



HEALTH AND MENTAL HEALTH CLUSTER AGENDA REVIEW MEETING

DATE: Wednesday, June 21, 2023

TIME: 11:30 A.M.

THIS MEETING WILL CONTINUE TO BE CONDUCTED VIRTUALLY AS PERMITTED UNDER THE BOARD OF SUPERVISORS' FEBRUARY 7, 2023, ORDER SUSPENDING THE APPLICATION OF BOARD POLICY 3.055 UNTIL JUNE 30, 2023

TO PARTICIPATE IN THE MEETING, PLEASE CALL AS FOLLOWS:

DIAL-IN NUMBER: 1 (323) 776-6996

CONFERENCE ID: 322130288#

[MS Teams link](#) (Ctrl+Click to Follow Link)

AGENDA

Members of the Public may address the Health and Mental Health Services Meeting on any agenda item. Two (2) minutes are allowed for each item.

THIS TELECONFERENCE WILL BE MUTED FOR ALL CALLERS. PLEASE DIAL *6 TO UNMUTE YOUR PHONE WHEN IT IS YOUR TIME TO SPEAK.

- I. Call to order
- II. **Information Item(s) (Any Information Item is subject to discussion and/or presentation at the request of two or more Board offices):**
 - a. **DHS:** Authorize the Sole Source Acquisition of Seven Automatic Pharmaceutical Dispensing Cabinets Manufactured by PARATA Automated Tablet Packagers (ATP) Systems for Integrated Correctional Health Services
 - b. **DHS:** Request to Authorize to Accept Federal Funding from the Federal Communications Commission for the COVID-19 Telehealth Program that Will Provide Reimbursement of Purchased Connected Devices in Response to the Novel Coronavirus 2019 Disease Pandemic
- III. **Presentation Item(s):**
 - a. **DHS:** Fiscal Outlook

- IV. Items Continued from a Previous Meeting of the Board of Supervisors or from the Previous Agenda Review Meeting
- V. Items not on the posted agenda for matters requiring immediate action because of an emergency situation, or where the need to take immediate action came to the attention of the Department subsequent to the posting of the agenda
- VI. Public Comment
- VII. Adjournment

BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

CLUSTER AGENDA REVIEW DATE	6/21/2023	
BOARD MEETING DATE	7/11/2023	
SUPERVISORIAL DISTRICT AFFECTED	<input type="checkbox"/> All <input checked="" type="checkbox"/> 1 st <input checked="" type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input checked="" type="checkbox"/> 5 th	
DEPARTMENT(S)	Health Services	
SUBJECT	Authorize the Sole Source Acquisition of Seven Automatic Pharmaceutical Dispensing Cabinets Manufactured by PARATA Automated Tablet Packagers (ATP) Systems for Integrated Correctional Health Services	
PROGRAM	N/A	
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:	
DEADLINES/ TIME CONSTRAINTS	N/A	
COST & FUNDING	Total cost: \$3,278,000	Funding source: AB 109 carryover fund. FY 2023-24 Supplemental Budget Resolution.
	TERMS (if applicable): N/A	
	Explanation:	
PURPOSE OF REQUEST	Authorize the Director of the Internal Services Department, as the Los Angeles County's Purchasing Agent, to proceed with the sole source acquisition of seven Parata ATP Pharmacy System (Parata ATP) from Parata Systems for the Integrated Correctional Health Services (ICHS), with an aggregated total cost of approximately \$3,278,000.	
BACKGROUND (include internal/external issues that may exist including any related motions)	This acquisition will allow ICHS to upgrade the outdated 20-plus years Automated System. The placement of the seven Parata ATP will be three at Twin Towers Correctional Facility, two at Century Regional Detention Facility, and two at North County Correctional Facility. The Parata ATP will allow ICHS to provide direct dispensing to the nursing unit from the pharmacy and nursing staff additional time to spend in direct care. The Parata ATP will also support the high demands of dispensing over an average of 400,000 doses to be packaged per month to allow timely access to medication therapy. The Parata ATP will dispense routine daily prepack medications for scheduled medication and generating reports. The Parata ATP along with other existing systems (Talyst and Pyxis) will help reduce nursing floor stock in jails resulting in higher security, safety, accountability, electronic tracking, and improve inventory control of drugs outside pharmacy walls. It is also necessary to upgrade because Talyst systems will no longer accept new automation orders and will suspend all efforts to update software or develop new features.	
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:	

<p>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If Yes, please state which one(s) and explain how:</p> <p>Board Priority #2: Health Integration/ Alliance for Health Integration – The acquisition of this system will ensure clinicians have modern equipment required to meet patient care needs, improve patient safety, decrease the potential for medication error, increase efficiency in the dispensing process, and timely access to medication therapy.</p>
<p>DEPARTMENTAL CONTACTS</p>	<p>Name, Title, Phone # & Email:</p> <p>DHS - Jason Ginsberg, Chief of Supply Chain Operations, (323) 914-7926, jginsberg@dhs.lacounty.gov;</p> <p>DHS – Andre Rossi, Chief Pharmaceutical Services, arossi@dhs.lacounty.gov, (213) 473-2903;</p> <p>County Counsel- Kelly Hassel, khassel@counsel.lacounty.gov, (213) 974-1803</p>

July 11, 2023

DRAFT

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AUTHORIZE THE SOLE SOURCE ACQUISITION OF SEVEN AUTOMATIC
PHARMACEUTICAL DISPENSING CABINETS MANUFACTURED BY PARATA
AUTOMATED TABLET PACKAGERS (ATP) SYSTEM FOR
INTEGRATED CORRECTIONAL HEALTH SERVICES
(SUPERVISORIAL DISTRICT 1, 2, & 5)
FISCAL YEAR 2023-24
(3 VOTES)**

SUBJECT

Authorize the Director of the Internal Services Department (ISD), as the County of Los Angeles' (LA County) Purchasing Agent, to proceed with the sole source acquisition of seven automated tablet packagers from Parata Systems with a purchase cost in excess of \$250,000 for the Department of Health Services' (DHS) Integrated Correctional Health Services (ICHS).

IT IS RECOMMENDED THAT THE BOARD:

Authorize the Director of ISD, as LA County's Purchasing Agent, to proceed with the sole source acquisition of seven Parata automated tablet packagers (ATP) from Parata Systems (Parata) for ICHS, with an aggregated total cost of approximately \$3,278,000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended action will authorize ISD, as LA County's Purchasing Agent, to proceed with the sole source acquisition of seven Parata ATP with a total estimated cost of \$3,278,000. This acquisition will allow ICHS to upgrade the outdated 20-plus years Automated System. The placement of the seven Parata ATP will be three at Twin Towers Correctional Facility, two at Century Regional Detention Facility, and two at North County Correctional Facility.

The Parata ATP will allow ICHS to provide direct dispensing to the nursing unit from the pharmacy and nursing staff additional time to spend in direct care. The Parata ATP will

also support the high demands of dispensing over an average of 400,000 doses to be packaged per month to allow timely access to medication therapy. The Parata ATP will dispense routine daily prepacked medications for scheduled medication and generate reports. The Parata ATP along with other existing systems (Talyt and Pyxis) will help reduce nursing floor stock in jails resulting in higher security, safety, accountability, electronic tracking, and improve inventory control of drugs outside pharmacy walls.

DHS intends to purchase the proprietary Parata ATP from Parata because this is the only brand that could meet the operation demands as far as accuracy, high volume, ability to store 480 different medications, user friendly, organized packaging, easy to identify packaging errors features, ability to package bulk items to a Unit Dose packaging system used to ease the dispensing and distribution via pill line, and meeting California Board of Pharmacy regulations as well as the DHS' expectations. This is also the current pharmacy dispensing system being used in other divisions throughout DHS. In addition, DHS currently has the equipment maintenance and repair services agreement with Parata.

Implementation of Strategic Plan Goals

This recommendation supports Strategic Plan Goal I, "Make Investments That Transform Lives Strategy 1.2 Enhance Our Delivery of Comprehensive Interventions of the County's Strategic Plan", and III.3, "Pursue Operational Effectiveness, Fiscal Responsibility and Accountability" of the County Strategic Plan.

FISCAL IMPACT/FINANCING

The total estimated cost is approximately \$3,278,000. This estimated acquisition cost includes the equipment, installation, 12-month service warranty, freight, and tax. This acquisition cost and ongoing annual maintenance costs will be fully funded with net County cost (NCC) that is already included in DHS' existing budget unless additional NCC and/or Assembly Bill 109 funding is requested by DHS and approved through the annual budget process.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On October 16, 2001, the Board approved the classification categories for fixed assets and new requirements for major fixed asset (now referred to as capital asset) acquisitions requiring LA County departments to obtain the Board of Supervisors' approval to acquire or finance equipment with a unit cost of \$250,000 or greater prior to submitting their requisition to ISD.

CONTRACTING PROCESS

The Honorable Board of Supervisors
July 11, 2023
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The acquisition of equipment falls under the statutory authority of the LA County Purchasing Agent and will be accomplished in accordance with LA County's purchasing policies and procedures for sole source purchases.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendation will ensure high accuracy, efficiency, patient safety, timely dispensing, delivery, and access to medication therapy at ICHS facilities.

Respectfully submitted,

Christina R. Ghaly, M.D.
Director

CRG:ar

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors
Internal Services Department

BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

CLUSTER AGENDA REVIEW DATE	6/21/2023	
BOARD MEETING DATE	7/11/2023	
SUPERVISORIAL DISTRICT AFFECTED	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th	
DEPARTMENT(S)	Department of Health Services (DHS)	
SUBJECT	Accept forthcoming Federal Funding from the Federal Communications Commission (FCC) for the Coronavirus Disease 2019 (COVID-19) Telehealth Program	
PROGRAM	Not Applicable	
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:	
DEADLINES/TIME CONSTRAINTS	Invoices need to be submitted to the FCC by October 31, 2023	
COST & FUNDING	Total cost:	Funding source:
	Not Applicable	There is no net County cost associated with accepting \$1 million in FCC funding.
	TERMS (if applicable):	
	Explanation:	
PURPOSE OF REQUEST	Authorize the DHS Director, or designee, to accept forthcoming funding of \$1 million from the FCC for the reimbursement of costs for eligible connected devices under the COVID-19 Telehealth Program, and to execute any necessary documents to accept the funding.	
BACKGROUND (include internal/external issues that may exist including any related motions)	<p>The COVID-19 pandemic put a strain on the nation's health care system that resulted in social distancing measures and the closure of schools/workplaces. Many people turned to telemedicine, telework, and online learning to enable social distancing measures, which emphasized the importance of connected care technologies and services. Further, health care providers expanded their existing telehealth services and implemented new telehealth services, and the demand for connected care services provided to patients in their homes/mobile locations increased.</p> <p>On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law, which appropriated \$200 million to the FCC to aid health care providers against the COVID-19 pandemic. In order to respond to the public health emergency and fulfill its responsibilities under the CARES Act, the FCC established the COVID-19 Telehealth Program to help eligible health care providers maximize their provision of connected care services. Further, telehealth has assumed an increasingly critical role in health care delivery as technology has enabled patients to access health care services without visiting a health care provider's facility.</p> <p>In order to be considered for the COVID-19 Telehealth Program, health care providers were required to submit a COVID-19 Telehealth Program Application (Application). On May 21, 2020, DHS submitted an Application, but DHS was not awarded any funding from the initial \$200 million appropriation. Congress then appropriated an additional \$249.95 million to fund the second round of the COVID-19 Telehealth Program as part of the Consolidated Appropriations Act, 2021, so DHS updated the original Application and resubmitted it. On December 21, 2021, the FCC notified DHS that the Universal Service Administration Company, with oversight from the FCC's Wireline Competition Bureau (Bureau), had completed its review of DHS's Application, and that the Bureau had approved \$1 million in funding for eligible services and/or connected devices purchased on or after March 13, 2020. Further, DHS was informed that the funding shall only be used to obtain up to twelve months of eligible telecommunications services or information services and eligible connected devices needed to provide telehealth services. Therefore, DHS will submit invoices of portable computer carts as required, which are eligible connected devices under the COVID-19 Telehealth Program.</p>	
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:	
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:	
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: - Julio Alvarado, Dir. of Contract Admin. & Mntr., (213) 288-7819, jalvarado@dhs.lacounty.gov - Mary Martin, Administrative Services Manager III, (213) 288-7859, mmartin@dhs.lacounty.gov - Kelly Hassel, Deputy County Counsel, (213) 974-1803, KHassel@counsel.lacounty.gov	

July 11, 2023

**DRAFT
DHS Letterhead**

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AUTHORIZATION TO ACCEPT FORTHCOMING FEDERAL FUNDING FROM THE
FEDERAL COMMUNICATIONS COMMISSION FOR THE COVID-19 TELEHEALTH
PROGRAM
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Provide authorization to accept forthcoming Federal funding from the Federal Communications Commission (FCC) for the COVID-19 Telehealth Program that will provide reimbursement of costs for eligible connected devices that were needed to provide telehealth services in response to the Coronavirus Disease 2019 (COVID-19) pandemic.

IT IS RECOMMENDED THAT THE BOARD:

Authorize and instruct the Director of Health Services (Director), or designee, to accept forthcoming funding in the amount of \$1 million from the FCC for the reimbursement of costs for eligible connected devices under the COVID-19 Telehealth Program, and to execute any necessary documents to accept the funding, effective upon execution, subject to review and approval by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Background

The COVID-19 pandemic put a strain on the nation's health care system that resulted in social distancing measures to prevent person-to-person transmission and the closure of schools and workplaces. Many people turned to telemedicine, telework, and online learning to enable social distancing measures, which emphasized the importance of access to connected care technologies and services. Further, health care providers expanded their existing telehealth services and implemented new telehealth services, and

the demand for connected care services provided directly to patients in their homes or mobile locations increased.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law, which appropriated \$200 million to the FCC to aid health care providers in their fight against the COVID-19 pandemic. In an effort to respond to the public health emergency and to fulfill its responsibilities under the CARES Act, the FCC established the COVID-19 Telehealth Program to help eligible health care providers maximize their provision of connected care services during the COVID-19 pandemic. Further, telehealth has assumed an increasingly critical role in health care delivery as technology has enabled patients to access health care services without visiting a health care provider's facility. Advances in telehealth are transforming health care from a service delivered solely through traditional brick and mortar health care facilities to connected care options delivered via an internet connection directly to the patients' homes or mobile locations.

In order to be considered for the COVID-19 Telehealth Program, interested eligible health care providers such as the Department of Health Services (DHS) were required to submit a COVID-19 Telehealth Program Application (Application). On May 21, 2020, DHS submitted the Application but was not awarded any funding from the initial \$200 million appropriation. However, in an effort to build on the success of the initial appropriation, Congress appropriated an additional \$249.95 million to fund the second round of the COVID-19 Telehealth Program as part of the Consolidated Appropriations Act, 2021. Since Applications for the second round of the COVID-19 Telehealth Program were being accepted, DHS updated the original Application and resubmitted it. On December 21, 2021, the FCC notified DHS via a Funding Commitment Letter (Letter) that the Universal Service Administration Company, with oversight from the FCC's Wireline Competition Bureau (Bureau), had completed its review of DHS' Application, and that the Bureau had approved \$1 million in funding for eligible services and/or connected devices purchased on or after March 13, 2020. Further, the Letter indicated that the funding shall only be used by eligible health care providers to obtain up to twelve months of eligible telecommunications services or information services and eligible connected devices needed to provide telehealth services in response to the COVID-19 pandemic. Therefore, DHS will submit invoices of Workstations on Wheels, which are portable computer carts, and are eligible connected devices under the COVID-19 Telehealth Program that were needed to provide telehealth services.

Recommendation

Approval of the recommendation will allow DHS to accept forthcoming Federal funding from the FCC in the amount of \$1 million for the reimbursement of costs incurred for eligible connected devices under the COVID-19 Telehealth Program, and to execute all necessary documents to accept the funding, effective upon execution, subject to review and approval by County Counsel.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended action supports Strategy II.2 “Support the Wellness of Our Communities” and Strategy III.3 “Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability” of the County’s Strategic Plan.

FISCAL IMPACT/FINANCING

There is no net County cost associated with the acceptance of forthcoming Federal funding from the FCC in the amount of \$1 million for the reimbursement of costs incurred for eligible connected devices under the COVID-19 Telehealth Program.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Application required that DHS certify, among other things, that it will comply with the Health Insurance Portability and Accountability Act (HIPAA) and other applicable privacy and reimbursement laws and regulations, and applicable medical licensing laws, as waived or modified in connection with the COVID-19 pandemic. Further, the Application required that DHS certify that it will retain all documentation associated with the Application for a period of at least three years after the last date of delivery of the supported-services provided through the COVID-19 Telehealth Program to demonstrate compliance with the rules and requirements, subject to an audit.

CONTRACTING PROCESS

Not Applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended action will enable DHS to be reimbursed in the amount of \$1 million for connected care devices in response to the COVID-19 pandemic.

Respectfully submitted,

Christina R. Ghaly, M.D.
Director

CRG:az

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors



June 27, 2023

**Los Angeles County
Board of Supervisors**

Hilda L. Solis
First District

Holly J. Mitchell
Second District

Lindsey P. Horvath
Third District

Janice K. Hahn
Fourth District

Kathryn Barger
Fifth District

TO: Supervisor Holly J. Mitchell, Chair
Supervisor Hilda L. Solis
Supervisor Lindsey P. Horvath
Supervisor Janice K. Hahn
Supervisor Kathryn Barger

FROM: Christina R. Ghaly, M.D. 
Director

**SUBJECT: DEPARTMENT OF HEALTH SERVICES' (DHS)
FISCAL OUTLOOK**

Christina R. Ghaly, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Deputy Director, Clinical Affairs

Nina J. Park, M.D.
Chief Deputy Director, Population Health

Elizabeth M. Jacobi, J.D.
Administrative Deputy

This is to provide an update to DHS' fiscal forecast for Fiscal Years (FY) 2022-23 through 2025-26 (Attachment I). DHS is forecasting an available fund balance of \$1.3 billion in FY 2022-23, \$1.2 billion in FY 2023-24, \$977.2 million in FY 2024-25, and \$167.2 million in FY 2025-26.

The estimated available fund balance for FY 2022-23 has been increased since DHS' last report on December 20, 2022. This adjustment is necessary to account for the fact that funds for FY 2022-23, originally expected to be recognized in FY 2023-24, are able to be recognized earlier than anticipated, i.e., in FY 2022-23. Accordingly, DHS adjusted both the FY 2022-23 and FY 2023-24 available fund balances to appropriately reflect the fiscal year in which the funds will be recognized. These adjustments have no impact on DHS' available fund balance going forward. DHS is projecting a \$196.2 million deficit in FY 2022-23 which is primarily related to the commercial paper payoff of \$220.0 million in short term debt. The FY 2022-23 deficit is being offset by available one-time fund balance.

DHS continues to have a structural deficit in each of the following fiscal years of the forecast. This reflects that there is a substantial imbalance between ongoing expenditures and ongoing funding. In the fiscal forecast, the year-over-year available fund balance gradually decreases each year until the last year (FY 2025-26) when the decrease is substantial. This trend results from certain one-time positive adjustments made to the fund balance in the earlier years which offset the actual annual structural deficit. The positive adjustments include: 1) COVID-19 funding that will *not* continue into future fiscal years; 2) revenue adjustments to the Enhanced Payment Program (EPP) for prior years; and 3) the resolution of some of

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DHS' long-term receivables (LTRs). By FY 2025-26, there are no further positive adjustments available resulting in the significant reduction in available fund balance.

New Issues

Proposed Managed Care Rules

On April 27, 2023, CMS issued proposed rules governing managed care delivery systems related to, among other things, directed payments, quality rating systems, and other policy and reporting changes. These changes may impact the EPP and Quality Incentive Program (QIP) programs as well as DHS' LTRs. These changes are currently being reviewed and DHS will submit comments to CMS within the 60-day limit.

Managed Care Organization (MCO) Tax

A new MCO tax is being proposed that, if approved by CMS, would become effective April 1, 2023. The proposed MCO tax proposal would make available additional funding that would be used to increase Medi-Cal managed care rates, with a potential value of up to \$19 billion statewide, paid out over a period of 4-9 years. If approved by CMS, there may be a potential benefit to DHS.

Managed Care Contracting

DHCS concluded its first-ever competitive procurement process to select commercial plans for Medi-Cal managed care for various counties throughout California beginning in January 2024. In Los Angeles County, Health Net was awarded the commercial plan. The contract with DHCS provides that Health Net will continue its subcontracting agreement with Molina Healthcare (Molina) but increase Molina's member assignments from 15% to 50% of Health Net's market share.

Currently, DHS negotiates terms with two health plans, i.e., L.A. Care Health Plan and Health Net. This new development adds an additional layer of complexity to DHS' managed care operations by adding a third health plan, i.e., Molina, that DHS has to negotiate with on rates and other managed care issues.

Disproportionate Share Hospital (DSH) Funding

Under the Affordable Care Act, reductions in DSH funding were to begin in 2014. Since that time, Congress has approved multiple delays and no DSH reductions have occurred. As of the date of this report, without Congressional action to once again delay the DSH cuts, the cuts will begin effective October 2023. If the DSH cuts are allowed to take effect, DHS estimates a loss to the GPP (a combination of DSH and Safety Net Care Pool funding) of \$300.0 million in ongoing funding.

DHS is working with other California counties and our legislative advocates to request that members of Congress take legislative action to further delay the DSH cuts. Because DHS expects another delay to be approved by Congress, DSH cuts have not been included in the forecast.

Updates to Major Revenue Categories

Medi-Cal Redetermination

As reported previously, because of the COVID-19 pandemic and the issuance of a public health emergency (PHE) order, the annual Medi-Cal requirement to redetermine a beneficiary's eligibility was suspended and large numbers of beneficiaries retained continuous Medi-Cal coverage throughout the pandemic. This resulted in a significant increase in the number of beneficiaries assigned to DHS.

The Consolidated Appropriations Act of 2023 passed by Congress earlier this year decouples the Medicaid continuous enrollment provision from the PHE and terminates this provision effective March 31, 2023. Accordingly, the redetermination process in California is set to be resumed in July 2023 on a phased-in basis and is expected to be fully phased in by June 2024. As the redetermination process returns to normal, DHS is estimating a loss of 130,000 members over the phase-in period and a decrease of approximately \$200.0 million annually in net capitation revenue.

DHS estimates that of the 431,000 beneficiaries assigned to DHS in January 2023, approximately 75% belong to the Medical Coverage Expansion (MCE) category. This is concerning to DHS given that, in general, MCE beneficiaries are more likely to be infrequent or "one-time only" users of DHS services. Based on this usage trend, DHS anticipates that the MCE population will be less likely to complete the redetermination process and will eventually lose their Medi-Cal eligibility. This is expected to result in significant reductions in assignments and associated capitation revenues to DHS. Reduced membership will also decrease the annual value of the Rate Range program by approximately \$77.8 million.

In January 2024, the State is expected to adjust the utilization factor for Medi-Cal managed care rates which is anticipated to result in an increase in DHS rates going forward. The financial impact cannot be determined at this time.

Expanded Medi-Cal Coverage

Effective May 1, 2022, DHCS implemented the Older Adult Expansion (OAE) Medi-Cal program. The OAE program is a state-only funded program that expands eligibility for full-scope Medi-Cal benefits to individuals who are 50 years of age or older, regardless of their citizenship or immigration status. Previously, these individuals were only eligible to receive limited scope benefits. Under the OAE program, those with limited benefits are automatically transitioned into full scope Medi-Cal managed care. DHS estimates

approximately 40,000 of its assignments are in the OAE program.

Beginning in January 2024, the State will expand full Medi-Cal eligibility to the remaining group of income-eligible Californians, aged 26-49, regardless of their citizenship or immigration status. These coverage expansions may result in increased DHS member assignments; however, any potential increase is likely to be reduced to some extent, depending on the rate at which current beneficiaries fail to complete the redetermination process and ultimately lose their Medi-Cal coverage.

California Advancing & Innovating Medi-Cal (CalAIM)

Through a combination of 1915(b) and 1115 waivers, CMS approved the CalAIM initiative effective January 1, 2022. CalAIM's goal is to improve health outcomes through intensely coordinated care management, mitigation of social determinants of health, and reduction of health disparities. Under CalAIM, expanded services to some of DHS' most vulnerable populations, e.g., individuals experiencing homelessness, are reimbursable under the Enhanced Care Management (ECM) and Community Supports programs. ECM is a care coordination benefit for the highest need cases that became effective for most eligible populations on January 1, 2022, with additional populations added in January 2023.

Community Supports provides 14 different services that Medi-Cal managed care plans may offer including housing navigation, recuperative care, sobering centers, and others. DHS has contracted with managed care plans for some of these services, previously covered under the Whole Person Care (WPC) and Health Homes programs. Implementation of CalAIM has been challenging. It has required new operations and procedures across multiple services and health plans at the same time, with sometimes incomplete state guidance. Plans have limited eligibility and require significant documentation for each individual service. As a result, rollout has been slower than expected, with lower enrollment in some cases, and delayed implementation dates in others; associated revenues are lower than expected due to these challenges.

Also, under CalAIM, the Providing Access and Transforming Health (PATH) Program is providing \$1.4 billion one-time in gross statewide funding over the five-year Waiver period that: a) supports existing WPC pilot services continuing under CalAIM as Community Supports; b) supports maintaining justice involved services currently provided through WPC pilot programs that is to transition to managed care beginning January 1, 2023, or later; c) funds technical assistance support to help expand ECM and Community Supports; d) supports collaborative planning and implementation for ECM and Community Supports; e) supports expanding access to ECM and Community Support services beyond what was offered under WPC; and f) supports Medi-Cal pre-release application planning and purchase of certified electronic health record technology to facilitate Medi-Cal pre-release applications. DHS was approved for funds under groups a) and b) and has submitted an application for funds under e). The

Department of Public Social Services (DPSS), Sheriff's Department, and Probation Department are working with funding from f) to develop a Medi-Cal application process that ensures eligible individuals leaving county jails have access to all CalAIM Medi-Cal benefits. Approval for the actual provision of services pre-release, and capacity building for those services, is pending CMS approval.

Through a separate approval on January 4, 2022, CMS granted authority for the Home and Community-Based Services Spending Plan, which includes two major initiatives related to CalAIM that could benefit DHS through March 31, 2024: a) \$1.3 billion gross statewide one-time funding for Medi-Cal managed care plans to earn incentives for making investments that address homelessness; and b) \$298.0 million gross statewide one-time funding for Community Based Residential Continuum Pilots to provide medical and supportive services in various non-hospital settings designed to avoid unnecessary health care costs, including emergency services and future long-term care placement in a nursing home. DHS is in discussions with L.A. Care and Health Net regarding implementation of some of these services.

Provider Relief Fund (PRF)

Beginning in April 2020, the U.S. Department of Health and Human Services (HHS) distributed multiple phases of PRF to cover increased expenditures and lost revenues related to the COVID-19 pandemic. DHS received \$322.7 million of PRF. DHS reserved \$317.4 million of its fund balance, pending the outcome of PRF audits. In September 2022, the HHS Office of Inspector General (OIG) initiated an audit of DHS' compliance with the PRF requirements. DHS provided the OIG auditors with all requested documentation of eligible health care-related expenses (e.g., paystubs, invoices, proof of payments, remittance advices, etc.), calculation of lost revenues attributable to COVID-19, and various internal protocols, policies, and procedures. OIG's on-site meeting with DHS management is currently scheduled for this month. DHS anticipates that the audit will be completed by FY 2023-24; at that time, DHS expects to be able to release the reserved PRF funds which will then be available to fund any shortfalls.

Increases in LTRs

As previously reported, DHCS changed the time period for setting the annual Medi-Cal managed care rates from a FY basis to a calendar year (CY) basis. This change affects when payments for the EPP, Quality Incentive Program (QIP), and Rate Range programs are actually received by DHS. The change from FY to CY caused a six-month delay in the receipt of one-half of the annual amount of payments due, requiring DHS to record the delayed half of the payment amount as an LTR. DHS has reserved fund balance to cover the LTRs and that reserved fund balance cannot be used as part of DHS' operating budget until the revenue is eventually received in the future.

At the close of FY 2021-22, DHS estimated the total LTRs for the affected Medi-Cal managed care programs to be approximately \$1,094.0 million. In addition, DHS maintains an ongoing LTR for its Cost-Based Reimbursement Clinic (CBRC) revenue. The estimated LTR for CBRC is approximately \$68.7 million.

DHS continues its discussions with DHCS about potential methods of easing the impact of the FY to CY transition. An agreement for the Rate Range program has been reached for an earlier payment schedule which will allow DHS to reduce LTRs in FY 2022-23 to approximately \$305.1 million. The remaining balance of LTRs at the end of FY 2025-26 is estimated to be \$235.3 million. However, because of the structural complexities inherent in the design of the EPP and QIP programs, accelerating payments is problematic. DHS continues its discussion with DHCS on the possibility of redesigning the EPP to accelerate payments. However, the structure of the QIP program requires that payments can only be made if performance metrics have been verified. This requirement basically precludes any ability to accelerate the timing of QIP reimbursement. DHS will update these LTR amounts based on the latest information at the close of FY 2022-23.

Harbor-UCLA Medical Center Replacement Project (H-UCLA Project)

In February 2022, the Board of Supervisors approved the design-build contract with Hensel-Phelps for the construction of the H-UCLA Project. The long-term debt service costs for the H-UCLA Project will be shared between DHS (89.4%), and the Department of Mental Health (10.6%) whose share of cost will fund the construction of psychiatric emergency services and psychiatric inpatient beds. Since the Board's approval, over 200 meetings have been held with clinical users to develop the design for the hospital, clinic, lab, and support service buildings and parking structure. Construction has begun on the Support Services Building, which will house the Facilities Management, Information Technology, and Safety programs, and on the 1,500-space parking structure. The Support Services Building is expected to be completed at the end of 2023 and the Parking Structure by the Spring of 2024. Site preparation work will begin shortly for the Clinic Building. The H-UCLA Project is expected to be completed by the summer of 2027.

In addition, DHS is paying the planning, design, and construction costs for the H-UCLA Project and other projects as they occur. In FY 2021-22, DHS covered approximately \$157.0 million of these various project costs using fund balance and is planning to pay an additional \$220.0 million in FY 2022-23. In future years, additional costs will be included as part of DHS' long-term debt financing.

Salary & Employee Benefits (S&EB) Increases

DHS is required to fund any increases from new or revised labor agreements with most of our workforce for increases in S&EB. S&EB constitutes a large part of DHS' overall

expenditures. As S&EB costs increase, it is necessary for DHS to utilize existing revenues, develop additional sources of revenues, or use part of its fund balance to close its books.

Implementation of Cost Accounting System

DHS has completed the implementation of the Management Reporting, Cost Accounting, and Strategic Planning modules of the new Cost Accounting Decision Support System. The remaining modules are scheduled to be completed by January 2024. Multiple labor-intensive activities related to data capture, data quality, and data accuracy are ongoing. It is key to ensure that all critical data elements are identified and the data feeding the new system is internally consistent and accurate. An ongoing review of the data is continuing as new modules come online.

AB 85 Realignment

AB 85 establishes a formula to redirect a certain portion of “excess” state health realignment funds to social services programs based on a sharing ratio of 80% State and 20% County. Based on current estimates, DHS is projecting AB 85 redirection amounts to be \$0 for FYs 2022-23 through 2025-26.

Future Fiscal Outlook Reports

DHS is planning to revise its fiscal outlook format in a future report to the Board to highlight certain operational areas within the Department. The aim is to provide more specific financial details on these areas so that there is a better understanding of DHS’ finances and operations. The two areas DHS plans to highlight in a future report are Community Programs and Correctional Health.

Structural Deficit

As mentioned above, DHS’ available fund balance is \$1.3 billion in FY 2022-23 and will continue to decrease over the following fiscal years. By FY 2025-26, DHS estimates the available fund balance to decrease to \$167.2 million. This substantial decrease over the next 4-year period demonstrates that DHS continues to have a structural deficit. As inflation continues, DHS expects the deficit to worsen because our costs continue to increase at a much higher rate than our incoming revenues.

The current financial system for public hospital financing is not capable of solving DHS’ structural deficit. DHS has been working with other public hospitals to request that DHCS address county public hospitals’ funding shortfalls. The discussions with DHCS are expected to be prolonged as the current financing system for the public hospitals is complicated. Any potential changes that may be forthcoming do not guarantee a resolution to DHS’ structural deficit.

DHS is also focusing on three areas that could potentially assist in improving our current funding in the short term:

1) Medi-Cal base rates: DHS is working with L.A. Care to revise the base rates for CY 2023 and will also be negotiating with them for CY 2024 rates. DHS is also currently negotiating base rates with Molina Healthcare for CY 2024. The outcome of these negotiations could have a material impact on DHS' fiscal outlook.

2) In-Home Supportive Services (IHSS) Provider Health Plan: The cost for DHS to provide healthcare services to the IHSS providers enrolled in the health plan exceeds the net capitation revenue that DHS receives. This is primarily due to cost escalations over the last few years. DHS has evaluated the need to increase the health plan capitation rate to cover DHS' financial losses and to provide an investment in the IHSS network. Based on this evaluation, DHS is working with L.A. Care to develop an appropriate rate increase.

3) Department of Mental Health (DMH): DHS is in the process of finalizing the negotiations on the terms of the Memorandum of Agreement (MOA) between DHS and DMH for administration and funding of the Specialty Mental Health Services. The MOA will be replacing the FY 1990-91 Interagency Agreement between the two departments and will be providing additional funding under the current mental health payment system, as well as under the new Behavioral Health Payment Reform effective July 1, 2023.

Priority Capital Projects

DHS has a large number of important capital projects that need to be completed in order to maintain the safety and efficiency of DHS' physical footprint of buildings. Attachment II is a list of the priority capital projects grouped into critical maintenance, regulatory requirement, and strategic priority/service enhancement categories. Attachment II lists projects not yet submitted for Board approval. DHS continues to work to identify funding for these critical needs. These projects are continuously reviewed and revised as necessary to align with service needs and budgetary realities.

If you have any questions or need additional information, please let me know.

CRG:aw

BLrevisedfiscaloutlook June 2023

609:005

Attachments (2)

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
FORECAST
FISCAL YEARS 2022-23 THROUGH 2025-26
(\$ IN MILLIONS)

ATTACHMENT I

	Year 1		Year 2		Year 3		Year 4	
	A	B	C	D	E	F	G	
	FY 2022-23 Forecast	Adjustments	FY 2023-24 Forecast	Adjustments	FY 2024-25 Forecast	Adjustments	FY 2025-26 Forecast	
(1) Expenses								(1)
(2) Salaries & Employee Benefits	\$ 3,759.534	\$ 286.066	\$ 4,045.600	\$ 177.435	\$ 4,223.035	\$ 178.813	\$ 4,401.848	(2)
(3) Net Services & Supplies	3,199.074	215.436	3,414.510	14.611	3,429.121	79.732	3,508.853	(3)
(4) Debt Service - Harbor Master Plan	145.421	(129.063)	16.358	24.868	41.226	23.327	64.553	(4)
(5) Debt Service - Other	143.609	(80.940)	62.669	0.511	63.180	0.962	64.142	(5)
(6) Other Charges - Other	1,359.851	(216.028)	1,143.823	170.074	1,313.897	(161.412)	1,152.485	(6)
(7) Capital Assets	65.840	(1.765)	64.075	-	64.075	-	64.075	(7)
(8) Capital Projects & Deferred Maintenance	58.293	88.755	147.048	(75.856)	71.192	(26.379)	44.813	(8)
(9) Operating Transfers Out	29.322	1.022	30.344	1.214	31.558	1.262	32.820	(9)
(10) Intrafund Transfer	(376.318)	0.520	(375.798)	49.105	(326.693)	(6.531)	(333.224)	(10)
(11) Total Expenses	\$ 8,384.626	\$ 164.003	\$ 8,548.629	\$ 361.962	\$ 8,910.591	\$ 89.774	\$ 9,000.365	(11)
(12) Revenues								(12)
(13) Managed Care	1,236.166	(132.397)	1,103.769	(149.034)	954.735	(7.398)	947.337	(13)
(14) Enhanced Payment Program (EPP)	827.909	37.619	865.528	31.124	896.652	32.067	928.719	(14)
(15) Quality Incentive Program (QIP)	322.063	5.907	327.970	4.871	332.841	5.047	337.888	(15)
(16) Cali. Advancing & Innovating Medi-Cal (CaAIM)	51.727	1.721	53.448	2.397	55.845	-	55.845	(16)
(17) Providing Access & Transforming Health (PATH)	31.434	(17.000)	14.434	(4.434)	10.000	-	10.000	(17)
(18) Global Payment Program (GPP)	1,184.115	35.134	1,219.249	(0.059)	1,219.190	20.429	1,239.619	(18)
(19) Medi-Cal Inpatient	484.301	7.014	491.315	15.697	507.012	19.246	526.258	(19)
(20) Medi-Cal Outpatient - E/R	118.526	1.898	120.424	3.374	123.798	3.969	127.767	(20)
(21) Medi-Cal CBRC	158.684	12.836	171.520	7.951	179.471	6.748	186.219	(21)
(22) Medi-Cal SB 1732	11.128	-	11.128	-	11.128	-	11.128	(22)
(23) Mental Health	160.513	37.937	198.450	-	198.450	-	198.450	(23)
(24) Managed Care Graduate Medical Education (GME)	169.797	-	169.797	-	169.797	-	169.797	(24)
(25) Hospital Provider Fee	24.659	0.749	25.408	-	25.408	0.909	26.317	(25)
(26) Medicare	370.501	0.887	371.388	-	371.388	-	371.388	(26)
(27) Hospital Insurance Collection	129.028	0.291	129.319	-	129.319	-	129.319	(27)
(28) Self-Pay	4.865	-	4.865	-	4.865	-	4.865	(28)
(29) In-Home Supportive Services (IHSS)	98.083	(4.567)	93.516	(1.088)	92.428	(1.132)	91.296	(29)
(30) Federal & State - Other	128.060	78.274	206.334	81.060	287.394	5.870	293.264	(30)
(31) Measure H	166.224	(1.463)	164.761	2.558	167.319	(9.377)	157.942	(31)
(32) Other County Department (OCD)	522.786	6.209	528.995	-	528.995	-	528.995	(32)
(33) Grant Funded COVID	27.157	(27.157)	-	-	-	-	-	(33)
(34) American Rescue Plan Act (ARPA) Revenue	9.125	19.447	28.572	(28.572)	-	-	-	(34)
(35) Other	101.362	66.631	167.993	12.022	180.015	6.900	186.915	(35)
(36) Total Revenues	\$ 6,338.213	\$ 129.970	\$ 6,468.183	\$ (22.133)	\$ 6,446.050	\$ 83.278	\$ 6,529.328	(36)
(37) Net Cost - Before PY	\$ 2,046.413	\$ 34.033	\$ 2,080.446	\$ 384.095	\$ 2,464.541	\$ 6.496	\$ 2,471.037	(37)
(38) AB 85 Redirection	-	-	-	-	-	-	-	(38)
(39) Prior-Year Surplus / (Deficit)	283.925	(283.925)	-	-	-	-	-	(39)
(40) Net Cost - After PY & AB 85 Redirection	\$ 1,762.488	\$ 317.958	\$ 2,080.446	\$ 384.095	\$ 2,464.541	\$ 6.496	\$ 2,471.037	(40)
(41) Operating Subsidies								(41)
(42) Sales Tax & VLF	406.807	-	406.807	-	406.807	-	406.807	(42)
(43) County Contribution	859.131	77.733	936.864	(4.071)	932.793	23.740	956.533	(43)
(44) Tobacco Settlement	54.959	-	54.959	-	54.959	-	54.959	(44)
(45) Measure B	245.354	(0.088)	245.266	-	245.266	-	245.266	(45)
(46) Total Operating Subsidies	\$ 1,566.251	\$ 77.645	\$ 1,643.896	\$ (4.071)	\$ 1,639.825	\$ 23.740	\$ 1,663.565	(46)
(47) Surplus / (Deficit) = (46) - (40)	\$ (196.237)	\$ (240.313)	\$ (436.550)	\$ (388.166)	\$ (824.716)	\$ 17.244	\$ (807.472)	(47)
(48) Beginning Fund Balance	\$ 1,504.715	\$ 108.819	\$ 1,613.534	\$ (419.860)	\$ 1,193.674	\$ (216.514)	\$ 977.160	(48)
(49) Surplus / (Deficit)	(196.237)	(240.313)	(436.550)	(388.166)	(824.716)	17.244	(807.472)	(49)
(50) Long Term Receivables	305.056	(288.366)	16.690	591.512	608.202	(610.715)	(2.513)	(50)
(51) Ending Fund Balance	1,613.534	(419.860)	1,193.674	(216.514)	977.160	(809.985)	167.175	(51)
(52) Restricted - Provider Relief Fund	(317.448)	317.448	-	-	-	-	-	(52)
(53) Available Fund Balance	\$ 1,296.086	\$ (102.412)	\$ 1,193.674	\$ (216.514)	\$ 977.160	\$ (809.985)	\$ 167.175	(53)

Project Description	Facility	Project Need	Total Project Cost Estimate	Notes
MLK Administration Building	ACN	Campus Redevelopment	\$95,000,000	New Project
MLK-Hawkins Demolition	ACN	Campus Redevelopment	\$4,300,000	Current Project
Total for ACN			\$99,300,000	
GH and West Campus Temporary Move Management Study	LAGEN	Campus Redevelopment	\$833,875	Current Project
GH, OPD and Clinic Building Needs Analysis	LAGEN	Campus Redevelopment	\$2,500,000	New Project
Demolition of IRD Building	LAGEN	Campus Redevelopment	\$8,242,188	New Project
Demolition of OPD Building	LAGEN	Campus Redevelopment	\$9,798,000	New Project
Replacement Administration Building	LAGEN	Campus Redevelopment	\$193,157,800	New Project
Replacement Outpatient Clinic Building	LAGEN	Campus Redevelopment	\$476,280,000	New Project
Replacement Service & Support Building	LAGEN	Campus Redevelopment	\$213,648,050	New Project
GH and West Campus Temporary Move Management	LAGEN	Campus Redevelopment	\$50,000,000	New Project
Total for LAGEN			\$954,459,913	
Outpatient Bldg & ASC Needs Analysis	OVMC	Campus Redevelopment	\$950,000	New Project
Outpatient Building and Ambulatory Surgery Center	OVMC	Campus Redevelopment	\$589,763,867	New Project
Total for OVMC			\$590,713,867	
Total Campus Redevelopment			\$1,644,473,780	
El Monte CHC Air Handler Replacement Project	ACN	Critical Maintenance	\$15,070,000	Current Project
El Monte CHC Parking Lot	ACN	Critical Maintenance	\$10,500,000	Current Project
High Desert HC Parking Lot Resurfacing	ACN	Critical Maintenance	\$200,000	New Project
Hudson CHC Central Sterile	ACN	Critical Maintenance	\$500,000	New Project
Hudson Parking Lot	ACN	Critical Maintenance	\$8,700,000	Current Project
Hudson Urgent Care Remodel	ACN	Critical Maintenance	\$5,400,000	Current Project
Long Beach CHC HVAC Phase II & Replacement of Concealed Spline Ceiling	ACN	Critical Maintenance	\$4,151,000	New Project
Long Beach CHC Window Replacement	ACN	Critical Maintenance	\$250,000	New Project
Mid-Valley CHC HVAC and Roof Replacement	ACN	Critical Maintenance	\$7,400,000	Current Project
Roybal CHC Ceiling Replacement	ACN	Critical Maintenance	\$1,000,000	New Project
H. Humphrey CHC Elevator Refurbishment	ACN	Critical Maintenance	\$453,000	Current Project
MLK Ted Watkins Sexual Health Remodel	ACN	Critical Maintenance	\$2,500,000	Current Project
Roybal CHC Elevator Refurbishment	ACN	Critical Maintenance	\$453,000	Current Project
Wilmington HVAC Refurbishment	ACN	Critical Maintenance	\$1,650,000	Current Project
Total for ACN			\$58,227,000	
313 N. Fig HVAC	HSA	Critical Maintenance	\$39,936,573	Current Project
313 N. Fig Windows & Parapets	HSA	Critical Maintenance	\$15,000,000	Current Project
NEVHC Canoga Park Roof Replacement	HSA	Critical Maintenance	\$600,000	Current Project
Total for HSA			\$55,536,573	
Instrument Washer / Disinfector Replacement	HUCLA	Critical Maintenance	\$1,564,360	Current Project
Repair and Upgrade current HVAC Systems serving Endoscopy + Cath Lab	HUCLA	Critical Maintenance	\$350,000	New Project
Evaporative Cooler	HUCLA	Critical Maintenance	\$250,000	Current Project
Pathology Lab (Core Lab)	HUCLA	Critical Maintenance	\$4,000,000	Current Project
Repair and Upgrade current HVAC Systems serving the 3 each 2W IR Suites	HUCLA	Critical Maintenance	\$150,000	New Project
SE Building IDF Room Second UPS additional	HUCLA	Critical Maintenance	\$250,000	New Project
Total for HUCLA			\$6,564,360	
JCHS Central Bungalow Replacement	ICHS	Critical Maintenance	\$10,000,000	New Project
Total for ICHS			\$10,000,000	
Crematorium Renovation	LAGEN	Critical Maintenance	\$15,000,000	New Project
Hematology and Coagulation Core Lab	LAGEN	Critical Maintenance	\$2,818,000	Current Project
Lot #9 Elevator Modernization Upgrade	LAGEN	Critical Maintenance	\$8,987,000	Current Project
Replacement Medical Vacuum pumps.	LAGEN	Critical Maintenance	\$500,000	New Project
Replacement of Variable Air Volume Modular Assemblies (VMA).	LAGEN	Critical Maintenance	\$2,000,000	New Project
Angio suite Replacement	LAGEN	Critical Maintenance	\$3,109,000	Current Project
CT Simulator	LAGEN	Critical Maintenance	\$2,514,000	Current Project
East Plant Automatic Transfer Switch (ATS)	LAGEN	Critical Maintenance	\$20,000,000	New Project
Nurse Call System Replacement	LAGEN	Critical Maintenance	\$96,405,000	Current Project
Parking Lot 9 Structural Repairs	LAGEN	Critical Maintenance	\$7,438,000	Current Project
Steris Lighting Replacement for L&D ED & OR Rooms 1&2	LAGEN	Critical Maintenance	\$6,015,000	Current Project
Swisslog Tube System	LAGEN	Critical Maintenance	\$516,000	Current Project
Walking Bridge Paver Replacement	LAGEN	Critical Maintenance	\$2,060,000	Current Project
Air Compressor Replacement	LAGEN	Critical Maintenance	\$1,000,000	Current Project
SPECT CT/Nuclear Med Replacement	LAGEN	Critical Maintenance	\$8,000,000	Current Project
R/F Replacement	LAGEN	Critical Maintenance	\$10,000,000	Current Project
Rand Schrader Baroda Wall Art Installation	LAGEN	Critical Maintenance	\$100,000	Current Project
Radiationoncology Linear Accelerator (LINAC) Replacement	LAGEN	Critical Maintenance	\$13,888,000	New Project
Total for LAGEN			\$200,350,000	
Automatic Transfer Switch Replacement	OVMC	Critical Maintenance	\$16,402,000	Current Project
Sterilizer #3 Installation and Cart Washer and SaniPak	OVMC	Critical Maintenance	\$1,750,000	New Project
HVAC Ventilation Upgrade	OVMC	Critical Maintenance	\$21,000,000	Current Project
Elevator Modernization	OVMC	Critical Maintenance	\$15,091,000	Current Project
Nurse Education Building - Siding Replacement	OVMC	Critical Maintenance	\$2,000,000	New Project
Retort Sterilizer Installation (SANIPAK)	OVMC	Critical Maintenance	\$1,500,000	New Project
Road Paving - Hospital Grounds	OVMC	Critical Maintenance	\$700,000	New Project

Project Description	Facility	Project Need	Total Project Cost Estimate	Notes
Waste Line Replacement	OVMC	Critical Maintenance	\$40,000,000	New Project
Total for OVMC			\$98,443,000	
Bldg 100 & 101 Roof Repair and HVAC Maint	RLANRC	Critical Maintenance	\$1,820,000	Current Project
Central Utility Plant Chillers Boiler Replacement	RLANRC	Critical Maintenance	\$10,000,000	Current Project
JPI Tunnel Access	RLANRC	Critical Maintenance	\$500,000	Current Project
Orthothic Clinic and Relocation to 100 Bldg.	RLANRC	Critical Maintenance	\$1,500,000	Current Project
Total for RLANRC			\$13,820,000	
Total Critical Maintenance			\$442,940,933	
Combined CHC ADA Restroom Remodel (El Monte, Roybal, Hudson, Long Beach, Humphrey)	ACN	Regulatory Requirement	\$12,000,000	Current Project
Total for ACN			\$12,000,000	
313 N. Fig Fire Alarm Replacement	HSA	Regulatory Requirement	\$1,700,000	Current Project
Total for HSA			\$1,700,000	
West Plant Burner Replacement (Rule 1146)	LAGEN	Regulatory Requirement	\$2,638,000	Current Project
Total for LAGEN			\$2,638,000	
Reverse Osmosis	HUCLA	Regulatory Requirement	\$669,000	Current Project
Total for HUCLA			\$669,000	
Hospital Signage and Pathology Lab (Core Lab)	OVMC	Regulatory Requirement	\$1,449,000	Current Project
Central Plant Phase II	OVMC	Regulatory Requirement	\$40,000,000	Current Project
Total for OVMC			\$41,449,000	
CUP Leak Detection System replacement	RLANRC	Regulatory Requirement	\$100,000	Current Project
Total for RLANRC			\$100,000	
Total Regulatory Requirement			\$58,556,000	
H. Humphrey CHC Seismic Retrofit and Remodel	ACN	Seismic Retrofit	\$215,853,000	New Project
Hudson CHC Seismic Retrofit and Renovation	ACN	Seismic Retrofit	\$98,934,000	New Project
MLK Leroy Weeks Medical Support Building Seismic Retrofit and Renovation (NORTH WING)	ACN	Seismic Retrofit	\$65,790,000	New Project
MLK Service & Supply Building Seismic Retrofit (SOUTH WING) and Renovation (incl HVAC)	ACN	Seismic Retrofit	\$27,716,000	New Project
Total for ACN			\$408,293,000	
Mark Taper Foundation Family Advoc Building Seismic Retrofit	LAGEN	Seismic Retrofit	\$31,822,000	New Project
Medical Science Hall Building 90 Seismic Retrofit	LAGEN	Seismic Retrofit	\$15,507,000	New Project
Total for LAGEN			\$47,329,000	
Total Seismic Retrofit			\$455,622,000	
Bellflower HC Total Building Remodel	ACN	Strategic Priority/Service Enhancement	\$7,373,000	New Project
El Monte Renovation (Exam Rms, Patient Counseling & Education, PCMH Nursing Stations, & Staff Break Rooms)	ACN	Strategic Priority/Service Enhancement	\$1,200,000	New Project
H. Humphrey 1st Floor Remodel	ACN	Strategic Priority/Service Enhancement	\$4,900,000	New Project
H. Humphrey CHC Dental Remodel	ACN	Strategic Priority/Service Enhancement	\$1,288,000	New Project
Hudson CHC Peds Relocation and Adult Clinic Expansion	ACN	Strategic Priority/Service Enhancement	\$3,140,000	New Project
Hudson CHC Resurface/Repair Parking lot	ACN	Strategic Priority / Service Enhancement	\$5,128,000	Current Project
Hudson CHC Urgent Care Remodel	ACN	Strategic Priority/Service Enhancement	\$5,400,000	New Project
La Puente HC Clinic Remodel	ACN	Strategic Priority/Service Enhancement	\$6,208,000	New Project
Long Beach CHC Registration (1st Floor) Remodel	ACN	Strategic Priority/Service Enhancement	\$4,822,000	New Project
Mid Valley CHC Clinic Remodel at 2nd & 4th Floors	ACN	Strategic Priority/Service Enhancement	\$5,910,000	New Project
MLK Parking Lot D Parking Access Control System	ACN	Strategic Priority/Service Enhancement	\$600,000	New Project
North Hollywood Integrated Care Clinic - HS	ACN	Strategic Priority / Service Enhancement	\$1,879,962	Current Project
Roybal CHC Family Medicine Remodel	ACN	Strategic Priority/Service Enhancement	\$3,703,000	New Project
San Fernando HC Clinic Remodel	ACN	Strategic Priority/Service Enhancement	\$2,180,000	New Project
Wilmington HC Registration Remodel	ACN	Strategic Priority/Service Enhancement	\$500,000	New Project
Total for ACN			\$54,231,962	
Burn Hydrotherapy Ward Remodel	LAGEN	Strategic Priority / Service Enhancement	\$5,000,000	Current Project
Total for LAGEN			\$5,000,000	
MC Scrub Ex	OVMC	Strategic Priority / Service Enhancement	\$56,000	Current Project
Code Blue Call System	OVMC	Strategic Priority/Service Enhancement	\$1,500,000	New Project
Total for OVMC			\$1,556,000	
RLANRC 100 Building West Elevation Remodel	RLANRC	Strategic Priority/Service Enhancement	\$4,000,000	Current Project
Total for RLANRC			\$4,000,000	
Total Strategic Priority/Service Enhancement			\$64,787,962	
Grand Total - DHS Priority Capital Projects			2,666,380,675 **	

* These projects have not yet been approved by the Board.

** Of this amount, \$408.50 million is for current projects and \$2.26 billion is for new projects.