COUNTY OF LOS ANGELES
DEPARTMENT OF HUMAN RESOURCES

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MICHAEL J. HENRY
DIRECTOR OF PERSONNEL

July 15, 2005

To: Each Supervisor

From: Michael J. Henry
Director of Personnel

Subject: **HUMAN RESOURCES STATUS REPORT ON KING/DREW MEDICAL CENTER (KDMC)**

This status report reflects information as of July 14, 2005. Please keep in mind that this information changes daily and, therefore, the information in this report is a snapshot in time.

DISCIPLINE

Overall, since January 2004, we have taken disciplinary actions against 235 employees at KDMC. Of this number, 125 actions have resulted in discharges or resignations. A total of 30 disciplinary actions have been taken against physicians and 24 physicians have been discharged or resigned.

Our open caseload is currently 116 and we expect to reduce the caseload to less than 100 by July 29, 2005 (detailed summary information is contained in Attachments I and II).

Since our last report, we have closed six cases and have opened six additional cases. One of the new cases involves an intern and another involves a physician, neither of which is related to patient care. Three of the cases involve nursing personnel, one of which is not related to patient care. We have initiated administrative investigations on each of the cases, including allegations related to nursing personnel's non-performance to standards regarding a dialysis patient.

In last week's report, we advised you that we had received two new cases involving physicians and five new cases involving nurses. Following is the status of those seven previously reported cases:

Nurses

- Alleged Unresponsiveness to Monitor Alarms (three nurses) - All three nurses have been placed on suspension without pay pending investigation; administrative investigations have been initiated.

- Alleged Inappropriate Conduct (one nurse), Misuse of Authority (one nurse) - Administrative investigations have been initiated.

Physicians

- Alleged Misuse of Authority (one physician) - We are concluding our administrative investigation.

- Alleged Failure to Follow Policy on Transfer of Patient (one physician) – An administrative investigation has been initiated.

RECRUITMENTS

The Screening Panel has interviewed all seven candidates identified by the search firm as meeting the Minimum Requirements for the Chief Executive Officer position. The Screening Panel has now identified the three most highly qualified candidates. Preliminary confidential background checks and referencing have been conducted on these candidates; however, we are currently completing additional necessary background checks and referencing. The names of the three candidates and all confidential reference materials obtained to date are being transmitted to Dr. Garthwaite and the candidates have been informed that their names are now public information. We will now be scheduling selection interviews for these three candidates with Dr. Garthwaite and selected representatives of the KDMC Hospital Advisory Board.

The three most highly qualified candidates, in alphabetical order, are as follows and their resumes are included as Attachments III, IV and V:

- Richard G. Carter
- Antoinette Smith Epps
- Harry E. Whitney

In addition, an examination has been conducted for the Chief Operations Officer and the Chief Nursing Officer and an Eligible Register has been established for each position. These Eligible Registers are available for use by the Chief Executive Officer, once that position is filled. These examinations are open continuous and will remain open until selections are made.

We continue to aggressively recruit for critical nursing management positions utilizing search firms. While the Clinical Nursing Director positions for the Emergency Department and Operating Room are traditionally very difficult recruitments, a job offer has been accepted for the Clinical Nursing Director II - Medical Surgical/ICU position and the candidate's scheduled start date is July 18, 2005. A Pharmacy Services Chief has also been hired and started on July 11, 2005. In addition, through our telephone canvassing efforts, we have identified nine retired Los Angeles County Pharmacists who are interested in receiving more information regarding possible employment as 120-day retirees. The names of the interested candidates have been provided to the Department of Health Services and KDMC Pharmacy for appropriate follow-up.

If you have any questions, please call me.

MJH:REB
SBH:ck

Attachments

c: David E. Janssen
Thomas L. Garthwaite, M.D.
Ray Fortner
Violet Varona-Lukens
Fred Leaf
Kae Robertson
Hank Wells

EXEC REC\MLK\STATUS MEMO 7-15-05 Rev2a

KDMC HUMAN RESOURCES/PERFORMANCE MANAGEMENT
ADMINISTRATIVE ACTIONS STATUS REPORT - TABLE

Period: 01/26/04 - 07/14/05

Dated: 7/14/2005

Closed Cases -	470
Open Cases -	116
Referred Cases -	13
Grand Total =	599

TYPE OF ADMINISTRATIVE ACTION	Medical Staff [1]	Ancillary Medical Staff [2]	Nursing Staff [3]	Pharmacy Staff	All Other Staff	TOTALS
Formal discipline:						
Discharges	8	0	19	0	10	37
Discharges of Probationers	0	2	5	0	3	10
Suspensions (6 - 30 Days)	0	4	17	2	8	31
Suspensions (1 - 5 Days)	4	5	20	1	8	38
Reprimands	5	0	18	2	8	33
Warnings	0	1	1	3	3	8
Resignations in Lieu of Administrative Action	13	6	16	6	5	46
Release of Temporary Employee	7	0	20	0	4	31
Medical Release	0	0	0	0	1	1
Subtotal	**37**	**18**	**116**	**14**	**50**	**235**

TYPE OF ADMINISTRATIVE ACTION	Medical Staff [1]	Ancillary Medical Staff [2]	Nursing Staff [3]	Pharmacy Staff	All Other Staff	TOTALS
Non-Disciplinary [4] Corrective Actions	15	7	27	41	20	110
Total Actions Taken	**52**	**25**	**143**	**55**	**70**	**345**

[1] Includes: Physician series; Physician's Assistant; and Nurse Practitioners
[2] Includes: Surgical Technicians; Medical Technologists; etc.
[3] Includes: Nurse series; Licensed Vocational Nurse; Nursing Attendant
[4] Includes: Counseling; Effective Notices to Correct Performance; Reassignments; etc.

Attachment I

KDMC HUMAN RESOURCES/PERFORMANCE MANAGEMENT
ADMINISTRATIVE ACTIONS STATUS REPORT - MEDICAL STAFF

Period: 01/26/04 - 07/14/05

Dated: 7/14/2005

TYPE OF ADMINISTRATIVE ACTION	Physician	Physician's Assistant	Nurse Practitioner	TOTALS
Formal discipline:				
Discharges	6	2	0	8
Discharges of Probationers	0	0	0	0
Suspensions (6 - 30 Days)	0	0	0	0
Suspensions (1 - 5 Days)	2	1	0	3
Reprimands	4	1	0	5
Warnings	0	0	0	0
Resignations in Lieu of Administrative Action	11	1	1	13
Release of Temporary Employee	7	0	0	7
Medical Release	0	0	0	0
Subtotal	**30**	**5**	**1**	**36**

TYPE OF ADMINISTRATIVE ACTION	Physician	Physician's Assistant	Nurse Practitioner	TOTALS
Non-Disciplinary Corrective Actions	11	1	1	13
Total Actions Taken	**41**	**6**	**2**	**49**

Attachment II

RICHARD G. CARTER

SUMMARY: More than 20 years' experience in not-for-profit and proprietary community and academic hospitals and health systems including nearly a decade as CEO or administrator; tenure as a national healthcare consultant; state hospital association executive. Recognized for exceptional skills in operational excellence, turnaround management, physician collaboration and fiscal management.

PROFESSIONAL EXPERIENCE

1998-2005 **Tenet Healthcare Corporation – Dallas, TX**

2003-2005 **Gulf Coast Medical Center – Biloxi, MS**

The Hospital is a 189-bed Tenet-owned community hospital and medical center including Gulf Oaks Hospital, a behavioral health facility.

Chief Executive Officer

Senior executive of medical center campus including acute hospital, SNF, behavioral health hospital, adjacent medical office buildings, regional home health agency and a joint venture ambulatory surgical center. Complete P & L responsibility. Accountable to regional Senior Vice President.

Key Accomplishments

- Maintained consistent 4-star status for patient satisfaction scores.
- Reduced labor expense by more than 9% PAPD with nearly 11% fewer FTEs.
- Implemented cost reduction initiatives resulting in more than $253,000 in savings in less than 5 months.
- Reduced ALOS by 7 – 19.7%.
- Through targeted business development initiatives, produced an 8% increase in admissions along with a nearly 4% increase in outpatient visits.
- Developed and implemented new programs in orthopedics, SNF, neurosurgery and psychiatry producing admissions increases of more than 25%, 16%, 48% and 3.5% respectively.
- Exceeded budgeted net revenue PAPD by nearly 7%.

1998-2003 **Midway Hospital Medical Center-Los Angeles, CA**

The Hospital is a 225-bed community hospital and medical center and a Tenet Healthcare facility.

Administrator

Administrator of medical center campus including acute hospital, SNF and adjacent medical office building. Complete P & L responsibility. Also responsible for legal compliance, contracting, new

business development, joint ventures, strategic/business plan implementation and community interface. Extensive involvement with physicians, Board, government and Tenet regional offices.

Key Accomplishments

- Reduced labor expense 9 - 10% PAPD producing 30.2% fewer FTEs/adjusted ADC.
- Produced EBIT growth of more than 300% over prior year and 265% above budget.
- Reduced Workers' Comp allocation factor by 25%.
- Increased patient satisfaction by more than 6% and overall System ranking by 33%.
- Reduced nursing turnover by 61% to less than ten percent.
- Reduced overall ALOS by 17.3% and Medicare ALOS by 36.5%.
- Successfully guided management and medical staff through full-scale labor strike, NLRB union decertification process and subsequent elimination of union.
- Reduced supply expense 10-20% PAPD and overall operating expenses by 18.3% PAPD.
- Initiated and led negotiations to recruit 150-physician IPA producing a 64% increase in admissions to a 23% share.
- Re-wrote/negotiated all contractual agreements to place hospital in legal compliance.
- Increased cash flow from operations as a percentage of EBITDA to more than 209%.
- Identified/recruited physicians and negotiated/executed program agreements implementing new business initiatives resulting in a 12% increase in admissions and 17% in APDs.

1996-1998 **Lourdes Hospital - Paducah, KY**

The Hospital is a 389-bed regional medical center ($102M operating budget, $11.7M capital budget) and member of the Catholic Healthcare Partners (CHP) system.

Vice President, Operations/ COO

Responsible for professional, nursing, support services, and medical staff. Senior executive/Board member of related corporations. Significant community/Board/physician interface.

Key Accomplishments

- Produced a more than 15 percent increase in both operating and net income margins.
- Reorganized management to improve communications, flatten organization, streamline decision-making, and group by service/product line while also reducing management positions producing savings in excess of $300,000.
- Reduced non-salary expense by 5 percent including a nearly $3.5 million reduction in med/surg supply costs, contributing to a 5.5 percent reduction in cost PAPD-CMI adjusted.
- Increased productivity resulting in a 13 percent decrease in paid productive hours.

- Reviewed and implemented changes to medical staff by-laws/rules and regulations designed to reduce costs, streamline process, manage risk and promote competitive positioning.
- Launched several new services/programs including a stroke center, reference lab, DME and extended homecare services resulting in increased marketshare and associated revenue.

- Increased patient revenues per EIPD by 13 percent.

- Identified and negotiated partnering opportunities with area physicians, a SNF and other providers leading to the formation of a regional integrated delivery system.

- Recruited 85-member physician IPA exclusively to hospital.

1994-1996 **Healthcare Association of New York State (HANYS) - Albany, NY**

HANYS represents over 400 voluntary and public hospitals, nursing facilities, homecare agencies, hospice and adult day care programs, diagnostic and treatment centers, and other related healthcare facilities throughout New York State.

Vice President, Professional and Regulatory Services

Accountable for external liaison with state and federal agencies, physician specialty societies, allied health professional associations and the national health insurance industry.

Key Accomplishments

- Produced statewide omnibus regulatory reform package targeting healthcare operational standards, financial requirements, reimbursement issues, environmental mandates, health planning standards and insurance law producing a savings in excess of $90 million.

- Successfully advocated for regulatory reform producing an estimated savings of nearly $14 million through the streamlining of CON/health planning requirements and process.

- Initiated successful dialogue between NYS Department of Health and JCAHO to ease costly duplicative surveillance requirements resulting in $2,750,000 savings.

1992-1994 **The Andover Group - Alta Loma, CA**

Principal

Principal for consulting firm specializing in the provision of financial, operational, organizational and health policy consulting services to healthcare clients.

Key Accomplishments

- Developed primary care physician recruitment/retention strategy including structure and governance for emerging integrated system.

- Re-engineered multi-campus system operations achieving efficiencies/increased quality.

1985-1992 **Methodist Hospital of Southern California - Arcadia, CA**

The Hospital is a tertiary level 351-bed community medical center ($87.3M operating budget, $6.7M capital budget) with a 56-bed SNF.

Senior Vice President, Operations/COO

Accountable for professional services, nursing and various support services. Acting President in the CEO's absence. Served as CEO/Board member for several off- campus corporate activities and joint ventures. Extensive involvement with State/local government, hospital foundation, physician groups (IPAs, PPOs) and Board of Directors.

Key Accomplishments

- Implementation and successful management of off-campus corporations and joint ventures: commercial pharmacy, extended/intermittent home health care agencies, Workers' Comp/Rehab program, reference laboratory, DME, MRI and home IV.
- Planned/directed construction for mental health, chemical dependency and rehab units, LDRs, NICU, post-partum floor, physical medicine wing, cardiac rehab, special procedures/angio lab, and 58,000 square foot surgery tower including cardiac cath labs and "open heart" ORs.
- Directed significant reduction in ALOS despite both a 35% CMI rise and movement to outpatient and "short stay" treatment.
- Streamlined utilization review/discharge planning and medical records systems producing an 80% reduction in A/R, a 20% decrease in billing cycle days and marked increased cash flow.
- Increased productivity by 5-6% annually.
- Achieved reductions of several million dollars in "hard" expenses through renegotiation of physician contracts, competitive bidding for replacement equipment and staff reorganization.
- Planned, developed and implemented open heart/interventional cath, oncology, geropsych, rehab and chemical dependency programs, including recruitment of cardiac surgeons and anesthesiologists, oncologists, neurologists, psychiatrists and other specialists.

1983-1985 **Bergan Mercy Hospital - Omaha, NE**

The Hospital is a 476-bed tertiary care community medical center.

Vice President, Professional Services

Responsibilities included $76+ million operating budget, $5.3 million capital budget. Accountable within this and related corporations for surgery/clinical/diagnostic/therapeutic and critical care areas; ambulatory care; medical staff relations; physician contracts; planning/marketing; business development including physician recruitment and joint ventures; financial management/budgeting; and external liaison.

EDUCATION:

M.H.A., Cornell Graduate School of Business and Public Administration,
Sloan Program in Hospital and Health Services Administration - Ithaca, NY

B.S., Biological Sciences - New York University, New York, NY

PROFESSIONAL AFFILIATIONS: United Hospital Association (Board EVP), California Healthcare Association, Kentucky Hospital Association (Regional Secretary/Treasurer; Legislative, Restructuring and Strategic Planning Committees), Hospital Association of Southern California (Los Angeles Area Health Care and Emergency Health Services Committees), Healthcare Financial Management Association, Health Care Executives of Southern California, L.A. County Emergency Services Commission, L.A. County Trauma Hospital Advisory Council.

COMMUNITY ACTIVITIES: Memberships and offices in civic, educational, cultural, community theater, symphony, church, fund-raising and service organizations (e.g., Board member: American Cancer Society, Multiple Sclerosis Society, United Way and Wilshire/Los Angeles Rotary Club).

Antionette Smith Epps

Summary

Experienced healthcare executive with over 24 years of progressive leadership in healthcare organizations. Leadership roles in both public and not-for-profit sectors. Strong operations background, strategic mindset, experienced in turn around situations, excellent people skills, passionate about developing human capital and deep belief in building on the strengths of organizations through relationships inside and outside of the walls.

Areas of Expertise

- JCAHO preparation/education
- Organizational redesign
- Strategic Operations and Governance Planning
- Medical Staff Relations and Development
- Employee and Medical Staff Relations
- Mission Focused Fiscal Accountability
- Exceptional Presentation Skills

Experience

Baptist Health System; Birmingham, Alabama 2004-Present

Director of System Operations, System Office

Work with CEO and COO of the system to achieve turn around of largest health system in Alabama. Led restructure/relocation and consolidation of operations to one site, system strategic planning and interim leadership.

Responsible for support and development of various system initiatives:

- Consolidated/relocated 80 personnel into single office location (total staff of 260). Project came in $200K under $1.1m budget. Lease savings of $880K per year.
- Interim leadership in system case management.
- System support for master emergency physician contracts for BHS hospitals.
- Developed and monitored strategic planning for 05 and 06 fiscal years.
- Interim role in Baptist Health Foundation.
- Led various events for major BHS constituencies, including physicians and clergy leaders of Birmingham Baptist Association.
- Major role in development of BHS Community Benefit Reporting.

Cooper Green Hospital; Birmingham, Alabama 1993-2004

Chief Operations Officer and Administrator

Leadership of all functions of 150 bed community teaching hospital.

Major improvements included:

- Design/development of population based community care efforts.
- Reorganized structures achieving greater organizational responsiveness.
- Successful achievement of CAP accreditation for labs.
- Revamped quality improvement program and improved JCAHO survey outcomes.
- Implemented strategic planning function.
- Increased patient and staff satisfaction.
- Increased fiscal accountability and results.
- Established a mission driven process for management decision making.
- Secured grant funding for numerous initiatives, including the award winning Balm of Gilead Center for End of Life Care.
- Increased positive visibility of CGH in the community.

The University Hospitals and Clinics; Jackson, Mississippi 1981-1993
University of Mississippi Medical Center
Assistant Hospital Director (85-93)
Administrative Associate (83-85)
Assistant Director Ambulatory Services (81-83)
Leadership of various departments in a 592 bed university teaching hospital.
Managed departments such as pharmacy, laboratories, heart station, clinics operations, environmental services, laundry, linen, clinical equipment, rehab services, disaster preparedness, physical plant services and building/facilities improvement budgeting.

Various student and intern positions 1978-1981

Education

The University of Michigan; Ann Arbor, Michigan **1981**
Graduate School of Public Health
Master's of Health Services Administration Degree
Program in Hospital Administration

Jackson State University; Jackson, Mississippi **1979**
Bachelor of Arts in Political Science with emphasis in
Public Policy and Administration

Fellowship

National Public Health and Hospitals Institute; **1997**
Washington, D. C and New York University; NY, NY
Senior Policy Fellowship on Financing Care for the Uninsured
Certificate of Completion

Memberships

American College of Healthcare Executives (Affiliate) **1980-present**
(Regent's Advisory Council Member 1997-99/2001-05)
National Association of Healthcare Executives (Member) **1993-present**
American Hospital Association Regional Policy Board 4 **2001-present**
(Alternate Delegate and Current Delegate)
Leadership Alabama **2003**
Leadership Birmingham **1995**
Leadership Jackson **1988**

Personal

Divorced **One College Age Son**
Religion **Baptist**

Professional and Personal References, Community Involvement, Activities and Honors
Available Upon Request

HARRY E. WHITNEY

CAREER SUMMARY

Executive experienced in all aspects of hospital operations including budgeting, strategic planning, government and private payor contracting and negotiations, physician recruitment and contracting, facility construction, as well as Health System operations, including human resource management, public relations, and merger and acquisition activity, at a large, Catholic System level.

PROFESSIONAL EXPERIENCE

Mercy Health System of Oklahoma, Oklahoma City, OK **2003-2005**
VICE PRESIDENT, MISSION AND ETHICS

- Responsible for the implementation of Mission activities and Ethical decisions at this 3 hospital, 9 clinic system.
- Participated in implementation of the Pharmacy Transformation Project (only 2% of nation in this type effort).
- Cofounder of the Oklahoma Business Ethics Consortium (200 member group in Oklahoma City).
- Leader of Professional Development Programs for Teamwork and 'Hardwiring' Service (160 co-workers).
- Developed the Palliative Care Symposium for all Mercy Health System Hospitals.
- Assisted in implementation of the 'time out' project for Surgery.

SANTA MARTA HOSPITAL, Los Angeles, CA **1998- 2002**
President/Chief Executive Officer
Managed hospital operations in this 110-bed acute care facility, providing primary health care services. The hospital is a disproportionate share hospital with the majority of revenues from the Medicare and MediCal programs.

- Reduced hospital expenses more than 55% in two years.
- Reduced labor overhead by more than 120 full time equivalents.
- Managed total expense per patient day of $1,022.00 compared to the regional average of $1,117.00.
- Recruited 26 new physicians to Santa Marta Hospital between March 1998 and December 1999.
- Recruited, recommended and developed three new Board members for the Santa Marta Hospital Board of Directors and one new Committee member for the Finance Committee.
- Advised the negotiating committee on the due diligence activities of more than 6 interested sponsors/purchasers within 3 years.
- Reduced losses at Santa Marta Hospital from $5.5 MM to $3.2 MM in the first year.
- Maintained disproportionate share allocation at approximately the same level over three years.

CARONDELET HEALTH SYSTEM, St. Louis, MO **1992 - 1998**
Vice President - Corporate Affairs (1993-1998)
Vice President in a $1.1 billion not-for-profit national Catholic Health System sponsor of 14 hospitals, 4 long-term care, hospice and home health programs.

- Operational responsibility for mergers and acquisitions (due diligence), corporate human resources, and executive compensation policy for the nine constituent corporations.
- Successfully negotiated the merger or acquisition of 3 hospitals into Carondelet Health System.
- Served on the Board of Directors of St. Joseph Health System (New York) and Santa Marta Hospital (Los Angeles).
- Designed and implemented Executive Compensation programs currently used by Carondelet Health System.
- Authored the Business Plan and the Bylaws of the Joint Operating Company as the Carondelet Health System representative to the Partners for Catholic Leadership Project
- Developed the Corporate Office Orientation Program for all CHS constituent corporation Boards of Directors and Senior Management.

- Reestablished the Corporate Publication — **InSights** — as the major publication of the System.

Executive Vice President/Chief Operating Officer (1992-1993)

- Oversaw activities of subcommittees of the Board of Directors involving Executive Compensation and benefits for all Chief Executive Officers (Executive Compensation Committee).
- Oversaw the System Quality and Risk Programs (Quality Resource Management Committee).

ST. JOHN'S MERCY MEDICAL CENTER, St. Louis, MO **1979- 1992**
Assistant Administrator (1986 – 1992)

Operational responsibility for major ancillary and support functions, and three direct patient care functions in an 800+ employee, realizing a 6.3% net income from operations. Reduced mid-management staff during this 5-year period.

Director of Human Resources (1979 – 1985)

Directed all aspects of Human Resources at St. John's Mercy Hospital and coordinated programs with St. John's Mercy Medical Center and the Sisters of Mercy Health System. Responsible for Communications, Safety and Security, and other departments.

Other Experience Included:
FONTBONNE UNIVERSITY, St. Louis, MO, *Professor/Senior Lecturer* **1985 – 1991**
ARCHDIOCESE OF ST. LOUIS, St. Louis, MO **1968 -- 1979**

EDUCATION

Master's Degree in Business Administration (MBA)
Fontbonne University, St. Louis, MO

Master's Degree in Theology (M.Div.)
St. Louis University, St. Louis, MO

Bachelor's Degree in Philosophy
Cardinal Glennon College, St. Louis, MO

Boards/Community Service:
St. Joseph's Health Center, Elmira, NY
Santa Marta Hospital, Los Angeles, CA
Oklahoma Business Ethics Consortium, Board of Directors
Healthcare Association of Southern California
Muscular Dystrophy Association, Board of Directors
United Fund of Washington, MO
Four County Mental Health Council (St. Charles, MO)
Parish Councils – All Catholic Parishes in the past 15 years
Home Health Association of New Haven, MO

Awards
Founders' Award (Medaille Medal) - Fontbonne University
Community Service and Excellence in Teaching