



# LITTLE HOOVER COMMISSION

November 2, 2006

**TO:** Los Angeles County Site Visit Participants

Michael E. Alpert  
*Chairman*

**FROM:** Stuart Drown  
Executive Director

Stanley R. Zax  
*Vice Chairman*

Eloise Anderson

Marilyn C. Brewer

**SUBJECT:** Summary of Los Angeles County Site Visit

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Eugene "Mitch" Mitchell

Pedro Nava  
*Assemblymember*

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*Senator*

Leslie "Teddie" Ray

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*Assemblymember*

Stuart Drown  
*Executive Director*

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Thank you for participating in the Commission's site visit in Los Angeles County on October 17, 2006. The tour of health facilities and the advisory panel meeting were intended to provide an overview of community-based strategies to address the health and health care needs of residents.

This document is intended to capture the information presented during the site visit. The information presented here does not represent the perspectives or conclusions of the Little Hoover Commission. Rather, this summary is intended to provide a record of the tour and advisory panel meeting along with an opportunity for participants to clarify or amplify those issues discussed.

As part of its project on health care, the Commission has scheduled a public hearing for Thursday, January 25, 2006, in the State Capitol in Sacramento. The Commission also will convene additional site visits and advisory panel meetings.

## Site Visit – October 17, 2006

As part of the site visit, the Commission toured two health facilities and held an advisory panel meeting.

The tour of a large county hospital and a nearby not-for-profit community clinic were intended to explore the operations of publicly-funded health care providers. The advisory panel discussed the Los Angeles County Public Private Partnership Program, including elements that are essential to create an effective health care system.

Site visit participants visited the LAC + USC Medical Center and the Clínica Msr. Oscar A. Romero Community Health Center. Participants included county directors and administrators, hospital and clinic administrators, providers, a health plan representative, legislative staff, a public hospital advocate and others from Los Angeles County.

This document is intended to capture the five main themes that emerged during the tour and the meeting. Participants suggested that health care reforms must:

- Encourage collaboration between the private and public sectors.
- Ensure access to primary and preventive care through a medical home.
- Empower patients to take responsibility for their health.
- Employ data to determine health policy.
- Leverage technology and human resources to improve health outcomes.

These five elements of reform are discussed below.

### **Encourage collaboration between the private and public sectors.**

Participants from the LAC + USC Medical Center and Clínica Romero described how partnerships between public hospitals and private clinics in Los Angeles County have led to improvements in the health care safety net for the uninsured and have encouraged local innovation. The Public Private Partnership (PPP) Program was developed in 1995 when a severe county budget deficit in health services led to the closing of all county-run clinics.

The partnerships aim to reduce inappropriate use of emergency departments by establishing a medical home at a community clinic for patients who lack ongoing primary and preventive care. Providers at clinics, in turn, now can refer patients directly to specialty care providers in county hospitals. In the past, the only recourse for clinic physicians who deemed that specialty care was required was to tell their patient to go to the emergency room to wait for treatment. One participant stated that community clinics are best at providing outpatient care and the public sector at the hospital level is better at providing specialty care.

The partnerships have improved coordination and communication among providers at all levels. Participants described the partnerships as enabling the county and the community to work together rather than against each other.

### **Ensure access to primary and preventive care through a medical home.**

Participants explained that the primary goal of the PPP Program is to establish a local medical home and primary care provider for each patient. One participant cited a University of New Mexico study which showed that establishing a medical home for a patient results in a 35 percent reduction in subsequent hospital visits.

Another participant noted that the State currently does provide health care to California's 6.8 million uninsured residents, but it does so in the most inefficient way possible – through expensive emergency department visits that could be prevented through a combination of primary and preventive care. One challenge in implementing the PPP program, however, has been reconditioning the public to use clinics for primary care, rather than turning first to the emergency department.

Participants agreed that community clinics should be better incorporated into the health care delivery system. Some participants suggested that the PPP program model

be extended to carve out funds from other public hospitals to support partnerships with community clinics.

### **Empower patients to take responsibility for their health.**

Participants emphasized the need for the health care system to empower individuals to take responsibility for and control of their care management and health. In an attempt to promote health literacy and personal responsibility, the PPP program has hired community health specialists at the participating community clinics.

Community health specialists help patients navigate the health care system and help them understand their diagnosis and treatment. The goal: enabling patients to independently manage their health care. One participant stated that as a result of medical advances, chronic diseases have emerged as the leading cause of mortality – 80 percent – which makes it important for providers to enable individuals to be more responsible for their own health care.

Participants noted that frequently, noncompliant patients are noncompliant because they do not understand English. Because 65 percent of the patient population is Spanish-speaking, all community health specialists at the PPP clinics are bilingual. Community health specialists are social service professionals, rather than health care providers, because providers have learned that health-related needs of patients often are more broad than a medical professional can address. Frequently, patients have housing needs or legal issues that affect their health condition. One physician stated that health care providers are the least important part of the health care delivery system and that success is achieved when the physician is no longer needed by the patient.

Participants expressed frustration that despite the essential service that community health specialists provide, the cost of their services are not reimbursed by Medi-Cal. Instead, their positions are funded by a private foundation and the county.

### **Employ data to determine health policy.**

Participants expressed frustration at what they described as waste in the way publicly-funded health care is managed and delivered. Reimbursement rates incentivize the use of inpatient services for health needs that could be met more effectively in a lower-cost outpatient setting. The funding the county receives is driven by acute care, rather than preventive and primary care, which, if used appropriately, could reduce the demand for acute care services.

Participants mentioned a study which found that only 50 percent of people with chronic conditions receive the care they need. Participants advocated a reorientation of the health care system to better incorporate chronic care. Improved chronic care management would be especially effective in meeting the health needs of Los Angeles County residents who have high rates of chronic conditions.

One participant said the Department of Health Services should examine the characteristics of the 10 percent of Medi-Cal beneficiaries who use the most services

and incur the highest costs. The department should then focus resources on that population to promote personal health responsibility, establish a medical home and facilitate communication with providers. Participants suggested that this approach could help the State to better manage the large portion of Medi-Cal funds that go to this relatively small group of beneficiaries.

Participants also asserted that demographic trends should drive policy decisions and resource allocation, noting that aging baby boomers will increase the demand for specialty care, which could result in less access to primary and preventive care for the uninsured. Yet the State lacks an institutionalized system of forecasting future needs and shaping policy to anticipate those needs.

Providers expressed frustration that new federal citizenship requirements for Medicaid exacerbate the inefficiencies of an already wasteful system. The new requirements restrict federal spending on preventive care for undocumented immigrants, potentially increasing demand for emergency services which, by law, hospitals must provide regardless of immigration status. For example, a \$20 pneumonia vaccine for an undocumented immigrant is no longer covered by Medi-Cal, which could increase the need for \$6,000 to \$10,000 pneumonia hospitalizations. Participants noted that a variety of other services that can be provided at a community clinic for one-tenth the cost of providing the same service at a county facility, no longer will be covered by limited scope Medi-Cal for undocumented immigrants. Participants called upon health care and hospital associations to advocate for a repeal of these policies which could increase the expenses of safety net providers.

Despite the fact that the PPP partner clinics are Federally Qualified Health Centers and are mandated to provide indigent care, participants said that such care is resource intensive and reimbursements are inadequate. For example, the capitated reimbursement rates for Healthy Families dental services are unaffordable for Clínica Romero, so dental services are not provided to children enrolled in that program.

Participants discussed the importance of improving the mechanisms of the current system, but also stated that California must reorient its health care strategy to reengineering the system to accomplish specific health goals. Participants agreed that if the health care system were redesigned to focus on health outcomes, it would be drastically different from the current system.

### **Leverage technology and human resources to improve health outcomes.**

Participants cited technology and staffing deficiencies as primary barriers to efficient health care delivery. The intensive care unit at the LAC + USC Medical Center frequently has beds on hold because it lacks nurses. Some participants suggested improved incentives for medical professionals who work in public hospitals, such as school loan forgiveness or reductions and opportunities for nurses to advance in their profession while continuing to provide care. Instead, nurses who seek advancement currently must leave patient care for administrative positions.

Antiquated information technology systems also obstruct efficient health care delivery. During the tour, providers said that new doctors are increasingly more comfortable

with computers than were their predecessors, and often prefer to use a computer than a pen; provider resistance to technology is no longer a barrier. Participants said state leadership is needed to ensure that hospitals have the necessary technological capacity.

Meeting participants described a Web-based health records program currently being implemented in Los Angeles County. The program is being phased in first for skid row residents who often have complex medical needs and multiple medical and social service providers. Participants stated that the program will allow patient records to be accessed and updated by all providers, improving coordination and communication among primary care, specialty care and social service providers. Most medical errors occur during handoffs between providers, one participant said, and this system will mitigate those challenges. This system also will allow multiple case managers for a single individual to have access to comprehensive records for that individual, which could reduce redundancies. And patients can access their medical records online.

**PARTICIPANTS**  
**Health Care Advisory Panel Meeting**  
**Tuesday, October 17, 2006, 1 p.m. to 4 p.m.**  
**LAC + USC Medical Center, Room 1729**

Teri Boughton, Chief Consultant  
California State Assembly Committee  
on Health

Pete Delgado, Chief Executive Officer  
LAC + USC Medical Center

Dr. Grace Floutsis, Medical Director  
Clínica Romero

Dr. Paul Giboney  
Associate Medical Director  
Clínica Msr. Oscar A. Romero  
Community Health Center

Sharon Grigsby  
Acting Chief Network Officer  
Los Angeles County Department of  
Health Services

Melissa Stafford Jones  
President and Chief Executive Officer  
California Association of Public  
Hospitals

Dr. Alan M. Kurz  
Medical Director  
Los Angeles County Department of  
Public Health

Agnes Lee  
Principal Consultant on Health  
Senate Office of Research

Allen Miller  
President and Chief Executive Officer  
COPE Health Solutions

Mary O'Dell, President  
UniHealth Foundation

Hanh Kim Quach  
Health Care Policy Coordinator  
Health Access

Nicole Ramos, Manager  
Camino de Salud Networks  
COPE Health Solutions

Dr. Michael Gregory Roybal  
Medical Director, Ambulatory Services  
LAC + USC Medical Center

Tim Smith, Policy Analyst  
Governmental Relations  
L.A. Care Health Plan

Deborah Villar  
Director of Public Affairs  
Clínica Msr. Oscar A. Romero  
Community Health Center

Deborah Ward, Vice President  
Governmental Affairs  
Community Clinic Association of Los  
Angeles