



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

March 4, 2011

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

From: William T Fujioka
Chief Executive Officer 

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MARK RIDLEY-THOMAS
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CAPITAL OPTIONS FOR REDUCING EMERGENCY ROOM OVERFLOW AT COUNTY-OWNED HOSPITALS (ITEM NO. S-1, AGENDA OF OCTOBER 20, 2009, AND ITEM NO. 2, AGENDA OF JULY 13, 2010)

On June 2, 2010, my office advised your Board that HDR Architecture Inc. (HDR) had completed an assessment of capital options to address emergency room overflow and patient overcrowding at County-owned hospitals, in response to an October 20, 2009 motion. In summary, HDR found that system-wide there was a deficit of 33 "available" Med-Surg beds and a total deficit of 159 "budgeted" Med-Surg beds to meet current demand.

In addition, HDR found that LAC+USC bed capacity "is sized too small relative to its inpatient bed demand, which is consequently affecting conditions in the emergency department (ED)". HDR made recommendations for additional bed requirements to alleviate overflow and overcrowding at each medical campus. These recommendations, however, did not consider the impacts of healthcare reform, Department of Health Services (DHS) operational improvements, the opening of Martin Luther King, Jr. Hospital, or the passage of the California 1115 Medicaid Waiver.

Health Management Associates (HMA) prepared an addendum to the report, which assessed the impact these initiatives would have on the County's emergency room demand, and determined no additional beds would be required in five years; however, the County should continue to develop capital options should the need for additional beds remain.

On July 13, 2010, your Board directed the Chief Executive Officer and the Department of Public Works, in consultation with DHS, to develop a detailed contingency plan, including construction estimates and schedules, to add 150 Med-Surg beds at County medical campuses. HDR prepared an addendum to the original report, which reflects the optimal location of a new 150-bed tower on each campus, with multiple options for the LAC+USC campus.

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Design and construction estimates range from \$61 million to \$471 million, with schedules ranging from 52 months and 85 months, depending on the campus. Site plans for each campus are included in the attached addendum.

DHS concurs with the findings of both HDR and HMA, and is looking at more immediate ways of decreasing inpatient and ED overcrowding, including enhanced efforts to place lower-level of care patients who no longer need acute care, increased transfers among DHS hospitals, increased contracting with existing private hospitals, and reductions in unnecessary ED visits through the implementation of medical homes and coordinated care, as part of the ambulatory care transformation in DHS.

Indigent Insurance Enrollment

Your Board also requested projections of how many indigent DHS patients are likely to obtain insurance between now and 2014, and the effect this would have on demand for inpatient beds at County hospitals. There are two groups of indigent DHS patients who are likely to obtain insurance between now and 2014. The first group is those unemployed who obtain employment and with it employment-linked insurance. That group is likely to decrease its utilization of DHS emergency rooms and inpatient beds, although predicting the numbers is difficult because of the uncertainty about the economy. The second group is those additional enrollees in Healthy Way L.A. (HWLA), as part of the 1115 Waiver Medicaid Coverage Expansion.

We project that active HWLA enrollment will increase from the current 52,000 to 150,000 enrollees by 2014. Since the majority of these additional enrollees are already in the DHS, Department of Mental Health, and Public/Private Partnership system, there will be little impact on inpatient beds. The major impact will be on ambulatory care, where additional specialty capacity will be needed. Providing medical homes for these patients and coordinated care has the potential to reduce inpatient bed need, although the impact will not be immediate.

Should you have any questions regarding the HDR/HMA report, your staff may contact Jan Takata at (213) 974-1360, or David Howard at (626) 300-2300.

WTF:RLR:DJT
SW:cvb

Attachments

c: Executive Office, Board of Supervisors
County Counsel
Health Services
Public Works