

**LOS ANGELES COUNTY – DEPARTMENT OF HEALTH SERVICES
HOSPITALS AND HEALTHCARE DELIVERY COMMISSION
February 5, 2026**

<u>Commissioners</u>	Present	Absent
David Marshall, D.N.P., Chair	X	
William McCloud, M.H.A., F.A.C.H.E., Vice Chair	X	
Christopher Bui, M.D.		X
Mark Marat Hay, Ph.D.	X	
Laura LaCorte, J.D.		X
Patrick Ogawa	X	
Elisa Nicholas, M.D.		X
Margaret Farwell Smith	X	
Stanley Toy, M.D.		X
Rosemary C. Veniegas, Ph.D.		X
Tia Delaney-Stewart	X	
Jennifer Sudarsky	X	
Brad Selby	X	
<u>DHS Staff</u>		
Allen Gomez	X	
Connie Salgado-Sanchez	X	
<u>County Counsel</u>		
Lynette Clyde	X	
<u>Members of the Public</u>		

1. Call to Order

The meeting was called to order at 10:30 by Commission Chair David Marshall. Quorum was not met, and a fifteen-minute recess was called.

2. Roll Call

Allen Gomez, Commission staff, called the roll at 10:30. Quorum was not met, and a recess was called.

Allan Gomez, Commission Staff, called the roll and quorum was met at 10:35.

3. Welcome

Commission Chair Marshall welcomed all members of the commission, staff, and guests.

4. Action Item:

- Approval of December 4, 2025 Minutes: Approved unanimously

5. Presentation – General Discussion with Caroline Balfour, Chief Revenue Management

- DHS is transitioning from Cerner to Oracle, which purchased Cerner.	
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- Currently creating a Statement of Work with Oracle to clarify and document roles and responsibilities of both parties; expect to take the Board letter to the Board in March or April
- Revenue Cycle will modernize the system in the County and align with industry standards so we can measure our performance against industry standards to collect money due for the services we provide
- We are the last County in California who bills using an all-inclusive charge
- We will be training the doctors to change how they chart to charge in a way that is not all inclusive
- The new system will allow DHS to align process with the public sector.
- A new vendor is going to work in real time with accounts receivable to measure performance
- Looking at things to do now in anticipation of go-live in August 2027 after design, build, training:
 - o Staff training
 - o Aligning units like Patient Financial Services (PFS) and Health Information Management (HIM) with revenue cycle unit
 - o Coding is moving to revenue cycle
 - o Working with teams to ensure that the process from the first patient contact to a charge on a bill and the corresponding data are accurate

Question: Do you have a data quality management team?

- Yes, revenue integrity team is being built out and will be responsible for charge entry/reconciliation
- Monarch is enabling some of the processes to be automated

Question: Does LA Gen provide bills?

- Yes - a big global bill
- Medicare requires itemized bills, but most payers are all inclusive
- Most patients are under Medi-Cal
- Some Medi-Cal is fee-for-service or managed care plan
- When needed, we provide itemized bill
- In the Emergency Department (ED)
 - o Some patients have Medi-Cal
 - o Some have commercial insurance
 - o We try to repatriate the patients when possible and get pre-approval for care, as needed

Question: What is price tag for transition? What is going to the board?

- We expect to have final pricing for the board letter in a couple of weeks

Question: How will this affect patients?

- All that we are doing is intended to improve patient care. Moving away from paper
- Striving to Medi-Cal applications to be fully automated
- This will simplify procedures - if patients have a co-pay or share of cost, they can set up payments through the phone, like outside facilities who use text messaging to pay bills
- Will allow for better user experience and enable applying for financial assistance

- Automating will make a substantial difference for patients
- Patients can set up payment plans and use the portal to set up appointments, inquire about bills, and charges via automated system
- If they need an itemized bill, they can request it online
- The tool will help make patient navigation easier
- Aligning front end with back end of revenue cycle will be built into the system

Question: Will data be available to show opportunities for streamlining?

- Lots of data will be generated from the system and be more accessible than it is now
- The ability for DHS to run simple and complex reports will be easier
- System learning will allow for identification of more opportunities for efficiencies

Question: Is Oracle project dependent on AI?

- Many roles and functions in the county are administrative and can potentially be automated, which can be done with AI
- This would enable human resources to focus on other things

Question: Is AI a factor being used to machine learn about denied claims?

- Will use a claim scrubber called SSI that will evaluate bills to work with the payor-specific rules to reduce rate of denials
- The claims will be pinpointed to what the payer requires to reduce denials

Question: A concern about AI is the workforce. The workforce does not always keep up and may not be able to fully grasp the changes and a risk is that the private sector will lure away the best employees. What are we doing in the County to recruit/retain talent?

- Most technical roles that apply to this statement of work are billers and those that do follow-up activities with insurance, this is currently done with a vendor and will continue to be done in that way
- DHS will have new opportunities over the next 5 years for workforce members to adapt and upgrade their skills
- The first go-live will be in August 2027 and a new go-live will occur approximately every 90 days with the new facilities
- These are opportunities for staff to learn and upgrade their skills
- New skills will be needed, but many staff will continue to work with ORCHID, which they presently use
- DHS recently onboarded someone to oversee professional billing with specialized skills in complicated areas of billing like pathology and anesthesiology

Question: Regarding physicians training, can you elaborate on how you will approach that?

- We are currently in the infancy of creating a plan – Project Peacock
- A consultant will work with designing training plans for physicians
- Training will begin in approximately six months
- The doctors are aware it's coming

- Primary care will likely be more challenging because of the high volume of patients that will require capturing the charges based upon clinical documentation input by the physicians
- Physicians will select an Evaluation and Management (E&M Code) to capture procedures and typical services provided in primary care
- The reconciliation of charges at the end of the day will ensure that procedures and charges are captured before submission
- There will be a feedback loop to identify areas that require additional training and opportunities within the system to improve processes

Question: What are your accounts receivable like? How often is DHS losing because of late billing?

- Because of the way the system is built – we currently create a file with information from different charge masters
 - o Those will be consolidated into one charge master for hospital (HB) and professional billing (PB)
- Currently it's a slow laborious process that needs to be sent to vendors
- In terms of write offs for things like untimely billing and follow-up, it's less than ½ percent of our accounts receivable.
- We are working to get closer to industry standards
- Currently we rely on vendors to provide information

Question: How big a problem is having doctors not closing their charts? Are you going to be tracking that?

- We will be tracking that going forward
- Currently some charts are received with no documentation and require queries
- With the reporting coming from Monarch, we will be able to see those things closer to real time
- The new system will enable us to generate reports by physician, which will go to Chief Medical Officers regularly to determine who needs more support
- DHS continues to seek opportunities to streamline processes in high patient volume areas like the EDs
- Revenue cycle is driven by regulations, which constantly change and we have to adapt

Question: Do you have an estimate of approximate savings or increased revenue capture from this process?

- We don't have a number yet
- We believe it will result in a revenue lift
- Board approved rates have to be evaluated
- Pricing structure needs to be updated
- We are working with a company called Matrix to come up with model to assess results of these efforts

Question: Do you think changes to professional billing will result in changes to contracts?

- Yes, we will need to contract for the professional billing side
- Effective patient management will be key to getting reimbursed
- We will be able to provide data regarding utilization management to help facilities use data to mitigate denials

<p>Question: Do you expect to see a change in case mix index?</p> <ul style="list-style-type: none"> - We hope so - Our patient demographic is unique, which makes discharging patients complicated if patient needs step down services like home health - Eventually hope to be able to use data to negotiate with payers to ensure patients get the care they need with appropriate reimbursement <p>Question: Have you considered reaching out to other counties that are already implementing revenue cycle to learn from their experiences?</p> <ul style="list-style-type: none"> - Yes. As we get closer to building out our model, we will continue working to reach out to others in the field to learn from other's experience and anticipate challenges <p>Question: Do all hospitals use ORCHID/Cerner electronic health record?</p> <ul style="list-style-type: none"> - Yes <p>The Commissioners thanked Ms. Balfour for her presentation.</p>	
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6. Items for discussion and possible action:

	DISCUSSION/FINDINGS	RECOMMENDATIONS, ACTIONS, FOLLOW-UP
a. Discussion – Commission Site Visits	<ul style="list-style-type: none"> - Next Commission site visit scheduled for 2/19 to MLK, Jr. Outpatient Center - Rancho Los Amigos in May or June - High Desert - Olive View-UCLA Medical Center 	
b. Discussion – Commission Guest Speakers	<p>January – Canceled February – Caroline Balfour March – Dr. Phillip Gruber, Kevin Lynch, Christopher Rodriguez (Project Monarch) April – Dr. Lisa Wong (DMH) May – Dr. Barbara Ferrer (DPH) June – Dr. Timothy Belavich (Correctional Health) July – meeting dark August – Dr. Jackie Contreras (DPSS) September - October – November - December –</p>	<p>(Tentative) September – Sara Mahin October - Louise McCarthy (CCLAC) November – Dr. Wei-An (Andy) Lee December - Jessica Kuo/Shari Doi</p> <p>Others: Dr. Nina Park LA Care Director</p> <p>Requested that Dr. Ghaly provide budget update on a monthly basis</p>
c. Discussion – 2026 Strategic Priorities	<ul style="list-style-type: none"> • Save Our Safety Net <ul style="list-style-type: none"> ○ Communications 	

	<ul style="list-style-type: none"> ○ Alternative Funding and Philanthropy <p>Commissioner Nicholas: There will be a motion going to the on Board on February 10 for consideration of a ½ cent sales tax for the County to be placed on the June ballot to pay for health care for the uninsured.</p> <p>This is an effort to help the county and the community health centers to keep providing care to the most vulnerable.</p> <p>Money would go to DHS, community health centers, DPH and others.</p> <ul style="list-style-type: none"> • Commissioners want to understand DHS’ Strategic Priorities to ensure the Commission’s priorities reflect that. 	<p>Can the Commission weigh in on the matter and support the item?</p> <ul style="list-style-type: none"> • Per County Counsel, Commissioners can go to the Board meeting as individuals to support any item <p>Discussion forthcoming on DHS’ Strategic Priorities.</p> <p>It would be nice to know about the drop in Medi-Cal and Covered California enrollment. Obtaining that data would be useful.</p> <p>Would also like to know why the enrollment numbers are dropping.</p>
<p>d. Discussion – Department of Health Services Dashboard</p>	<p>The Commissioners reviewed the DHS Dashboard.</p>	<p>What is TNAA on page 3?</p> <p>Question: Curious as to what it means that “data is coming soon”? Is data being redefined or pending?</p> <p>What is TNAA on page 3?</p> <p>Question regarding drop in monthly specialty visit volume. Why is that?</p> <p>Why is there a drop in Emergency Department visits?</p> <p>Why are surgeries dropping p. 8?</p>

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.

Commissioner Nicholas - Would like to know if measles cases are requiring hospitalizations? It would be nice to have on the agenda.

Commissioner Smith - LA General Foundation is moving forward with a consultant to advance their philanthropic efforts.

8. Public Comment – No public Comment received

9. Adjournment

The meeting adjourned at 12:18 p.m. next regular meeting is scheduled for March 5, 2026.