

AMENDMENT MOTION BY SUPERVISOR HOLLY J. MITCHELL

July 15, 2025

One-Time Measure B Funds for MLK Community Hospital

On July 15, 2025, the Los Angeles County (County) Board of Supervisors will consider a Department of Health Services (DHS) proposed increase in Measure B property taxes in response to likely federal and state policy changes affecting Medi-Cal and other programs that will increase pressure on Countywide trauma and the emergency system. Despite these potential pressures, DHS’s proposed funding does not recommend funds for the Martin Luther King Jr. Community Hospital (MLK CH). Even before the threatened federal health care policy changes, DHS and the County faced several severe and unprecedented budget constraints as a result of wildfires, lawsuits and increased labor costs. Therefore, it is even more important that the County spend its limited dollars as wisely and fairly as possible.

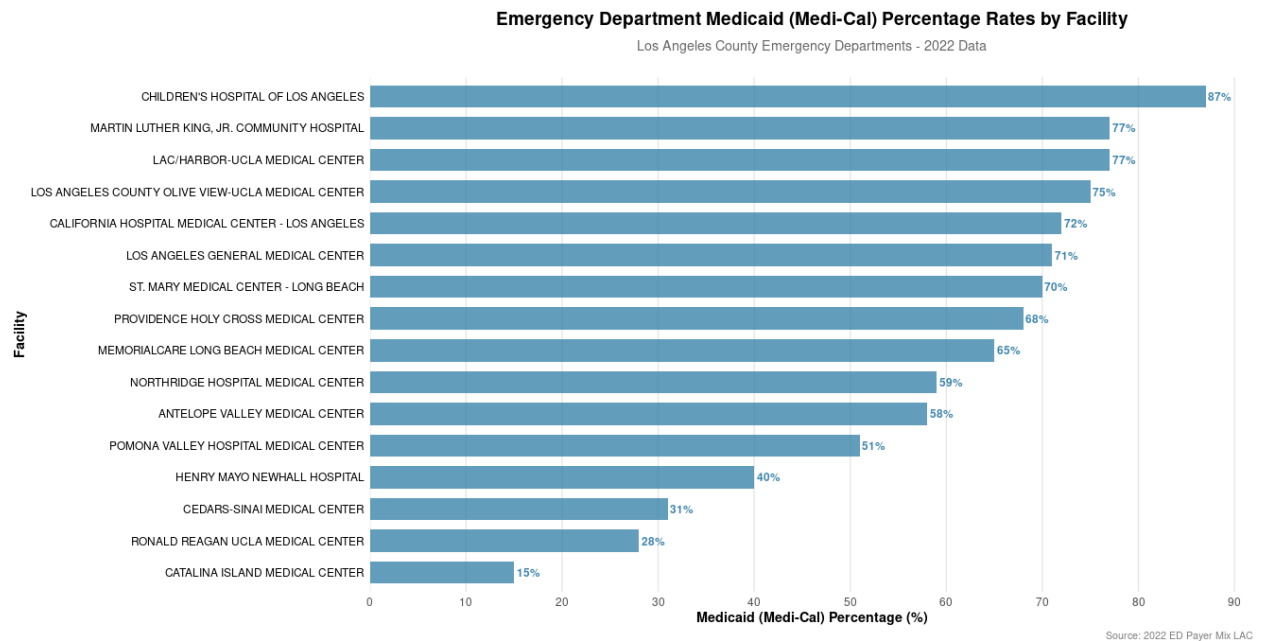
MLK CH scores at the top of every needs-based indicator for hospitals serving the County. MLK CH was created to replace a County operated hospital, King-Drew Medical Center, after the Center of Medicaid and Medicare Services revoked its seal of approval, forcing the hospital to close. Its service area includes the highest concentration of African Americans than any Supervisorial district. Its patients are predominantly Black and Brown with untreated chronic diseases and the highest proportion of patients with Ambulatory Care Sensitive Conditions of any hospital in the County. MLK CH also has the highest volume of emergency department visits for Black patients in the County. MLK CH has the 2nd highest share of Medicaid patients among hospitals Countywide, including DHS

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operated facilities (Attachment A). It has the worse payer mix of any free-standing independent general acute care hospital in California. It is therefore at high risk given the federal and state policy Medi-Cal changes justifying this latest proposed Measure B increase.

Attachment A:



MLK CH plays an outsized role in serving the County. Originally designed for 25,000 emergency department (ED) visits per year, it now handles 125,000 (5x more). In 2024, MLK CH ranked #1 in ED burden among all 67 hospitals in the County, with 4,137 patients per treatment bay, and saw the 3rd highest increase in ED volume since 2019 (up to 17.5%). MLK CH also services more DHS and Department of Mental Health patients than any private or trauma hospital in the County. In 2024, its ED treated 14,000 DHS-LA Care empaneled patients¹, 4 times more than any other private hospital or

¹ "Empaneled" means LA Care, the largest public managed care organization in the country, assigned and pays the Department of Health Service a monthly fee to provide health and emergency care for an assigned patient, whether or not the patient seeks care from DHS.

trauma facility in the County. That is also 20% more than the County's Olive View Medical Center which DHS projects will receive \$48M Measure B funds annually. Patient volume will only increase as the County's adjacent Behavioral Health Center (BHC) received State authority to fully open. The BHC provides 99 beds for County substance abuse and recovery residents and 80 beds for patients with mental illness, the majority of whom are seriously mentally ill and need a locked and secure therapeutic environment. Despite this burden, MLK CH continues to provide top quality patient care – they received an "A" Grade from Leapfrog for Hospital Safety, a Joint Commission Diabetes Center of Excellence, and have been on the California Maternity Honor Roll for seven consecutive years.

The hospital's ED deficit now exceeds \$25 million, and it is projected to reach negative cash flow, within approximately 180 days, by December 2025.

Immediate Measure B funding is essential to stabilize MLK CH's ED operations and sustain emergency care for South Los Angeles.

I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

1. Direct the Director of the Department of Health Services or her designee, in consultation with County Counsel, to allocate a total of \$9M in one-time funding from the Measure B Fund balance in Fiscal Year 2025-26 for the Martin Luther King Jr. Community Hospital to support and maintain vital emergency department care services for qualified Measure B purposes.

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