

8101

September 26, 2002

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:

APPROVAL OF REPORT FOR THE MEDICAID DEMONSTRATION PROJECT
(All Districts) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve the attached Fourth Quarter Report (“Report”) for Fiscal Year (“FY”) 2001-02 for the Medicaid Demonstration Project, and authorize the Director of Health Services, or his designee, to submit the Report to the State Department of Health Services for transmittal to the Centers for Medicare and Medicaid Services.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The recommended action requests that the Board approve and instruct the Director of Health Services to submit the Fourth Quarter Report for FY 2001-02 to the State Department of Health Services (“SDHS” or “State”) for transmittal to the Centers for Medicare and Medicaid Services (“CMS”).

The Department of Health Services (“DHS” or “Department”) is required to submit reports on a quarterly and annual basis to the State and CMS describing the progress made by the Department in meeting the goals of the Medicaid Demonstration Project (“1115 Waiver,” “Demonstration Project,” or “Project”).

FISCAL IMPACT/FINANCING:

None of the Report documents have a fiscal or financing impact.

The Honorable Board of Supervisors
September 26, 2002
Page 2

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The County is required to submit reports to the State and CMS on a quarterly and annual basis on the progress of the Department in meeting the goals and requirements under the Demonstration Project. On December 8, 1998, the Board instructed the Department to submit progress reports to the Board prior to submission to the State and CMS.

The Report covers the period April 1, 2002 through June 30, 2002. The Report focuses on the major highlights in the critical areas of ambulatory care visits, Federally Qualified Health Centers, Simplified Reduced-Cost Programs, outreach and enrollment, Medi-Cal enrollments, Clinical Resource Management, the Workforce Development Program and Patient Assessment Survey, as well as information on referral center workload. Information in the Report has been validated by DHS' Inspection and Audit Division.

It should be noted that the DHS ambulatory care visit numbers reported in the Report are subject to annual validation by the County's Auditor-Controller.

CONTRACTING PROCESS:

The contracting process is not applicable to the Report.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

None of the Report documents has an impact on current services or projects.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,

Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:lm

Attachments

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

BLCD2209:LM

Los Angeles County Department of Health Services



FOURTH QUARTER REPORT Fiscal Year 2001-02

Medicaid Demonstration Project For Los Angeles County

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES

MEDICAID DEMONSTRATION PROJECT

Fiscal Year 2001-02 Fourth Quarter Report

TABLE OF CONTENTS

<u>SECTION</u>		<u>PAGE NUMBER</u>
EXECUTIVE SUMMARY		ii - iv
Fiscal Year 2001-02 Fourth Quarter Report		1 - 21
<u>ATTACHMENT NUMBER</u>	<u>TITLE</u>	
Attachment IA	DHS Operated Sites Ambulatory Care Visits by Month	22
Attachment IB	PPP/GR Sites Ambulatory Care Visits by Month	23
Attachment IC	DMH Ambulatory Care Outpatient Visits by Quarter	24
Attachment II	Summary of Patient Complaints	25
Attachment III	Referral Centers Workload Summary	26
Attachment IV	Trends with Medi-Cal Eligibles	27
Attachment V	Reported MEDS by Month of Eligibility	28

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES

MEDICAID DEMONSTRATION PROJECT

**Progress Status Report
Fiscal Year 2001-02 Fourth Quarter**

* * * * *

EXECUTIVE SUMMARY

This report summarizes activities and the program status of required deliverables under the five-year extension of the Medicaid Demonstration Project for Fiscal Year (FY) 2001-02. A Milestones Matrix for the Fourth Quarter of FY 2001-02 is also included. Information on patient complaint data and referral center workload are included as attachments.

Major highlights for the Fourth Quarter of FY 2001-02 include:

Ambulatory Care Visits

- The Department of Health Services (DHS) ambulatory care visits through May 2002, as of July 30, 2002, were reported at 2,157,547.
- Public/Private Partnership-General Relief (PPP/GR) ambulatory care visits through February 2002, as of July 30, 2002, were reported at 475,591.
- The Department of Mental Health (DMH) ambulatory care visits through May 2002, as of June 26, 2002, were reported at 664,348 for DMH operated sites and 1,771,281 for DMH contracted sites; for a total of 2,435,629 visits.
- By the April 2, 2002 due date, a total of 122 proposals were received in response to a Request-For-Proposals (RFP) to provide Primary Care and Dental services beginning FY 2002-03.

Federally Qualified Health Centers (FQHC)

- The Request-For-Proposals (RFP) to identify consultants to assist in the preparation of DHS and PPP application for FQHC and/or FQHC look-alike status was released on November 26, 2001. By the December 16, 2001 due date, a total of six proposals were received in response to the RFP. Contracts resulting from this process were approved at the April 30, 2002 Board of Supervisors' meeting.

Simplified Reduced-Cost Programs (ORSA)

- DHS Revenue Management continued to train an additional forty-seven (47) employees to assist with the implementation of the ORSA Plan.

Outreach and Enrollment

- Sixty-two (62) County employees received training on registration/financial screening and five (5) employees received Overview of Healthcare Programs training.

Medi-Cal Enrollments

- Based on the July 1, 2002 MEDS report for the June 2002 Month of Eligibility, the County reported 1,315,753 Certified Eligibles, exceeding the FY 2001-02 goal of enrolling 997,500 Medi-Cal eligibles by 318,253.

Clinic Resource Management (CRM)

- In June 2002, Olive-View Medical Center implemented the Congestive Heart Failure and Community Acquired Pneumonia, Appendectomy with and without Rupture, Post-Partum Vaginal, and Cesarean Section inpatient clinical pathways and Martin Luther King/Drew Medical Center implemented the Post-Partum Vaginal, and Cesarean Section inpatient clinical pathways.

Workforce Development Program (WDP)

- Five additional nurses completed Glendale Community College's 16-week Hemodialysis Program that began on January 22, 2002.
- One hundred seventy-nine (179) employees with patient contact, including those in allied health, nursing, and patient financial screening services, completed a 2-day workshop in effective communications.
- Ten Licensed Vocation Nurses began a 39-hour Intravenous (IV) Certification program offered by St. Francis Career College.
- In May 2002, the Memorandum of Understanding defining roles and responsibilities between County DHS and the Department of Community and Senior Services was finalized and signed.
- On June 11, 2002, the Board of Supervisors approved an appropriation adjustment in the amount of \$2,529,000 in Workforce Investment Act funds for WDP for FY 2001-02; approved 22 positions to implement the training workplan; and approved an agreement with the Worker Education and Resource Center, Inc., to plan, design, and implement the WDP.

Patient Assessment Survey (PAS)

- On June 18, 2002, the Centers for Medicare and Medicaid Services approved the description of the methodology and study domains for the PAS, and the revised adult and pediatric patient assessment survey instruments.
- Patient interviews began on February 25, 2002. As of June 29, 2002, a total of 1,582 full interviews have been conducted.

Included in this report are the following attachments:

Attachment IA reflects the total reported number of ambulatory care visits by month at DHS operated sites.

Attachment IB reflects the total reported number of ambulatory care visits by month at Public/Private Partnerships-General Relief contracted sites.

Attachment IC reflects the total reported number of ambulatory care outpatient visits by quarter at Department of Mental Health sites.

Attachment II is a summary of patient complaints reported at DHS facilities during the Fourth Quarter of FY 2001-02.

Attachment III is a summary of referrals received by the DHS Referral Centers for the First, Second, Third, and Fourth Quarters of FY 2001-02.

Attachment IV provides information on the number of Los Angeles County certified Medi-Cal eligibles and the trends for meeting the 997,500 target of Medi-Cal eligibles by June 2002.

Attachment V reflects the changes in certified Medi-Cal eligibles as reported by the Medi-Cal Eligibility Data System (MEDS) for the period of July 2001 through June 2002.

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
Ambulatory Care Visits	<p>The County must provide a minimum of 3 million outpatient visits annually during the Waiver Extension, State Fiscal Years (SFY) 2000-01 through 2004-05. Outpatient visits shall be provided through County Comprehensive Health Centers (CHCs), County Department of Health Services (DHS) Health Centers (HCs), public mental</p>	<p>Maintain a minimum of 2.3 million outpatient visits annually by County clinics throughout each of the years of the Waiver Extension, SFYs 2000-01 through 2004-05.</p>	<p>The Office of Ambulatory Care (OAC) continued to work with DHS facilities to ensure that the outpatient visit target is 100% met.</p>	<p>Ambulatory Care Visits during the fourth quarter of FY 2001-02 are reported as follows:</p> <p>DHS Operated Sites: 408,040*</p> <p>YTD Total: 2,157,547</p>
	<p>health clinics operated by the County Department of Mental Health (DMH), hospital-based clinics operated as outpatient departments of County hospitals, and private clinics that provide health services to the indigent (including General Relief recipients) under Public/Private Partnership (PPP) agreements with County DHS or County DMH.</p>			

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
		<p>At least 700,000 of the 3 million outpatient visits provided annually shall be provided through private providers under PPP agreements with County DHS or County DMH.</p>	<p>OAC continued to work with PPP sites to ensure that the outpatient visit target is 100% met.</p> <p>OAC prepared the amendments to existing PPP contracts and some new PPP contracts resulting from an October 2000 Request-For-Proposals (RFP) that allocated an additional \$2 million to PPP providers for Fiscal Year (FY) 2001-02. All of the amendments and new contracts were executed by January 2002.</p> <p>OAC continued to prepare an RFP to provide PPP Primary Care and Dental services beginning FY 2002-03, with one automatic renewal term. The RFP was released on February 13, 2002, with a response due date of April 2, 2002. The bidder's conference was held on February 25, 2002. A total of 122 proposals were received by the April 2nd due date. Proposals are currently being reviewed. All of the existing contracts will be extended on a month-to-month basis until the RFP process can be completed.</p>	<p>*DHS data for the fourth quarter was obtained from the Workload Status Report through May 2002, as of July 30, 2002.</p> <p>PPP/GR Contracted Sites: -0- ** YTD Total: 475,591**</p> <p>**PPP/GR data for the fourth quarter was obtained from the Workload Status Report through February 2002, as of July 30, 2002.</p> <p>DMH Operated Sites: 128,872*** DMH Contracted Sites: 354,418*** YTD Total: 2,435,629***</p> <p>***DMH data was obtained from the Los Angeles County DMH, Planning Division (PD) through May 2002, as of June 26, 2002. An analysis performed by DMH-PD, discrepancies were found and corrected; the number of DMH visits were revised to reflect actual visits from July 2001 through May 2002.</p>

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
<p>Ambulatory Care Visits (Continued)</p>			<p>An All Partners meeting was held on April 19, 2002.</p> <p>OAC and General Relief (GR) providers formed a workgroup to deal with specific GR-related issues. The workgroup met on April 23, 2002 and May 22, 2002.</p> <p>OAC anticipates that the RFP to provide GR services will be released in September 2002, with the process to be completed by March 2003.</p> <p>OAC formed a provider finance workgroup to deal with billing and payment issues that providers are currently experiencing. The workgroup met on April 1, 2002.</p> <p>OAC formed a Medi-Cal Enrollment workgroup that held its first meeting on May 28, 2002.</p>	

(Verified by DHS Inspection and Audit Division 09/10/02)

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
Federally Qualified Health Centers (FQHC)	<p>The County must use its best effort to secure FQHC status for each County DHS Health Center, Comprehensive Health Center (CHC), hospital outpatient department, and for each County DHS PPP site contracting with the County.</p>	<p>By January 1, 2001, the County must assess the potential eligibility for FQHC status of each County health facility, and each contracted County PPP site, and must submit a work plan on how to proceed with the FQHC application process for those entities that are potentially eligible for FQHC status. The work plan must include specific timelines, milestones, and approaches to addressing major issues that may create a barrier to eligibility for FQHC status. The work plan must provide that the application process be complete no later than December 1, 2002, and that the County seeks a federal decision on all applications for FQHC status by June 30, 2003.</p>	<p>The Office of Ambulatory Care (OAC) continued to work with PPP sites to submit FQHC applications.</p> <p>OAC continued to work with County DHS representatives, the Chief Administrative Office, County Counsel, and others to plan and execute a strategy for a single DHS application.</p>	<p>The FQHC assessment report and work plan were submitted to the State DHS by the January 1, 2001 due date.</p>

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
		<p>By January 1, 2001, the County must begin preparing and by April 1, 2001, the County must begin submitting applications for FQHC status for those County DHS operated sites that are in federally designated areas and that meet all other eligibility requirements for FQHC status.</p>	<p>OAC continued to work with County Counsel to prepare an RFP to identify consultants to assist in the preparation of DHS and PPP applications for FQHC and/or FQHC look-alike status. The RFP was released on November 26, 2001. By the December 16, 2001 due date, a total of six proposals were received in response to the RFP. <u>Contracts resulting from this process</u> were approved at the April 30, 2002 Board of Supervisors' meeting. After Board of Supervisors' approval, one of the providers chose not to participate.</p>	

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
<p>FQHCs (Continued)</p>		<p>The County must direct its PPP contractors to begin submitting applications for FQHC status by April 1, 2001, for those County DHS PPP sites that are in federally designated areas and that meet all other eligibility requirements for FQHC status.</p>	<p>An FQHC application continued to be prepared for Westside Neighborhood Clinic, Community Health Alliance of Pasadena (CHAP), and Westside Family Health Center. The 330 application for CHAP continued to be reviewed and revised for resubmission to the Centers for Medicare and Medicaid Services (CMS) by September 2002.</p>	<p>FQHC look-alike status was granted to Queens Care/Franciscan Clinics.</p> <p>On March 1, 2002, an FQHC look-alike application was prepared and submitted for South Bay Family Healthcare Center.</p>

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
Cost-Based Reimbursement Clinics (CBRC)	Secure a State Plan Amendment to obtain cost-based reimbursement for County DHS and PPP ambulatory care sites.	By September 30, 2000, submit to the Centers for Medicare and Medicaid Services (CMS) a State Plan Amendment.		The State DHS finalized the State Plan Amendment and forwarded it to CMS by the September 30, 2000 due date.

(Verified by DHS Inspection and Audit Division 09/10/02)

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
<p>Simplified Reduced-Cost Programs</p>	<p>Simplify the financial screening program for determining whether individuals are eligible to receive services available at County DHS operated outpatient facilities at reduced or no charge (Outpatient Reduced-Cost Simplified Application [ORSA] Plan).</p>	<p>By December 1, 2000, the County will have finalized plans for a Simplified Financial Screening Program.</p> <p>The County must commence the hiring of twenty-two (22) new staff and conduct training to implement the ORSA Plan no later than 90 days after CMS' approval of the ORSA Plan.</p>	<p>Training needs were regularly assessed and ORSA training continues to be offered on an as needed basis.</p> <p>During FY 2001-02, DHS Revenue Management trained an additional forty-seven (47) employees.</p>	<p>The Simplified Financial Screening Program Plan was approved by the Los Angeles County Board of Supervisors and submitted to the State DHS by the December 1, 2000 implementation target date. The State DHS forwarded the completed plan to CMS.</p> <p>The County met and exceeded this goal. By March 2001, DHS Revenue Management and the facilities hired forty-five (45) new staff and conducted training to implement the ORSA Plan.</p>

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
		<p>The County must implement the ORSA Plan at County DHS Health Centers, CHCs, and hospital outpatient departments 120 days after CMS' approval of the ORSA Plan.</p>		<p>The County met this goal. By March 1, 2001, the ORSA Plan was implemented.</p>
<p>Outreach and Enrollment</p>	<p>Implement a comprehensive process to offer every child and adult who receives services through the Project Delivery System the opportunity to apply for Medi-Cal, Healthy Families, Kaiser Kids, or other health coverage for which they may be eligible.</p>	<p>By January 1, 2001, the County will have assessed potential workload for eligibility screening workers at each County DHS service site and each County PPP site.</p> <p>By July 1, 2001, station eligibility or other financial screening workers at those County DHS service sites and County PPP sites that meet the threshold of minimum workload for such workers.</p>	<p>Training needs were regularly assessed and training continues to be offered on an as needed basis.</p> <p>During the fourth quarter of FY 2001-02, sixty-two (62) employees received registration/financial screening training and five (5) employees received</p>	<p>The workload assessment was completed by the January 1, 2001 due date.</p> <p>Los Angeles County Department of Public Social Services (DPSS) completed the workload assessment at all PPP sites and placed staff accordingly by the July 1, 2001 due date.</p>

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
	<p>Increase the number of individuals in Los Angeles County certified as eligible for Medi-Cal benefits.</p>	<p>Total Certified Eligible Target for FY 2000-01 is 950,000.</p> <p>(Excludes individuals receiving benefits under the CalWORKS program and Medi-Cal long-term care).</p> <p>Total Certified Eligible Target for FY 2001-02 is 997,500.</p> <p>(Excludes individuals receiving benefits under the CalWORKS program and Medi-Cal long-term care).</p>	<p>In March 2002, DHS Revenue Management conducted thirty-four (34) facility site visits to observe the Financial Screening Process.</p> <p>Sixteen (16) community-based contractors continued to work in specific areas of Los Angeles County providing outreach, enrollment and retention activities. All staff associated with these services ensure that eligible individuals are provided with enrollment assistance into Medi-Cal, Healthy Families, or other appropriate health care coverage programs. Since September 4, 2001, this project resulted in 20,311 submitted applications for Medi-Cal, Healthy Families, California Kids, Access for Infants and Mothers (AIM) and Kaiser Care for Kids Programs; and 27,364 referrals to other health programs for services (i.e. CHDP, PPP/ATP and CCS).</p>	<p>Los Angeles County met and exceeded the required Medi-Cal Certified Eligible target of 950,000 for FY 2000-01. Based on the December 2001 MEDS report, the number of Certified Eligibles reported for the June 2001 Month of Eligibility was 1,108,367, exceeding the target by 158,367.</p> <p>Los Angeles County met and exceeded the required Medi-Cal Certified Eligible target of 997,500 for FY 2001-02. Based on the July 1, 2002 MEDS report, the number of Certified Eligibles reported for the June 2002 Month of Eligibility was 1,315,753, exceeding the target for FY 2001-02 by 318,253.</p>

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
Outreach and Enrollment (Continued)			<p>During the fourth quarter of FY 2001-02, fifteen (15) primary contractors were monitored for verification of reportable deliverables and adherence to all administrative criteria.</p> <p>DHS continues to work with the two new community-based organizations that were identified during the second quarter of FY 2001-02, to conduct a countywide health consumer assistance programs by resolving barriers related to enrolling in or maintaining benefits in Medi-Cal, Healthy Families, and other low-cost or no-cost health care programs.</p> <p>DHS continues to work on the development of a web-based tracking and reporting system to analyze project-wide performance and provide contractors a more reliable method to follow-up with clients.</p>	

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
	<p>Implement through a pilot project a simplified process to redetermine eligibility to ongoing Medi-Cal benefits in an effort to encourage increased retention.</p>	<p>Through a pilot project to commence on July 1, 2001, the Los Angeles County Department of Public Social Services (DPSS) must implement a redesigned Medi-Cal Redetermination form (MC 210) designed to simplify the reapplication process.</p>		<p>County DPSS met the July 1, 2001 target date to implement a pilot project for the new Simplified Redetermination Process for all applicable Medi-Cal approved participants.</p>

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
Outreach and Enrollment (Continued)		<p>The County will contract for an independent evaluation and audit of this pilot project. The results of the evaluation and audit shall be available to CMS within six months after completion of the first twelve months of the pilot project. The redetermination simplification pilot project will continue during the independent evaluation and audit until it is jointly determined by the State and CMS to discontinue this pilot project.</p>	<p>The scope of work for the independent audit is still under development. County DPSS is currently identifying potential contractors to complete the required audit for the Simplified Redetermination Process pilot project within the specified timeframe and funding constraints.</p>	

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
Clinical Resource Management (CRM)	During the Waiver Extension, the County must implement CRM practices, which will consist of inpatient clinical pathways and disease management programs.	By July 1, 2001, the County must develop and submit to the State DHS for approval the methodology for determining baseline inpatient hospital services data for the inpatient clinical pathways component of the CRM initiative.	Methodology verification was obtained through extensive chart reviews utilizing all DHS hospitals. The State reviewed the methodology and provided DHS with additional written questions on December 24, 2001. DHS submitted a written response to the State's questions on the methodology on January 14, 2002.	On June 18, 2001, the methodology was submitted to the State DHS. The State approved the methodology on December 13, 2001.

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
		<p>By July 1, 2001, the County must begin implementation of inpatient clinical pathways.</p>	<p>The following indicates CRM staff's continued progress towards the implementation of inpatient clinical pathways:</p> <ul style="list-style-type: none"> ■ Developed master training materials for use at all facilities in training their staff on the use of pathway forms. ■ Pre-printed pathway packets were distributed to all facilities. ■ Developed pathway specific reference manuals for patient care delivery areas on how to use and complete the pathway forms. ■ Initiated development of additional components for the Congestive Heart Failure, Community Acquired Pneumonia and Appendectomy pathways to include the Emergency Department. ■ Created Volume II of the CRM update newsletter for DHS hospital employees. ■ Initiated the development of a Labor Induction pathway component. 	<p>Implementation of the inpatient clinical pathways began by the July 1, 2001 due date.</p> <p>By March 2001, LAC+USC Healthcare Network implemented the Congestive Heart Failure, Post-Partum Vaginal, and Cesarean Section inpatient clinical pathways.</p> <p>In October 2001, LAC+USC Healthcare Network implemented the Community Acquired Pneumonia inpatient clinical pathway.</p> <p>In December 2001, Martin Luther King/Drew Medical Center (KDMC) implemented the Congestive Heart Failure, Community Acquired Pneumonia, and Appendectomy with and without Rupture inpatient clinical pathways and High Desert Hospital implemented the Community Acquired Pneumonia, Congestive Heart Failure, and Appendectomy with and without Rupture inpatient clinical pathways.</p>

(Verified by DHS Inspection and Audit Division 09/10/02)

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
<p>CRM (Continued)</p>			<ul style="list-style-type: none"> ■ Developing a data collection tool for pathways. ¾ Initiated the development of a Pediatric Appendectomy pathway component. ½ Point-of-care printing for pathways is in development and the beta testing phase. ■ Affinity order sets are being developed for inpatient clinical pathways. <p>As of September 2001, it was confirmed that fax copies of the Physician Orders for medications on the Inpatient Clinical Pathways to the Pharmacy are acceptable by the State Board of Pharmacy. Facsimile machines were installed in all applicable patient care areas.</p> <p>Clinical pathways implementation remains on track. The evaluation process for current pathways is being developed.</p>	<p>In January 2002, Harbor-UCLA Medical Center implemented the Post-Partum Vaginal, and Cesarean Section inpatient clinical pathways.</p> <p>In February 2002, Rancho Los Amigos National Rehabilitation Center implemented the Congestive Heart Failure and Community Acquired Pneumonia inpatient clinical pathways.</p> <p>In June 2002, Olive View-UCLA Medical Center implemented the Congestive Heart Failure and Community Acquired Pneumonia, Appendectomy with and without Rupture, Post-Partum Vaginal, and Cesarean Section inpatient clinical pathways and KDMC implemented the Post-Partum Vaginal, and Cesarean Section inpatient clinical pathways.</p>

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
<p>CRM (Continued)</p>		<p>By July 1, 2002, the County must begin implementation of disease management programs.</p> <p>By June 30, 2003, the County must have completed implementation of at least six (6) inpatient clinical pathways.</p> <p>During SFY 2003-04, it is intended that the County will achieve inpatient savings of \$3 million resulting from the implementation of CRM practices.</p>		<p>Implementation of the disease management programs was met by the July 1, 2002 due date.</p> <p>The Clinical Disease Management Pediatric Asthma Program is functioning at the LAC+USC Healthcare Network facility including over sixty (60) sites in all DHS clusters. This program was the first Disease Management program in the nation to be accredited by the Joint Commission on Accreditation of Healthcare Organizations.</p>

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
		<p>During SFY 2004-05, it is intended that the County will achieve inpatient savings of \$6 million resulting from the implementation of CRM practices.</p>		
<p>Itemized Data Collection/ Health Insurance Portability and Accountability Act of 1996 (IDC/HIPAA)</p>	<p>The County will implement a standardized County DHS, Department-Wide Charge Description Master (DWCDM), except with respect to pharmacy and central services and supplies provided on an inpatient basis.</p>	<p>By July 1, 2001, the County will have implemented a standardized DWCDM, excluding pharmacy and central services and supplies.</p>	<p>The Charge Description Master Maintenance Committee (CDMMC) continued to convene meetings to address items in the Open Issues log and has resolved some items. The outstanding items are being prioritized. Additionally, the Department-Wide Charge Description Master is being updated for CPT 2001 codes.</p>	<p>County DHS met its obligation to implement a standardized DWCDM, excluding pharmacy and central services and supplies. Effective July 1, 2001, all clusters began using standardized charge codes.</p>

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
		<p>By December 31, 2001, the County will implement the facility-based Outpatient IDC at County DHS facilities, including collection of International Classification Diseases and HCFA Common Procedure Coding System (HCPCS)/Current Procedural Terminology (CPT) codes.</p>	<p>Clusters are updating encounter forms to accommodate the capturing of additional provider information.</p> <p>Currently, Southwest and ValleyCare Clusters are addressing significant encounter form processing backlogs.</p> <p>Clusters continued to refine their IDC processes. The various types of encounter forms continue to be revised and/or refined as issues are identified at the various facilities.</p> <p>County staff met with State contracted auditors regarding IDC. Currently, auditors are focusing on accounting matters and not itemized data collection.</p>	<p>County DHS met its obligation to implement the facility-based Outpatient IDC at County DHS hospitals, CHCs, and HCs, including the collection of International Classification Diseases and HCPCS/CPT coding, by the December 31, 2001 target implementation date.</p>

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
IDC/HIPAA (Continued)	The County must update and convert its coding systems for claiming for Medi-Cal services to conform with all HIPAA requirements, concurrent with the State's compliance with HIPAA and consistent with the standards required of all other Medi-Cal providers.		<p>DHS selected a consultant to conduct a Current State Assessment of all operations/systems at each DHS facility. The assessments are being conducted to develop a HIPAA gap analysis and provide recommendations.</p> <p><u>Project Schedule:</u></p> <p>All three assessments and gap analysis are occurring simultaneously. As of June 2002, the HIPAA consultant has completed the following:</p> <p align="center"><u>Personal Health:</u></p> <p>TCI: 100% Current State Assessment* 99% Gap Analysis 99% Recommendations</p> <p>*The Personal Health assessment was completed on October 1, 2001.</p> <p align="center"><u>Public Health:</u></p> <p>TCI: 91% Current State Assessment 91% Gap Analysis 91% Recommendations</p> <p align="center"><u>Office of Managed Care (OMC):</u></p> <p>TCI: 92% Current State Assessment 92% Gap Analysis 92% Recommendations</p>	

(Verified by DHS Inspection and Audit Division 09/10/02)

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
IDC/HIPAA (Continued)			<p>The Transactions, Code Sets, and Identifiers (TCI) team continued to work on Data Mapping for Personal Health and should be completed by July, 2002.</p> <p>DHS expanded the scope of the original work plan to include Public Health and the Office of Managed Care. This additional work is projected to be completed by July 2002.</p> <p>DHS is working with County Counsel regarding the substantial impact of HIPAA on provider and other contracts.</p>	

(Verified by DHS Inspection and Audit Division 09/10/02)

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
		<p>The targeted savings for the Austerity Program for State Fiscal Year 2000-01 are \$21.2 million.</p>		<p>Austerity Program savings exceeded the target for FY 2000-01. Total savings were \$47.7 million, exceeding the target of \$21.2 million by \$26.5 million.</p>

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
		<p>The targeted savings for the Austerity Program for State Fiscal Year 2001-02 are \$11.7 million.</p>		<p>Based on year-to-date actuals through April 2002, it is estimated that the County DHS will have cumulative savings of \$29.7 million from FY 2000-01 through FY 2001-02, exceeding the target of \$11.7 million by \$18.0 million.</p>

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
Workforce Development Program (WDP)	The County must develop and implement a plan for workers retraining.	By December 31, 2000, the County will submit to State DHS a work plan to address worker training and restructuring activities in the County's health care system.	During the fourth quarter of FY 2001-02, training in the following areas continued: <ul style="list-style-type: none"> ■ The two 18-month medical records coding classes that began in September 2001 remain ongoing at East Los Angeles College. ■ Five additional nurses completed Glendale Community College's 16-week Hemodialysis Program that began on January 22, 2002. ■ One hundred seventy-nine (179) employees with patient contact, including those in allied health, nursing, and patient financial screening services, completed a 2-day workshop in effective communications. ■ Ten Licensed Vocational Nurses began a 39-hour Intravenous (IV) Certification program offered by St. Francis Career College, enabling them to comply with State requirements. 	The Workplan was submitted to the State DHS by the December 31, 2000 due date. The revised Workplan was approved by the County's Board of Supervisors on September 25, 2001 and submitted to the State DHS on September 27, 2001.

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
		Commencing December 1, 2001, the County must provide State DHS with annual reports concerning the Workforce Development Program, which includes timetables, benchmarks goals, and planned activities based on updated information from its labor market analysis (as updated) regarding the training needs within the County DHS, as well as how the program may be adjusted to meet the changing needs.		The County met its obligation to submit an annual report concerning the WDP for the period of July 1, 2000 through June 30, 2001 to the State DHS by the December 1, 2001 due date.

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
WDP (Continued)		<p>During the Waiver Extension, the County must make at least \$13.3 million available to fund workforce training needs as identified in the final work plan.</p>	<p>On July 3, 2001, the County Board of Supervisors approved the County's Budget for FY 2001-02 which included an allocation of \$2.5 million in Workforce Investment Act (WIA) Dislocated Worker funds from County's Department of Community and Senior Services (DCSS) FY 2001-02 budget to implement the First Year Workplan of the Workforce Development Program.</p> <p>In July 2001, the State approved the allocation of \$7 million in Workforce Investment Act (WIA) funds for FY 2001-02 from the Governor's 15% discretionary funds for the Los Angeles County's Workforce Development Program. The award of the \$7 million was announced by Governor Davis in a February 22, 2002 press release, and was confirmed in a March 9, 2002 letter from the State Department of Employment Development.</p> <p>In May 2002, the Memorandum of Understanding (MOU) defining roles and responsibilities between County DHS and DCSS was finalized and signed.</p> <p>DCSS clarified that County's local WIA Formula funds may not be used for the actual costs of training (e.g., training vendors) for employees who are not considered "dislocated", (i.e., "laid-off"); however, WDP may use County WIA funds for WDP employee salaries and other costs associated with providing core and intensive WIA services to DHS employees.</p>	

(Verified by DHS Inspection and Audit Division 09/10/02)

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
WDP (Continued)			On June 11, 2002, the Board of Supervisors approved an appropriation adjustment in the amount of \$2,529,000 in WIA funds for the WDP for FY 2001-02; approved 22 positions to implement the training workplan; and approved an agreement with the Worker Education and Resource Center, Inc. ("WERC") enabling the collaboration in the planning, design and implementation of the WDP.	

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
<p>Enhanced Evaluation - Patient Assessment Survey (PAS)</p>	<p>Conduct two statistically valid sample surveys of all individuals receiving care under the provisions of the project.</p>	<p>Results of the first survey must be provided to CMS within one quarter after all elements of the survey are completed, but not later than June 30, 2002.</p>	<p>A contract between the Regents of the University of California, Los Angeles (UCLA) and the County to conduct the Patient Assessment Survey was approved by the Los Angeles County Board of Supervisors on July 24, 2001. Immediately after receiving Board approval, UCLA began the process of hiring project staff.</p> <p>Individual Internal Review Board (IRB) applications for the Protection of Human Subjects were prepared and submitted for five County DHS hospitals and UCLA. Approvals were received from all five DHS hospitals and UCLA.</p> <p>The County DHS submitted a description of the methodology and study domains for the PAS for State DHS and CMS' review and approval on September 10, 2001. State DHS forwarded the descriptions for CMS' review and approval on February 27, 2002. CMS approved the descriptions on June 18, 2002.</p> <p>On December 4, 2001, County DHS submitted a revised timeline to the State DHS reflecting delays due to the late start of the contract. State DHS forwarded the revised timeline for CMS' review and approval on February 27, 2002. CMS acknowledges that the submission of the results of the first survey will be delayed.</p>	

(Verified by DHS Inspection and Audit Division 09/10/02)

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

PROGRAM AREA	OBJECTIVE	MILESTONES	ACTIVITIES	STATUS
<p>Enhanced Evaluation - PAS (Continued)</p>			<p>The revised adult and pediatric patient assessment survey instruments were finalized and translated into Spanish and submitted for State DHS and CMS' review and approval on January 17, 2002. State DHS forwarded the revised survey instruments for CMS' review and approval on February 27, 2002. CMS approved the revised survey instruments on June 18, 2002.</p> <p>Patient interviews began on February 25, 2002. As of June 29, 2002, a total of one thousand five hundred eighty-two (1,582) full interviews have been conducted.</p>	

LOS ANGELES COUNTY ♦ DEPARTMENT OF HEALTH SERVICES
Medicaid Demonstration Project
Fiscal Year 2001-02 Fourth Quarter Progress Report
(April 1, 2002 through June 30, 2002)

Final Report 09-10-02 - Rev 09-17-02 4th Qtr FY 2001-02.doc