

Background Information
Los Angeles County (LAC) Department of Health Services (DHS)

Legal Structure, Governance, and Mission

Ownership: Los Angeles County, CA

Governance: Government, Los Angeles County Board of Supervisors

Governance Change: None, but LA County has conducted or been the subject of a substantial number of studies of health system governance. For example, a 2004-2005 Los Angeles County Civil Grand Jury report provided in-depth analysis on creating a hospital authority to replace DHS.

DHS Executive Team:

- Mitchell H. Katz, M.D., Director
- John F. Schunhoff, Ph.D., Chief Deputy Director
- Vivian C. Branchick, RN, MS, Chief Nursing Officer & Director of Nursing Affairs
- Cheri Todoroff, MPH, Deputy Director, Planning & Program Oversight
- Nina Park, M.D, Interim Chief Medical Officer, Division of Ambulatory/Managed Care
- Kevin Lynch, MS, Chief Information Officer
- Gregory Polk, MPA, Administrative Deputy

Mission:

- Ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners. DHS has an annual budget of \$4 billion and about 20,000 employees.
- The Los Angeles County Department of Health Services (DHS) is the second largest public health system in the nation. DHS serves the healthcare needs of nearly 10 million residents. DHS provides acute and rehabilitative patient care, trains physicians and other health care clinicians, and conducts patient care-related research.
- DHS also operates the Los Angeles County's Emergency Medical Services Agency and is responsible for planning, monitoring, and evaluating the local EMS system. L.A. County's EMS agency is the largest multi-jurisdictional EMS system in the country with more than 18,000 certified EMS personnel employed by fire departments, law enforcement, ambulance companies, hospitals, and private organizations to provide lifesaving services 24/7.

Beds: In FY 2010-11, DHS has a total of 1,469 budgeted beds.

Employees: In FY 2010-11, DHS has 20,248 in budgeted positions in areas such as research, clinical care, human resources, information technology, finance, and more. As of February 2011, the number of Full-Time Equivalents (FTEs) in DHS is 17,423.

Sunshine and Sovereign Immunity: *Dr. Schunhoff to address*

Hospital or Health System: Health System

- Four hospitals: LAC+USC Healthcare Network, Harbor-UCLA Medical Center, VallyCare Olive View-UCLA Medical Center, and Rancho Los Amigos National Rehabilitation Center.
- Two multi-service ambulatory care centers - High Desert Health System and Martin Luther King, Jr.
- Six comprehensive health centers, multiple health centers throughout the Los Angeles County, many in partnership with private, community-based providers, and numerous health clinics.

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Board, Selection, and Autonomy: *Dr. Schunhoff to address*

Financial Relationship with County/City:

- DHS is 100% owned/operated by the County of Los Angeles
- Over \$640 million was budgeted as General Fund operating subsidies for the Hospital Enterprise Funds in the adopted FY 2010-11 County budget.

Budget Approval: Los Angeles County Board of Supervisors

Assets: County owns facilities.

Teaching Hospital: Yes.

- University of Southern California School of Medicine
- UCLA School of Medicine
- Charles R. Drew University of Medicine and Science

Independence: *Dr. Schunhoff to address*

- Labor Contracts and Compensation: ?
- Contracting Authority for Goods and Services: ?

Medical Staff: *Dr. Schunhoff to address*

- Staffing: ?
- Physicians' compensation for indigent care: ?
- Physicians' compensation for teaching: ?

Unions: *Dr. Schunhoff to address*

Unfunded Care: DHS serves as the major provider of healthcare for the more than two million county residents without health insurance and provides the majority of all uncompensated medical care in the county.

Federal *	38.9%
State **	22.2%
County ***	38.9%
Total	100.0%

Payor Mix

Patient Mix	Hospitals - Inpatient	Hospitals - Outpatient	Multi-service Ambulatory Care Centers	Comprehensive & Community Health Centers
Medi-Cal	43.1%	23.9%	20.5%	10.9%
Uninsured	41.4%	49.0%	62.6%	73.7%
Medicare	8.2%	8.8%	6.0%	2.9%
Other Third Party	6.3%	10.5%	7.2%	3.9%
Other Payor	1.0%	7.8%	3.7%	8.6%
Total	100.0%	100.0%	100.0%	100.0%

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Revenues

FY 2011 Budget:

- The adopted FY 2010-11 budget included \$640 million as an “Operating Subsidy – General Fund” for the Hospital Enterprise Funds.
- At the time the Los Angeles County Board of Supervisors adopted the Department of Health Services' (DHS) FY 2010-11 Final Budget on September 28, 2010, the budget included an unsolved deficit of \$253.3 million.
- Based on the latest DHS Fiscal Outlook update presented to the Board of Supervisors on March 29, 2011, the current FY 2010-11 estimated shortfall is now \$68.8 million.
- The majority of the funding solutions come from various elements of the new Waiver.
- DHS continues to work with the County Chief Executive Office to resolve the remaining deficit for FY 2010-11.

LA County Reports on Health System Governance

- LA County has conducted or been the subject of a substantial number of studies of health system governance. For example, a 2004-2005 Los Angeles County Civil Grand Jury report provided in-depth analysis of creating a hospital authority.
- The below list of reports was extracted from the DHS Office of Planning and Analysis webpage. It is available online by following the “DHS Governance Reports” link on the webpage, <http://www.ladhs.org/wps/portal/Planning>.

Office of Planning and Analysis - DHS Governance Reports

- [Los Angeles County Civil Grand Jury 2004-2005 Final Report: Health Authority Subcommittee findings pp. 43-165](#)
- [LAC Chief Administrative Office Health Authority Blue Print: Additional Information -- 6/28/05](#)
- [LAC Chief Administrative Office Health Authority Blue Print: Preliminary Report -- 4/18/05](#)
- [Hospital Association of Southern California: Health Care Authority Brief -- 6/6/03](#)
- [USC: Analysis of Alternate Governance for LAC Department of Health Services -- May 2003](#)
- [LAC Ad Hoc Hearing Body on Governance: Final Report -- 2/5/02](#)
- [LAC Chief Administrative Office: Action Plan for Conversion to Alternative Governance Models -- 2/1/02](#)
- [LAC Chief Administrative Office: Governance of the Department of Health Service -- 8/29/01](#)
- [LAC Health Crisis Manager: Governance of the Department of Health Services -- 12/12/95](#)

Other Public Health Governance Reports

- [Hennepin County Medical Center Governance Transition Committee Reports](#)
- [National Association of Public Hospital Safety Net Hospitals: Governance - Issue Brief -- Sept. 2003](#)
- [American College of Healthcare Executives: Governance Change for Public Hospitals--1999](#)