
Economy & Efficiency Commission Meeting Minutes

MINUTES OF THE REGULAR MEETING ECONOMY AND EFFICIENCY COMMISSION

WEDNESDAY, NOVEMBER 1, 1995
KENNETH HAHN HALL OF ADMINISTRATION
500 West Temple St., Los Angeles, CA 90012

Editorial Note: Agenda sections may be taken out of order at the discretion of the chair. Any reordering of sections is reflected in the presentation of these minutes.

I. CALL TO ORDER

Chairperson Gunther Buerk called the meeting to order at 9:55 a.m.

II. ATTENDANCE

COMMISSIONERS PRESENT

Richard D. Barger
Gunther Buerk
John Crowley
David Farrar
Jonathan Fuhrman
Jaclyn Tilley-Hill
Carole Ojeda-Kimbrough
Roman Padilla
H. Randall Stoke
Julia Sylva
Tony Tortorice

COMMISSIONERS EXCUSED

Fred Balderrama
John FitzRandolph
Chun Lee
Louise Frankel
William Petak
Robert Philibosian
Randy Stockwell

Betty Trotter

COMMISSIONERS ABSENT

Albert Vera

Moved, Seconded, and Approved: The Commission members noted above be excused.

Chairperson Buerk voiced his concern regarding the number of last-minute notifications of intended absence from the meetings. Commissioner Farrar suggested sending a letter to all commissioners requesting that they notify the Director at least 24 hours before the start of meetings which they will be unable to attend. Chairperson Buerk expressed support for this idea and added that the Monday prior to each meeting would be a good target deadline for notification of absence.

III. CONSIDERATION OF MINUTES

Chairperson Buerk asked for any amendments, corrections or objections to the proposed Minutes from the October 11, 1995 Commission meeting.

Mr. Staniforth reported that Commissioner Trotter had asked that on page three under JURY MANAGEMENT second paragraph, the mention of the frequency of conjugal visits be deleted.

Chairperson Buerk made a correction on page six, under NEW BUSINESS, changing the speaker from Commissioner Frankel to Commissioner Trotter.

Moved, Seconded and Approved: The minutes of the October 11, 1995 Commission Meeting be approved.

IV. INTRODUCTIONS AND ANNOUNCEMENTS

Mr. Staniforth introduced Mr. Fred Brousseau of the Harvey Rose Accountancy Corporation, who would be presenting a summary of his firm's findings and recommendations regarding reengineering health services.

V. OLD BUSINESS

1. Health Services Reengineering Report - Report of the Health Task Force

Task Force Chairperson Tortorice told the Commission that by following the recommendations outlined in the report, the Department of Health Services (DHS) could achieve substantial increases in levels of patient satisfaction while reducing operating costs. Savings from the recommendations would amount to about 15% of the operating budget of the two urgent care centers studied (Hudson Urgent Care and LAC-USC Urgent Care), while waiting time, a key factor in patient satisfaction, would be reduced by an average of nearly 48%.

2. Delivery of Municipal Services to Unincorporated Areas

Task Force Chairperson Padilla said he had received an early draft of the report on this subject and said he was pleased with the progress of the report. He said he was planning to have a task force meeting the following week, at which the status of the report would be discussed. He expected to have the report completed in December.

3. Follow-up on Juries Management Report

Mr. Staniforth said that Commissioner Trotter had asked him to inform the Commission that the Court was planning a focus group on jury management on November 7, 1995, and to mention that District Attorney Garcetti wished to become more involved in the jury reform process and that the Judicial Council had established a committee to look into jury reform.

Commissioner Tilley-Hill said that Mr. Garcetti had suggested earlier that day making jury service mandatory because of the large number of jury notices that go unanswered.

4. Real Property Management

Task Force Chairperson Farrar said that the completed report had not yet been reviewed by the Board of Supervisors. He also said that he had spoken with the head of the Real Estate Management Commission, which has some jurisdictional interest in the issues covered in the report, and learned that the E & E Commission report would be discussed at that day's meeting of the Real Estate Management Commission. He said he would follow up and find out what comments and suggestions had been made at that meeting.

Quality and Productivity Commission Chair William Waddell asked if the report was public yet, and requested a copy of it for his commission.

5. Natural History Museum

Task Force Chairperson Tilley-Hill said the Task Force would meet the following Tuesday to discuss the seven of the original 36 recommendations that the Museum did not agree with when responding to the Auditor-Controller's request. The museum has requested a response from the Task Force. Chairperson Buerk asked if the recommendations might change based on the Task Force's meeting. Task Force Chairperson Tilley-Hill responded that this was possible, but that the Task Force still felt strongly in favor of the original set of findings and recommendations, and unless some new information came to light, changes were not likely.

VI (a). **PRESENTATION** - DHS Reengineering

Mr. Brousseau summarized the health services reengineering report and its recommendations. His firm had been charged with the task of identifying areas which, when reengineered could improve patient service delivery at lower cost or with increased revenues. Reengineering, he explained, means radically redesigning its processes, systems and structure around desired results. The Task Force wanted recommendations that did not require heavy start-up costs and which were realistic, so that results could be perceived quickly. The recommendations were divided into long-term and short-term. The emergency Walk-in Clinic LAC-USC Medical Center and the Urgent Care Clinic and Hudson Medical Center were chosen as the focal points of the report. These clinics are similar in purpose and operation, in that they are both emergency centers that service patients without appointments or regular doctors, but do not handle immediate life-or-death cases.

He pointed out that DHS will, for the first time, have to compete with private sector providers for its MediCal patients, because of new State care delivery policy. This, combined with the County's current fiscal difficulties, heightens the need for DHS to cut costs and improve services.

The cost of running the Walk-in Clinic (Room 1050) at LAC-USC is about \$19.9 million. This is largely overhead. For the salaries and benefits of the employees (direct costs) there is about \$3.9 million. The corresponding costs at Hudson Urgent Care are \$3.5 million total and \$2.9 million direct. It is in the direct costs that the savings would be effected. Chairperson Buerk asked if the overhead would not be reduced incidentally to the reengineering; Mr. Brousseau responded that overhead would be reduced somewhat, but the difference would not be nearly as significant as direct cost reductions. The allocations of funds for overhead therefore would not be appropriate in carrying out the reengineering.

Urgent Care centers, in addition to providing the urgent care their name suggests, also serve as a means for patients to enter the County health care system. There is currently no clear definition of who is entitled to County health services, or when. Therefore, if a person without a regular doctor or provider believes he or she needs medical care, that person enters the County system through the emergency rooms.

Commissioner Fuhrman pointed out that the facilities have a triage system that separates patients according to perceived need and can turn away those not determined to be in need of DHS services. Mr. Brousseau acknowledged this, but said that it is rare for anyone to be turned away. Unlike commercial HMOs, DHS emergency facilities have no "gatekeeper" personnel. In short, people go there because they have no money for health care, and the County is bound to provide care to those who cannot afford it or can only make small payments. Therefore, those with any medical problems at all are admitted.

Care for non-urgent patients tends to be episodic, dealing with immediate symptoms, without ongoing care, follow-up, preventive measures or case management. Physicians may recommend that patients enter specialty clinics, but never know if they do or not. For urgent cases, the care is generally more appropriate.

The biggest problem with quality of care is that the bulk of each patient's visit is spent waiting to be assigned to the next specialized station, such as initial contact with a nurse, vital signs station, patient financial screener, eventually a physician. Between each of these stations, there is a considerable wait time in the lobby. Ancillary services and final contact with clerical personnel are also both preceded by more wait time. Overall, wait times are several times longer than time of contact with clinic personnel.

Another problem is that patients arrive in uneven numbers throughout the day. From mid-morning to mid-afternoon, for example, the wait time is very backed up because of the crush of patients arriving in those hours.

The report examined the value of the service to the patients. The primary goal of each patient visit was determined to contact time with physicians, so this was factored heavily into assessment of care quality. The treatment received and environment experienced were also factors, as were wait time and cost. These factors were examined for each station

at each of the two centers, and the report includes tables depicting the results of this.

Greater flexibility and cross-training of personnel to avoid backups were recommended as means of improving quality of services. The centers are actually overstaffed, Mr. Brousseau explained. Because of too much specialization and the requirement of a minimum number of people as core staff to cover all shifts. If staff were more broadly trained, the number of personnel in a core staff could be reduced without compromising the quality of service. Generally, one station for the administrative side and one for the clinical side would be sufficient.

The nurse triage station would be eliminated completely, so that patients would proceed directly from initial clinical examination to seeing physician. At Room 1050, the triage station has been experimentally eliminated, and processing time has been greatly reduced. Patients get to the doctors faster. Physicians take care of the triage function, diagnose and treat patients, and so far they have not objected to this idea.

Another major recommendation made in the study was the establishment of a patient representative position, to direct patients where to go, what for and how soon. Also, this staff member would counsel patients on the nature of their problems and self-care to complement physician care. This staff member would be a registered nurse, qualified to move ahead those patients whose needs are more critical than most others. Once again, de-specialization would help in this process.

In the case of non-urgent patients, the use of nurse-practitioners, who would take over many of the duties of physicians, would be a source of substantial savings. This is a system more and more widely practiced in both the private and public sectors throughout the country. Mr. Brousseau acknowledged that some physicians object to the nurse-practitioner system. Malpractice was not addressed in the study.

Commissioner Padilla commented that deletion of positions is often done hastily, without regard to necessary changes in operations. Mr. Brousseau responded that executive managers from both facilities agreed with the recommendations outlined in the study. The implementation plan would, he expected, be made and reviewed by the Board before implementation itself.

Point of access was also covered in the recommendations. A telephone call-in system was suggested for patients to talk to an advice nurse rather than coming in to the facilities in order to ask rather general questions regarding their needs. This might eventually lead to the ability to bypass Room 1050 altogether.

An appointment system was also recommended. This would also be done through the call-in system, similar to that used by the State Department of Motor Vehicles. Financial screening could also be done over the telephone, so that patients would have ID numbers already assigned when they visit the clinics.

Patient education materials, both printed and on video, could be provided in the lobbies so that wait time, rather than completely wasted, could be turned into public health education time. Information technology could be more fully utilized. Installation of terminals at the appropriate stations at all facilities would speed up processing time and cut down on staff hours, hence on cost. This should be increasingly practical because patient information and history will be increasingly included on the computer systems. This would also assist in future assessment and management of operations.

Better use could be made of the available space if the recommended reassignment and reduction of staff were implemented. This could be accomplished through some remodeling.

DISCUSSION

Task Force Chairperson Tortorice pointed out that changes such as those recommended in the report are being made throughout the private sector, and that therefore it is imperative that DHS start implementing similar changes. The savings expected from making the proposed changes at the two urgent care centers studied, when extrapolated upon by including the entire department, would be very significant.

Commissioner Crowley suggested that if public health care is actually seeing a threat from private providers in the form of competition for MediCal patients, then maybe the reimbursements are too high. He suggested that a review of public health care would be appropriate.

Commissioner Padilla responded that there is no competition for the indigent, who make up a large percentage of the patients being served by DHS.

Task Force Chairperson Tortorice said that the competition from the private sector will only increase and constantly change in form for years to come, and that it will be a struggle for the public sector to keep up with the need for continuous process improvement.

CONSIDERATION OF APPROVAL

Chairman Buerk asked if anyone would like to see substantive changes in the report.

Commissioner Ojeda-Kimbrough said that it may be difficult to change the behavior of patients to get them to use the phone service, because they are used to simply going to the clinic, and because many of the patients are indigent and do not have telephones.

Mr. Brousseau responded that even if only 10% of the patients begin calling in, the reduced crowding would be beneficial.

Commissioner Farrar made two suggestions. First, he suggested that there be an additional paragraph saying that the 15% savings projected at LAC-USC and Hudson Urgent Care can be expected from any urgent care center at which the recommendations are implemented. Second, in reference to the report's first recommendation, urging that similar studies be made for all urgent care centers, he said the point should be made that although the recommendations are generally applicable to all, there will be some small difference that need to be taken into account. He said that if the changes were made at the two centers studied and a positive result was shown, there would be little resistance to broadening the reengineering to include other urgent care centers.

Commissioner Padilla said the cover letter should reflect that the County's public health delivery will be improved, rather than focusing solely on the cost issue.

Commissioner Crowley asked if there would be any follow-up, and if there was any established system of monitoring the progress of the reengineering. Task Force Chairperson Tortorice responded that one possibility was to establish an independent review body to follow up on reengineering recommendations.

Moved, Seconded and Approved: That the report and the recommendations contained therein be adopted.

VI (b). PRESENTATION - The Operations of the Department of Human Resources

Michael Henry, Director, Department of Human Resources, summarized the operations and background of his Department which was created twelve months ago. The role of the Human Resources Department is to seek cost-effective administration of personnel functions through the application of County-wide policies in the areas of recruitment, selection, promotion, discipline, salary benefits and appeals.

The organization is split into two distinct functions. One is general personnel policy, in which the Department works, through analysts with other County departments to help them work out their personnel problems on a daily basis. This includes implementation of civil service rules and organizational problems. The other function is for workers' compensation administration. This includes a small advocacy unit that will take a leadership role on behalf of the departments, before the Civil Service Commission. There is also a small special unit for research.

Eighty percent of the Department's workload to date has been on workforce reduction, looking at how to lay people off and to help them at the same time. This year, the Department conducted two job fairs, attended by nearly 2,000 people and several hundred vendors who offered real jobs in the community. The Department has also looked into how its business with vendors could be of benefit to County employees impacted by layoffs. Now, every contract reviewed by the Board is reviewed to ensure that it includes language that promises priority consideration to laid-off County workers where possible. This was applied to privatized contracts in the health services area. The Department provides re-employment lists and is tracking what contractors are doing in that area

More work force reductions are expected in the coming fiscal year, and federal and State monies are uncertain. The Probation Department will be heavily impacted by this situation. Many youth camps may be shut.

Commissioner Barger asked if the private sector couldn't be enlisted to help with this serious youth problem. Mr. Henry responded that this was a good idea and would recommend it to Probation Department Director Barry Nidorf.

Commissioner Barger asked if the Department has the ability to monitor and enforce compliance with policies. Mr. Henry responded that monitoring efforts come about primarily because of complaints and appeals. He said he had the authority to insure that departments comply with policy.

Classification updating was one of the major projects for DHR. The classification systems has not been updated for five years. In particular, clerical classifications needed an overhaul. He said that it would be a mistake to wait for a new computer system to try and overhaul the system, and that it should be done immediately with existing equipment.

Mr. Henry said that the new policy of giving fired or laid off employees two week notice had not yet resulted in any acts of sabotages violence or threats.

Commissioner Padilla asked how the Board could use the performance agreements objectives to implement management and service delivery changes. Mr. Henry responded that the performance- based pay system has resulted in the practice of annual evaluation. He said any commission recommendations could be incorporated into that process either through the Chief Administrative Office or directly through the Board of Supervisors. Direct contact with department heads is another, less formal avenue.

He said the four-day work week (4/40) system is increasingly favored by Human Resources and by department heads. One problem was to make sure that employees were not short-changed because of holidays.

One alternative to layoffs or workforce reductions is the 'Yuletide furlough' program, giving some employees mandatory time off without pay around the holidays. Unions, however, are rejecting this proposal, saying that there are better ways to save money.

SEIU Local 660 representative Lupe Sanchez, after being recognized by the Chair, introduced herself and said that when union representatives asked how many layoffs or workforce reductions were being sought, Human Resources said they did not know. Mr. Henry agreed that no direct relationship between furlough and reduced layoffs had been offered.

He said his department was studying other counties and jurisdictions to see how they are dealing with the need for workforce reductions. Undesired relocations are another problem that faces counties with fiscal difficulties, and this affects productivity. Chairperson Buerk recommended that Human Resources study the ratio of County workforce to population to the corresponding ratios in other counties.

VII. NEW BUSINESS

There was no new business

VIII. ADJOURNMENT

The meeting was adjourned at 11:25 a.m.

Respectfully Submitted,



Bruce J. Staniforth
Executive Director

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