

**LOS ANGELES COUNTY – DEPARTMENT OF HEALTH SERVICES  
HOSPITALS AND HEALTHCARE DELIVERY COMMISSION  
August 7, 2025**

<b><u>Commissioners</u></b>	<b>Present</b>	<b>Absent</b>
David Marshall, D.N.P., Chair	<b>X</b>	
William McCloud, M.H.A., F.A.C.H.E., Vice Chair	<b>X</b>	
Christopher Bui, M.D.	<b>X</b>	
Michael Cousineau, MPH, Ph. D	<b>X</b>	
Laura LaCorte, J.D.	<b>X</b>	
Patrick Ogawa	<b>X</b>	
Elisa Nicholas, M.D.		
Margaret Farwell Smith	<b>X</b>	
Stanley Toy, M.D.		<b>X</b>
Rosemary C. Veniegas, Ph.D.	<b>X</b>	
Tia Delaney-Stewart		<b>X</b>
Jennifer Sudarsky	<b>X</b>	
<b><u>DHS Staff</u></b>		
Allen Gomez	<b>X</b>	
Connie Salgado-Sanchez	<b>X</b>	
<b><u>County Counsel</u></b>		
Caroline Craddock	<b>X</b>	
<b><u>Members of the Public</u></b>		
Victoria Gomez - SD 2	<b>X</b>	
Karen Morris – SEIU Local 721	<b>X</b>	
Elizabeth Arrazola – SD 2	<b>X</b>	
Cameron Watkins	<b>X</b>	

**1. Call to Order**

The meeting was called to order at by Commission Chair David Marshall. A fifteen-minute recess was called.

**2. Roll Call**

Allen Gomez, Commission staff, called the roll. Quorum was not met and a recess was called. At 10:45, the meeting resumed when quorum was met.

**3. Welcome and Introductions**

Commissioner Marshall welcomed all members of the commission, staff, and guest. Informed LA General that they attained Magnet Status, which is one of the highest honors.

**4. Action Item:**

- Approval of April 3, 2025 Minutes: Motion to approve by Chair Marshall, seconded by Commissioner La Corte
- Approval of May 13, 2025 Minutes: Approved Motion to approved by Chair Marshall, seconded by Commissioner McCloud

**5. Presentation – Discussion with Nina Park, DHS’ Financial Crisis**

Background:

- The CEO is going to provide a report on a weekly basis at the Board meetings
- DHS finance team is closing books for the prior fiscal year and will present the Fiscal Outlook to the Board of Supervisors on 9/30
- Much of the discussion focuses on the effects of the House bill that passed and the effect of the Medicaid cuts.
- 75% of our funding depends on Medicaid, so the cuts will have a major effect on DHS operations.
- DHS will not be able to sustain services long term
- Our financial circumstances and the deficit are not just due to the House Bill, this is also due to rising costs for medical care – pharmaceutical, medical supplies, aging infrastructure, needed capital projects, seismic retrofitting, etc.
- Revenue rates and funding are not increasing proportional to increasing costs

Increasing Revenue:

- The board has approved Measure B tax increase, which is a parcel tax used to fund a variety of emergency services
- DHS is working with the State to seek help to ensure the base payments for Medicaid will be increased to help with revenue
- Project MONARCH will allow medical coders to improve coding of medical care provided, which helps to ensure appropriate reimbursement for services rendered

Other Cost-Saving Measures:

- Implemented a hiring freeze
- Have reduced hiring of admin
- Reduced use of registry especially in nursing
- Contract negotiations with labor. The salary increases and other benefits resulting from contract negotiations with SEIU comes from DHS funds and the costs are expected to increase by \$500 Million over the next few years.
- Working with pharmaceuticals to manage costs
- Lab costs – DHS sends out for complex lab tests; trying to limit the use of these services as appropriate
- Supply chain – standardizing equipment and supplies to be cost effective.
- Deferring capital projects for 1-2 years, as appropriate
- IT applications review – DHS is conducting inventory, to reduce duplication and eliminate unused subscriptions and memberships
- Ceased unnecessary travel and training

- Seeking additional ways to decrease costs

#### Other Changes:

- Some programs that are within the purview of health plans that we have managed through DHS will go back to health plans,
  - Enhanced Care Management (ECM) – DHS is trying to make this cost neutral and DHS is losing \$14M for ECM services, this will go to Molina and LA Care. Our patients will go to ECM providers
  - Ceasing nonspecialized Mental Health services, will save \$2-3 Million if it goes back to health plans and contractors
  - Transportation for Medi-Cal patients, which is health plan responsibility – this is most relevant for those transitioning from inpatient to lower level of care, to decrease delay in getting patients to lower level of care. DHS is having difficulty getting reimbursed so this responsibility will go back to health plans
- DHS is conducting a financial analysis on our services to determine if we can increase cost effectiveness by consolidating or reducing low volume services - no decisions have been made.
- It is unclear how cost savings will pan out. After the books are closed for the year, additional analysis will be done to identify areas where we can decrease costs
- Dr. Ghaly wants to engage the Hospital Commission and will be coming monthly to provide fiscal updates
- The Fiscal Outlook will go to the Board on 9/30 – by then we expect to have more information on Medicaid funding.
- As of now, we are unsure of how these cuts will be implemented and expect to have more information on actual impact on DHS
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- We will look at Beilenson Hearing protocols on public notice to ensure we follow rules around alerting the public about service reduction
- As of now, there are no plans for facility closures, lay off or service cuts
- DHS will lose patient capitation for Medicaid patients
- So far Congress has not delayed DSH cuts or defined how the work requirement will be implemented so we can still not assess impact
- Medicaid funding relates to commercial rates, we will now need to decrease reimbursement rates to average Medicare rates, which decrease our revenue
- The cuts are devastating. We hope to get clarification in the coming months. In the worst-case scenario, if our community members lose Medicaid, 2027-28, will be problematic. There are still many unknowns, i.e. expected increased volume in emergency departments, how DPH/DMH cuts will play out
- Changes on Inter-Governmental Transfer – are included in the fiscal outlook that will be presented 9/30 .

<ul style="list-style-type: none"> <li>• Managed Care Organization (MCO) tax cut from 6%-3% will affect community health centers, private hospitals.</li> <li>• DHS has a communication plan – we are being transparent with board and staff about fiscal crisis, but we don't want to cause anxiety. It's a difficult balance. We are creating plan to communicate with facilities, health deputies, commission to share information as we have it.</li> <li>• Some patients are not coming in due to fears about immigration enforcement activities. The worst was the first week of June after the raids began. DHS saw a decrease of 10-15% in urgent care and emergency department volume.</li> <li>• DHS is handling this on a case-by-case basis, if a patient calls with cancelation – DHS is offering e-visits or telephone visits and exploring other ways to reach patients that are fearful of coming in. Ensuring prescription refill system is explained to patients.</li> <li>• Since so many are expected to lose Medicaid, are there discussions about brining back My Health LA? There are some entities like CAPH and others who are engaging with the State to come up with a program for this purpose. Nothing definitive yet.</li> </ul>	<p>Commissioner McCloud proposed to extend the meeting time by ½ hour to allow time to cover relevant topics</p> <p>Commissioner Veniegas asked about the necessary notification process entail if there is a change in time and how does the proposed change impact the bylaws. Need to check with County Counsel</p> <p>Proposed a meeting time of 10:30 – 1:00</p>
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<p><b>Discussion with Liz Jacobi – Administrative Deputy for DHS</b></p> <p>She discussed a health authority model and touched on some of the points raised in the Grand Jury Report.</p> <ul style="list-style-type: none"> <li>• The Alameda County model, which is referenced in the Grand Jury Report operates as a Health Authority – but does not have civil service rules</li> <li>• DHS is actively seeking solutions to help recruit staff within the county infrastructure that gives the county leeway to implement pertinent pathways within our realm, that affects performance management, productivity, and the like.</li> <li>• Even to comply with changes in state licensing requirements, DHS works directly with the county to implement changes.</li> <li>• Alameda County, like DHS, uses certain IT systems, and then augments them to meets specific needs.</li> </ul>	
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<ul style="list-style-type: none"> <li>• An example is the Acuity, Scheduling, and Time Employment Resource (ASTER) system, which functions as a staff scheduling and time system and a patient severity assessment system that has to be built on top of our payroll system</li> <li>• A health authority model would require enabling legislation authority</li> <li>• In LA it takes a lot of effort to accomplish something – the CEO would need to specify that this is something that they want to mandate.</li> <li>• There have been other recommendation to do this in the past, i.e. Kern County and Denver have done this.</li> <li>• For the Grand Jury Report preparation process – LA county staff were interviewed to assess potential benefits of a health authority</li> <li>• Possible benefits could include improvements to procurement process, contracts for services and supplies to potentially reduce redundancies, improve efficiencies, improve facilities and the like</li> </ul>	<p>Commissioner Veniegas asked if Alameda County is part of CAPH</p>
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## 6. Items for discussion and possible action:

	DISCUSSION/FINDINGS	RECOMMENDATIONS, ACTIONS, FOLLOW-UP
a. LA County Civil Grand Jury	<p>The Commission received and reviewed the report titled “2024-25 Los Angeles County Civil Grand Jury Final Report - <b>WHAT THEY SAID! REVISITING THE CREATION OF A "HEALTH AUTHORITY" FOR COUNTY HEALTH SERVICES, INCLUDING LA GENERAL</b>”</p> <p>The commission responded to each of the recommendations and voted on the responses to the findings.</p> <p><b>Recommendation 8.2</b> On motion, Vice-Chair McCloud seconded by Commissioner Ogawa</p> <p>Ayes: Chair Marshall, Commissioner LaCorte, Commissioner Nicholas, Commissioner Smith, Commissioner Veniegas, Commissioner Sudarsky</p>	<p>Motion to approve the grand jury report findings and recommendations</p> <p>Recommendation 8.2 Ayes: 8 Nays: 1</p>

	<p>Nay: Commissioner Cousineau</p> <p><b>Recommendation 8.3</b> On motion, Commissioner Nicholas, seconded by Vice Chair McCloud</p> <p>Ayes: Chair Marshall, Commissioner LaCorte, Commissioner Ogawa, Commissioner Smith, Commissioner Veniegas, Commissioner Sudarsky Nays: Commissioner Ogawa; Commissioner Cousineau</p> <p><b>Finding 1</b> On motion by Vice Chair McCloud, seconded by Commissioner Nicholas</p> <p>Ayes: Chair Marshall, Commissioner LaCorte, Commissioner Ogawa, Commissioner Smith, Commissioner Veniegas, Commissioner Sudarsky Nays: Commissioner Cousineau</p> <p><b>Finding 2</b> On motion by Vice Chair McCloud, seconded by Commissioner LaCorte Ayes: Chair Marshall, Commissioner LaCorte, Commissioner Ogawa, Commissioner Smith, Commissioner Veniegas, Commissioner Sudarsky. Commissioner Cousineau Nays: none</p> <p><b>Finding 3</b> On motion by Vice Chair McCloud, seconded by Commissioner LaCorte</p> <p>Ayes: Chair Marshall, Commissioner LaCorte, Commissioner Ogawa, Commissioner Smith, Commissioner Veniegas, Commissioner Sudarsky. Commissioner Cousineau Nays: None</p> <p><b>Finding 4</b> On motion by Vice Chair McCloud, seconded by Commissioner LaCorte</p> <p>Ayes: Chair Marshall, Commissioner LaCorte, Commissioner Ogawa, Commissioner Smith, Commissioner Veniegas, Commissioner Sudarsky. Commissioner Cousineau Nays: None</p>	<p>Recommendation 8.3 Ayes: 7 Nays: 2</p> <p>Finding 1: Ayes: 8 Nays: 1</p> <p>Finding 2: Ayes: 8 Nays: 1</p> <p>Finding 3: Ayes: 9 Nays: 0</p> <p>Finding 4: Ayes: 9 Nays: 0</p>
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b. 2024 Annual Report		
c. Discussion Commission Site Visits		
d. Discussion – Commission Guest Speakers	January – Johan Julian February – Dr. Christina Ghaly March – Dr. Jennifer Hunt (ODR) April – LA Care May – Dr. Clemens Hong June – Sarah Mahin, Housing for Health July – meeting dark August – Dr. Nina Park and Liz Jacobi September - Hospital CEOs October – Hospital COOs November - Aries Limbaga, Chief Deputy Director of Operations/ Sylvia Miller-Martin, DHS Systems Chief Operating Officer December – Coral Itzcalli	
e. Discussion – 2025 Strategic Priorities	Tabled to next meeting discussion	Commissioners discussed the reordering of the agenda to discuss the fast moving changes at the state and federal level.
f. Discussion – Department of Health Services Dashboard	Tabled to next meeting discussion	
g. Discussion on State and Federal Legislative Policy Updates		

**7. Items not on the posted agenda for matters requiring immediate action because of an emergency, or where the need to take immediate action came to the attention of the Commission after the posting of the agenda.**

**8. Public Comment** – Karen Morris provided public comment. Research and Policy Analyst for SEIU 721.

Written public comment from Shely Eidsen read into the record.

## **9. Adjournment**

The meeting adjourned at 12:39 p.m. next regular meeting is scheduled for September 1,

2025.