Commissions, and they advise this Office that they are not aware of any Commission recommendations for the transfer of DPH programs to another County department.

While there are no current DPH programs which, in the opinion of this Office, should be recommended for possible placement in a different department, we will continue to look for instances where a rationale exists as the DHS/DPH MOU workgroup continues its review of DHS and DPH programs and the HMHS Cluster departments continue its work on a joint MOU. Should this Office or the HMHS Cluster departments identify a rationale for recommending that DPH programs be placed in a different department, we will so advise your Board and, following standard operating employee relations procedures, we will work with SEIU Local 721 and/or other affected employee union/s in conducting our analysis of the potential transfers.

SUMMARY

The overall separation of DPH from DHS has proceeded in an effective and efficient manner. Budgetary and/or operational adjustments between the two departments have been necessary as part of the transition, but they have for the most part been minor in nature. Most importantly, the departments have established a collaborative process to address these types of adjustments, which was not clearly delineated prior to the separation.

In addition to DPH and DHS, DMH is a member of the group of HMHS Cluster departments, and their joint efforts have fostered greater teamwork. As a result of the efforts by the HMHS Departments, service integration among their programs and cost-effective practices are being assessed and shared. Opportunities for economies of scale are encouraged among the HMHS Departments, and if appropriate, with other County Departments.

There are no current DPH programs which were identified for possible placement in a different department. However, an evaluation process is in place and if findings warrant the transfer of programs, recommendations will be brought to your Board for consideration.

If you have any questions please contact me, or your staff may contact Richard F. Martinez at (213) 974-1758.

WTF:SRH:SAS
MLM:RFM:yb

Attachments

c: Executive Officer, Board of Supervisors
Acting County Counsel
Director, Department of Mental Health
Director, Department of Public Health
Interim Director, Department of Health Services

091609_HMHS_MBS_DPH Separation

Attachment I

County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE
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DAVID E. JANSSEN
Chief Administrative Officer

February 14, 2007

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

From: David E. Janssen
Chief Administrative Officer

REPORT ON THE PROGRESS OF THE SEPARATION OF PUBLIC HEALTH FROM THE DEPARTMENT OF HEALTH SERVICES

On May 30, 2006, as part of your approval of a separate Department of Public Health (DPH), your Board instructed my office to report on a monthly basis for the first three months of operation, and quarterly thereafter, for the first year to ensure that the transition occurs orderly and without incident. This report provides a status of operations through the first six months of implementation, as summarized in Attachment I. Our last status report was submitted to your Board on October 11, 2006.

Your Board also instructed my office to report back within six months with a review of the impact of the separation and identification of any current Public Health responsibilities which should be placed in a different department. While we anticipated providing that report to your Board early in December 2006, we find that we require additional time to complete that review and consult with stakeholder groups. Our target date for completion and report to your Board is May 2007.

With respect to the Memorandum of Understanding (MOU) between the Department of Health Services (DHS) and the Department of Mental Health (DMH), we are continuing to meet with both Departments on proposals to address the funding shortfall identified by DHS for psychiatric services, which will be reflected in the financing provisions of the MOU. We will report further on these efforts in May 2007.

Our next quarterly report on DPH implementation will be provided to your Board in May 2007 and will include the status of implementation efforts through the third quarter of DPH operations.

If you have questions or need additional information, please contact me, or your staff may contact Darolyn Jensen of my staff at (213) 974-1124.

DEJ:SRH:DL
DJ:NH:RFM:bjs

Attachment

c: Executive Officer, Board of Supervisors
County Counsel
Auditor-Controller
Director of Health Services
Director of Mental Health
Director of Personnel
Director of Public Health

DEPARTMENT OF PUBLIC HEALTH
STATUS OF IMPLEMENTATION TASKS

#	TASK	START	END	UPDATE
1.	***Establish independent pharmacy operation for Department of Public Health (DPH)***	10/15/05	7/1/07	As of 12/22/06, DPH has filled 4 of 5 new budgeted pharmacy staff positions; a Pharmacy Services Chief II, a Pharmacist, a Pharmacy Technician, and a Pharmacy Helper. Efforts continue to fill the remaining position, Procurement Assistant I, with a targeted completion date of 3/1/07. DPH will have separate pharmacy operations, but will remain under DHS pharmacy licensure; however, DPH will have a separate clinic dispensary licensing. The separated pharmacy operations of DHS and DPH will jointly remain in the current pharmacy operations space at LAC+USC Medical Center. Separation of the pharmacy operations and DPH obtaining a separate clinic dispensary license are targeted for no later than 7/1/07. In the interim, DPH will continue to have pharmaceutical services provided by Department of Health Services (DHS) staff at LAC+USC Medical Center, as was in place prior to the establishment of the separate Department. DHS will continue to bill DPH for pharmaceutical purchases.
2.	***Meetings with employee representatives/unions***	2/16/06	Completed on 7/31/06	DPH and DHS have met regularly with union representatives to discuss the impact of the separation on DHS and DPH employees. On 6/15/06, DPH and DHS provided union representatives with information on the process that would be used to select DHS employees to be reassigned to DPH and with drafts of notification letters which would be sent to DHS employees in affected administrative support areas. Additional meetings to discuss issues related to the separation will be scheduled as needed, but are not currently on the calendar.

#	TASK	START	END	UPDATE
3.	***Notice to employees regarding action/impact and informational meetings***	6/7/06	Completed on 7/6/06	On 6/16/06, initial notice was sent via e-mail to all employees and posted in all work areas of the Board's action to establish the new DPH. On 6/21/06, letters were sent to employees in administrative support areas affected by the establishment of the new DPH, requesting them to indicate their preference for remaining in DHS or transferring to DPH. Responses were requested by 7/6/06. On 6/26/06 and 6/28/06, DPH and DHS staff conducted Employee Forums (question & answer sessions) at DHS and DPH worksites for employees who might be affected by the administrative support transfers. In addition, DPH conducted Employee Forums for DPH staff on 7/26/06, 7/27/06, 7/28/06 and 8/8/06, with the objectives of allowing staff to meet the Public Health director and key managers; hear about the DPH vision, mission and strategic direction; learn about the new department and the transition process; and to respond to employee questions.
4.	***Reassignment of impacted employees/change of work location if needed***	7/17/06	7/1/07	All affected employees were formally advised by letter, dated 7/17/06, of whether they were being reassigned to DPH or remaining in DHS, and reassignments were effective 7/30/06. Proposed changes in physical location for affected employees are being coordinated between DPH staff and DHS-Facilities Management staff, and will be implemented on a phased-in basis. Some staff, for example, DPH Finance staff, will remain located at their present location in Commerce and no change is anticipated.

#	TASK	START	END	UPDATE
5.	***Development/completion of Antelope Valley Rehabilitation Centers (AVRCs) appendix to the DHS/DPH MOU***	2/28/06	3/31/07	DPH and DHS (Health Services Administration and ValleyCare Administration) staff continue to meet to discuss program and administrative issues to be addressed in the AVRC appendix to the DHS/DPH MOU. Draft appendix has been completed and is pending final review and approval. Target for completion of the appendix is 3/31/07. Discussions on DHS/DPH administrative support issues have covered: 1) Management support provided by Olive View Medical Center (OVMC) and High Desert Health System (HDHS), including 24/7 senior management support, transferred to Alcohol and Drug Programs Administration; financial administration; telephone systems; information systems equipment, software and support; pharmacy systems; and plant maintenance. Transfer of these operations is targeted for 3/31/07. In the interim, DHS is continuing to provide support. 2) Human Resources (HR) support, including additional positions added to DPH 2006-07 Budget during Supplemental Changes. Recruitment efforts are under way to fill the position; in the interim, DHS is continuing to provide HR support. 3) Ancillary support, including laboratory, radiology and urgent care. Because OVMC/HDHS staff did not previously track AVRC-specific use of these services, baseline data is not available to develop adjustments to the respective budgets. Therefore, DHS and DPH will monitor use for 12 months and budgetary adjustments will be developed for the 2007-08 Final Budget for DPH and DHS. Since these services are currently included in the ValleyCare Network 2006-07 Budget, DHS will continue to provide these services to AVRCs. 4) Other support services, including supplies and purchasing, custodial services and safety police are currently included in the ValleyCare Network 2006-07 Budget; DHS will continue to provide these services to AVRCs.
6.	***Follow-up ordinance changes***	6/7/06	5/31/07	DPH and County Counsel continue to work on additional "clean-up" County ordinance changes, as necessary, to Titles 2, 3, 10, and 11 of the County Code to bring them current with DPH operations, most unrelated to the separation from DHS. The first set of proposed changes, specifically to ordinances regarding DPH and DHS membership on various commissions have been completed and were approved by the Board on 10/3/06. These ordinance changes were adopted on 10/24/06. Completion of the remaining changes is expected to occur by May 2007 and will be submitted for Board consideration by April 2007.

#	TASK	START	END	UPDATE
7.	***Completion of issues such as methodology of cost allocations, HIPAA compliance issues, and development of additional MOUs with other County departments***	6/7/06	7/1/07	DPH and DHS staff are continuing to discuss allocations of costs related to services provided by one department to the other, including program services, such as tuberculosis services, laboratory services and substance abuse services, and administrative services, such as information systems, library services, facilities management and materials management. Further, discussions continue regarding other shared costs, including space utilization, utilities and warehouse usage, among others. DPH is continuing to review administrative support services which were previously provided via DHS, which DPH may now need to acquire directly from other County Departments. As needed, separate MOUs will be developed with the other County Departments. Per the implementation plan and the DHS/DPH MOU, DHS, DPH, CAO and Chief Information Office (CIO) staff are continuing discussions to appropriately identify costs for applications, shared infrastructure, and services that may be billed to the appropriate department. Budgetary adjustments, as needed, will be made during the 2007-08 budget process. Regarding compliance with the Health Insurance Portability and Accountability Act (HIPAA) requirements, the extent to which DPH and its operations should be designated as a covered health care component under HIPAA has been examined in consultation with County Counsel. It appears advisable to include the entire DPH in the health care component in order to continue the sharing of information between DPH and other entities with which such information was shared prior to the separation. Therefore, DPH is currently drafting a letter for consideration by the Board to approve DPH as a covered department. In the interim, DPH is continuing to operate under the requirements of the DHS HIPAA compliance plan. DPH, in consultation with County Counsel, has drafted the MOUs that will be required if DPH is designated as a covered component. The MOUs may be executed quickly, should the Board approve DPH as a covered department. MOUs would be needed with CAO, County Counsel, Auditor-Controller, Treasurer and Tax Collector, and the Internal Services Department. DPH and DHS are continuing to work with County Counsel on reviewing other potential issues related to sharing of information now that DPH is a separate department. Currently, there appear to be no changes to DPH and DHS information sharing as a result of the separation.

#	TASK	START	END	UPDATE
8.	***Finance/Budget Issues:*** ***Adjust budget to formalize creation of separate roll-up budgets for DHS and DPH budgets*** ***Consideration of potential surpluses/deficits to the DHS and DPH budgets***	6/7/06	7/1/07	As part of the Supplemental Changes phase of the 2006-07 budget process, the Board approved, on 9/26/06, the technical adjustments needed to create the separate "roll-up" budgets for DPH and DHS. Adjustments included the reallocation of DHS Health Services Administration overhead charges from DPH to the other DHS budget units. Additional adjustments are being developed consistent with the cost allocation methodologies related to program and administrative services provided by one department to the other and for the allocation of shared costs not identified in time to be included in the Supplemental Changes. Any additional adjustments will be included in the 2007-08 budget process. The 2006-07 Supplemental Changes included the use of $1.0 million in the 2005-06 year-end surplus generated by Public Health, which was put into the DHS designation during the 2005-06 year-end closing. The $1.0 million was one-time funding to help offset federal funding reductions in the Office of AIDS Programs and Policy (OAPP) budget. CAO staff are reviewing issues related to projected surpluses and deficits in DHS and DPH budgets and the potential allocation of County funding related to the 2007-08 Proposed Budget.
9.	***Final implementation of DPH***	7/6/06	7/1/07	The MOU between DHS and DPH was fully executed by 7/6/06. All actions related to the final implementation of DPH (i.e. physical staff reassignments, completion of follow-up ordinance changes) are expected to be completed by 7/1/07. As instructed by the Board, CAO staff are conducting a review of the impact of the separation and identifying any current Public Health responsibilities which should be placed in a different County department. Report to the Board is expected by 5/31/07.

#	TASK	START	END	UPDATE
10.	***Development/completion of MOU between DHS, DPH, and DMH***	3/31/06	7/1/07	A meeting with DMH, DHS, and CAO was held on 1-4-07 to discuss psychiatric services being provided to DMH and an appropriate reimbursement model. Discussions included funding limitations facing both DHS and DMH and their respective deficit management plans. CAO staff is developing the draft MOU between DMH and DHS regarding psychiatric services, including psychiatric emergency services, and the roles and responsibilities of each Department in providing those services. Completion of the draft MOU is expected by 7/1/07. CAO and DPH staff is reviewing services provided by DPH related to psychiatric services to determine whether they should be addressed in this MOU, or in stand-alone agreements.

LOS ANGELES COUNTY
DEPARTMENT OF HEALTH SERVICES AND
DEPARTMENT OF PUBLIC HEALTH
MEMORANDUM OF UNDERSTANDING
WORKGROUP

Department of Health Services

Cheri Todoroff, Deputy, Planning and Program Oversight
Erain Muñoz, Associate Chief Financial Officer
Mela Guerrero, Controller

Department of Public Health

Jonathan Freedman, Chief Deputy Director
Miles Yokota, Administrative Deputy
Wendy Schiffer, Director, Office of Planning
Debbie Davenport, Director, Community Health Services
Robert Kim-Farley, MD, MPH, Director, Communicable Disease Control and Prevention
Carrie Brumfeld, Special Assistant
Bob Gibson, Special Assistant

Appendix A.16 **Antelope Valley Rehabilitation Centers (AVRC)** (New Appendix 1/22/07)

The Antelope Valley Rehabilitation Centers (AVRCs) consist of two large substance abuse residential treatment facilities, located in Acton and Warm Springs, and a smaller outpatient substance abuse treatment program, High Desert Recovery Center (HDRC) located on the campus of High Desert Health Clinic. The mission of the AVRCs is to provide quality, comprehensive and effective addiction treatment services for adult men and women. The AVRC's provide a model of care that is designed the meet the individuals treatment needs: which may include restoration of physical health, mental health, assessment and referral for legal issues, reconnection to family and society, unemployment, and continued education, all of which are often impacted as a result of the disease of addiction.

The AVRCs are comprised of three programs:

- **Acton Rehabilitation Center**, located at 30500 Arrastre Canyon Road, Acton, California. Acton Rehabilitation Center is a substance abuse residential treatment facility that has 309 beds licensed and is certified by the State of California to accommodate female (75) and male (234) residents.

- **Warm Springs Rehabilitation Center**, located at 38200 North Lake Hughes Road, Castaic, California. Warm Springs Rehabilitation Center is an all male facility that has 199 beds licensed and certified by the State of California.

- **High Desert Recovery Services**, located at the High Desert Health System Campus, 44900 North 60th Street West, Lancaster, California. High Desert Recovery Services (HDRS) is the AVRCs' Outpatient Program that offers an effective, low-cost alternative to hospitalization and residential care by expanding AVRCs ability to serve the needs of the Antelope Valley community and its surrounding areas. This is accomplished by providing quality outpatient alcohol or other drug treatment services including counseling, education, specialized services, and referral.

DPH will be responsible for all management and operations of the AVRCs with the exception of those services listed below that will be provided by DHS.

DHS, under the management of High Desert Health System (HDHS), will maintain on-site infirmaries that provide limited primary care and nursing services at the two AVRC residential treatment facilities: Acton Rehabilitation Center and Warm Springs Rehabilitation Center. HDHS will continue to provide space on the HDHS campus for High Desert Recovery Services (HDRS).

DPH and DHS agree to work to ensure a smooth transition for patients and staff at the AVRCs and to maintain frequent and consistent communication throughout the transition

period and ongoing to ensure the needs and interests of each department are appropriately articulated and represented.

Role of DPH

DPH will be responsible for all management and operations of the AVRCs with the exception of the on-site infirmary services listed below that will be provided by DHS. DPH will be the landlord for the two AVRC residential treatment facilities and will provide the following support to the DHS on-site infirmaries:

A. Building Maintenance - All building maintenance, including both the building interior and exterior, will be provided by the AVRC Building Crafts department. This will include, but not be limited to plumbing, electrical, roofs, and all building systems (HVAC, water, sewage).

B. Building Improvements - DPH will be responsible for the cost of any building improvements required to bring the infirmaries into compliance with Title 22 requirements, Americans With Disabilities Act (ADA) requirements, or other regulatory requirements.

C. Solid Waste - DPH will be responsible for the disposal of solid waste. The HDHS housekeeping contractor will deposit all solid waste in collection areas designated by DPH.

D. Utilities - DPH will provide all required utilities for the infirmaries at no charge, including electric, gas, sewage, telephone, and water.

E. Satellite telephone - DPH will be responsible for the satellite telephone purchase order at Warm Springs.

Role of DHS

DHS will maintain on-site infirmaries at Acton Rehabilitation Center and Warm Springs Rehabilitation Center. DHS will provide "Basic Services" and "Additional Services". Services that are identified as "Basic Services" will be provided for a fixed monthly fee, based on the estimated cost of operating the infirmaries, including appropriate overhead charges. Services that are identified as "Additional Services" will be provided by HDHS or by an HDHS contractor and will be billed as additional charges each month.

<u>Basic Services</u>

A. Hours of Operation - Both infirmaries will be open seven days per week, 365 days per year. During operating hours (7:00 a.m. – 10:p.m. M-F; 7:45 a.m. - 8:15p.m. on Saturday and Sunday), each Clinic will be staffed with a minimum of one Licensed Vocational Nurse (LVN) or one Registered Nurse (RN).

B. Staffing - Staffing for the clinics is based on the budget as reflected in the current item controls for Acton and Warm Springs Clinics, plus three additional items which have been temporarily shifted from other HDHS clinical areas in order to maintain minimum required staffing. The additional items are indicated below with an asterisk and will be requested in the FY 07-08 budget process.

Acton Rehabilitation Center:

1.0 - Supervising Clinic Nurse I (5329A)
2.0 - Clinic Nurse II (5328A)
1.0 - Clinic LVN II (5094A)
.5 - Clinic LVN I (5090A)
1.0 - Clinic LVN I (5090A)*
1.0 - Clinic Nursing Attendant II (5088A)
1.0 - Int. Typist Clerk (2214A)
1.0 - Medical Steno (2180A)

Warm Springs Rehabilitation Center:

1.0 - Supervising Clinic Nurse I (5329A)
2.0 - Clinic Nurse II (5328A)
1.0 - Clinic LVN II (5094A)
1.0 - Clinic LVN II (5094A)*
1.0 - Int. Typist Clerk (2214A)*

C. Provider Staffing - HDHS will provide one full-time primary care physician (PCP) to staff the two infirmaries. This physician will routinely be assigned to the Acton Rehabilitation Center Infirmary on Mondays, Tuesdays, and Thursdays and to the Warm Springs Rehabilitation Center Infirmary on Wednesdays and Fridays. HDHS will arrange back-up coverage (physician or nurse practitioner) when the assigned physician has scheduled or unscheduled absences, when possible. Provider staffing will not be provided on County holidays or on weekends.

D. Admission Screening - Licensed nursing staff assigned to the infirmaries will provide pre-admission screening for prospective AVRC clients Monday through Friday. The purpose of this screening is to determine if prospective residents are medically appropriate for the AVRC program and environment, to assess each client's current medications, and to educate clients in regards to medication management while they are AVRC residents.

E. New Admission Processing - Licensed nursing staff will process new admissions as they arrive, and conduct nursing interviews and assessments to document medical and psychiatric history, screen for communicable diseases, record vital signs and height and weight measurement, test for Tuberculosis (PPD or referral for CXR), and initiation of a new patient chart.

F. Admission Physicals - The physician or back-up provider assigned to the AVRC infirmaries will complete physical examinations for all new admissions.

G. Sick Call - Licensed nursing staff will evaluate all patients presenting to the AVRC infirmaries with episodic or chronic medical problems. Based on the nursing evaluation, the patient may be 1) given advice and/or treatment by the nurse, 2) scheduled to be seen by the AVRCs infirmary provider, or 3) referred to the HDHS Urgent Care clinic or South Valley Health Center (SVHC) Urgent Care Clinic for non-emergency medical problems that require immediate attention. Treatment provided by the infirmary nursing staff will be based on standing orders or written or verbal orders from the AVRC infirmary provider. If a registered nurse is not on-site, a registered nurse will be available on-call during clinic hours for consultation.

H. Provider Review of Diagnostic Test Results - The AVRC infirmary provider will review all laboratory, radiology, and other diagnostic test results and take the necessary actions.

I. Provider Chart Review - Based on specialty consultation results, information received from providers treating clients outside the AVRC infirmaries, diagnostic test results, and other needs identified by nursing staff, the AVRC infirmary provider will review charts and initiate or change orders, as appropriate.

J. Medication Administration - The AVRC infirmaries will maintain a limited stock of medications for administration to clients with physician orders.

K. Medication Management - Licensed nursing staff will manage patient medications by 1) coordinating refill requests with the prescribing provider when a patient's medication requires refills; 2) requesting new and refilled medications through the HDHS pharmacy; 3) determining, based on established infirmary guidelines, which prescribed medications are to be distributed to the patient and which prescribed medications are to be held in the clinic; 4) checking medications to ensure that they were filled correctly; and 5) distributing medication prescriptions to clients with appropriate instructions.

L. Medication Observation - Licensed nursing staff at each infirmary will provide direct observed therapy (DOT) for clients receiving tuberculosis medications. Licensed nursing staff will also provide medication observation for all psychiatric medications, and for diabetic patients who self-administer insulin.

M. Patient Education - Licensed nursing staff will provide basic patient education regarding preventive care, self-care and disease processes, as appropriate.

N. Initial Management of Acute Psychiatric Problems and Psychiatric Emergencies - When needed, licensed nursing staff will assess patients with acute psychiatric problems and psychiatric emergencies and determine an appropriate plan. Alternative actions may include transport of the patient to an emergency room, referral to a Licensed Psychiatric Social Worker, or requesting assistance from the Psychiatric Emergency Team (PET Team).

O. Coordination of Mental Health Treatment - Infirmary staff will coordinate mental health treatment, including scheduling mental health appointments, interfacing with mental health providers, resolving psychiatric medication issues, and documenting patient failure to take psychiatric medications. Note: Refills for psychiatric medications must be written by a qualified psychiatrist and will not be rewritten or refilled by the AVRC Infirmary provider. Psychiatric medications prescribed by providers outside the HDHS system will not be filled by the HDHS Pharmacy.

P. Patient Health Records - Infirmary staff, under the direction of the HDHS Director of Health Information Management, will maintain active and inactive patient health records. The HDHS Director of Health Information Management is the custodian of records.

Q. Laboratory Services - The only on-site laboratory services provided at the AVRC infirmaries are point-of-care-test (POCT) for Blood Glucose for diabetic patients, and phlebotomy for other laboratory tests ordered by an AVRC infirmary provider. All laboratory specimens collected at the AVRC infirmaries are referred to the HDHS laboratory for processing or referral to a reference laboratory. POCT for Blood Glucose, Phlebotomy/specimen collection and performance of laboratory tests by the HDHS laboratory or an HDHS contracted reference laboratory are included in the basic services charge.

R. Transportation Coordination - Infirmary staff will notify AVRC staff when patients require transportation for medical services. AVRC staff will be responsible for providing or arranging for transportation to medical services.

S. Employee Health: Licensed nursing staff at the AVRC infirmaries will provide on-site employee health functions for DHS and DPH AVRC staff including annual employee physicals, and first aid for employee injuries. The HDHS Employee Health Department will provide new employee physicals for DHS and DPH AVRC staff.

T. Referral of AVRC Patients to DPH Clinics - The AVRC infirmaries will continue to refer patients to the DPH categorical clinics at Antelope Valley Health Center (TB and STD), and for chest x-rays at that clinic in association with TB clinic referrals, as appropriate. HDHS will have no financial responsibility for services provided to AVRC clients at DPH health centers and clinics.

U. Ancillary Services - All ancillary services (laboratory tests, radiology tests, electrodiagnostic tests, respiratory therapy tests/treatments, physical therapy, occupational therapy, and speech therapy) which are ordered by the AVRC infirmary provider will be referred to HDHS or a provider under contract with HDHS. The cost of these services is covered by the basic services charge based on prior year experience.

V. Housekeeping Services - The basic services charge includes the provision of daily housekeeping services for each AVRC infirmary by the DHS HDHS housekeeping contractor.

W. Furniture and Equipment - All furniture and equipment currently in the infirmary buildings will continue to be made available for use by HDHS, and will be removed by DPH upon request. HDHS will be responsible for the replacement and maintenance of all furniture and equipment required for the infirmaries.

X. Medical Waste - Any medical waste generated by the AVRC infirmaries will be disposed of by the HDHS medical waste contractor.

Basic Services Charge

The Monthly Basic Services Charge for operation of the AVRC infirmaries was developed based on Medicare Cost Reporting methodology, using the actual FY 2004-05 cost, adjusted by the cost-of-living increase for FY 2005-06 and the new housekeeping contract fees. The Monthly Basic Services Charge for each infirmary is:

Acton Rehabilitation Center Infirmary: $74,103

Warm Springs Rehabilitation Center Infirmary: $56,752

Note: The annual basic services charge for each AVRC infirmary will be adjusted in January of each year by the latest CPI percentage for the L.A.-Riverside-Orange County area and any additional structural changes required tomaintain Title 22 compliance, including any additional required staffing or contracted services.

Additional Services

Prescription Medications: Are not included in the basic services charge. All prescriptions for AVRC clients that are filled by the HDHS Pharmacy will be billed to DPH as an additional service. The charge for these medications will be the cost of the medication plus the Medi-Cal dispensing fee in effect at the time of service, per prescription. Currently the dispensing fee is $7.25 per prescription. The cost plus dispensing fees for FY 2004-05 was $220,210, and for FY 2005-06 it was $178,173.

Referral of AVRC Clients to HDHS Facilities

Financial Responsibility: AVRC patients may be referred to HDHS or its associated health centers for urgent care or specialty services. HDHS agrees to financially screen all such patients and to bill any available third-party coverage for services provided. In addition, HDHS agrees to screen AVRC clients referred to HDHS to determine eligibility for state or County assistance programs.

High Desert Recovery Services

HDHS will continue to provide 978 square feet of space on the HDHS campus for use by the AVRC High Desert Recovery Services outpatient substance abuse treatment program. DPH agrees to pay HDHS a flat fee of $6,078 per month to cover the cost of maintenance and repair, utilities, and housekeeping services for the space provided to HDRS.

Telephone Services: DPH agrees to pay the actual cost for telephone services, including line charges and local and long-distance usage, for all telephone/data lines used by HDRS, and for all telephone contractor service charges associated with the HDRS space.