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Economy & Efficiency Commission Meeting Minutes

MINUTES OF THE REGULAR MEETING ECONOMY AND EFFICIENCY COMMISSION

WEDNESDAY, JANUARY 3, 1996
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 9:50 a.m.

II. ATTENDANCE

COMMISSIONERS PRESENT

Fred Balderrama
Richard D. Barger
Gunther Buerk
David Farrar
John FitzRandolph
Jonathan Fuhrman
Jaclyn Tilley-Hill
Carole Ojeda-Kimbrough
Chun Lee
Roman Padilla
William Petak
Robert Philiposian
H. Randall Stoke
Julia Sylva
Tony Tortorice
Betty Trotter

COMMISSIONERS EXCUSED

John Crowley
Louise Frankel

Randy Stockwell

COMMISSIONERS ABSENT

Albert Vera

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

III. CONSIDERATION OF MINUTES

Moved, Seconded and Approved: The minutes of the November 1, 1995 Commission Meeting be approved.

IV. INTRODUCTIONS AND ANNOUNCEMENTS

Mr. Staniforth introduced Mr. Hector Barragan of the Quality and Productivity Commission, who will be serving as that commission's liaison to the Economy and Efficiency Commission. Mr. Barragan spoke briefly about his background.

V. OLD BUSINESS

1. Delivery of Municipal Services to Unincorporated Areas

Task Force Chairperson Padilla stated that a draft of the report had been submitted to the task force. He reported that he was pleased with the progress of the report. He said that it was anticipated that a draft would be sent to the various concerned departments by next week, and hoped to have the report submitted to the full Commission by March. He said he expected departments to respond in a timely manner. Chairperson Buerk requested that the task force try to have the report ready sometime in February.

2. Real Property Management

Task Force Chairperson Farrar said that the completed report had not yet been reviewed by the Board of Supervisors, and that the status of the report was essentially unchanged since the last meeting. He said he would follow up and find out what comments and suggestions had been made.

3. Follow-up on Juries Management Report

Commissioner Trotter noted that the Juries Management report had been awarded the National Association of Counties 1995 Achievement Award. She said that many of the agreed-upon measures for improving jury services were not being met, but that some progress was being made. She stated that contact had been made with agencies responsible for a similar effort in the San Francisco. She also reported that the Court Administrator's office was scheduled to hold another jury management workshop.

Commissioner Hill said that she had recently been assigned to jury duty in Compton, and that the facilities there appeared to her to be the best-designed and maintained in the County, with excellent orientation services. Overall, the personnel were very friendly and accommodating to juries.

4. Natural History Museum

Task Force Chairperson Trotter reported that the report had not yet been reviewed by the Board of Supervisors. She complemented the museum's outreach program, consisting of newspaper advertising, newsletters to members. The museum was still not completely in accordance with the Commission's findings regarding governance. She said that the task force considered the museum endowment to be quite small, and that the investment strategy was still too narrow.

5. ISD Restructuring

Mr. Staniforth reported that there was an ongoing project evaluate the implementation of the recommendations made in the ISD report. Meetings on this subject are being held monthly with ISD representatives, Board staff and affected departments. In March the Commission will begin preparing the report reviewing ISD.

Commissioner Fuhrman reported that the Board had approved the Data Processing and Telecommunications Advisory Committee (DPTAC) recommendation that the CIO be given department head status. (The Commission's recommendation had been that the CIO be part of the Chief Administrative Office.) He said that DPTAC had been working with the Human Resources Department to develop an administrative structure and work plan for that office. Office space was expected to be selected within six months. Overall, she reported that the process was moving

forward.

6. Health Services Reengineering

Task Force Chairperson Tortorice told the Commission that the report had been favorably received by the Board, and that its recommendations had been adopted. The Board was particularly concerned that all DHS personnel dealing with privatization should be aware of the Commission's report. The Board was concerned with oversight and wanted the Auditor/Controller to conduct a review of DHS. The Board directed the Commission to meet with the incoming Director of DHS. Chairperson Buerk stressed that the Commission's concern was to follow up on implementation. Commissioner Fuhrman pointed out that because this is a pilot project, implementation must happen as soon as possible, if this style of reengineering was to be adopted on a department-wide scale.

VI. PRESENTATION- Mr. Burt Margolin, Health Crisis Manager Topic: *Governance of the Department of Health Services*

Mr. Margolin reported that the Board had determined a Health Authority should be just one element of several steps the County should consider taking in the reorganization of its health care delivery system. The Board had adopted most of what had been recommended in his governance report.

His report addressed the following questions:

- Is there a need for a change in governance?
- If so, what mechanism should be used in restructuring?

To prepare the report, it was necessary to assemble a group of individuals with expertise in all areas of social service delivery. The DHS has so far suffered from a lack of expertise in dealing with the complex and changing environment in which it must function.

The essential conclusion of the report was that in light of the loss of state and federal funds and intense private sector competition, it is necessary that the County's health care delivery system be reorganized if it is to survive.

Several health care authorities outside the County were examined. One idea that was discounted in the study was that of a fully autonomous authority. The report contended that it is necessary for the authority to have some accountability to elected officials.

The responsibility of the Health Authority should be restructuring, including downsizing of hospitals, replacement of hospitals, and working out stable financing formulas. All such changes above a defined dollar amount must ultimately be subject to ratification by the Board.

Duplication of services from one hospital to another is one area that needs to be examined and dealt with; consolidation may be necessary.

Commissioner Fuhrman asked why only Los Angeles County has had such a crisis in health care delivery. Mr. Margolin replied that it is partly because of the size of the county, and partly because DHS is a hospital-based system. Los Angeles has six hospitals, and is the largest such system in the nation.

Commissioner Philibosian asked if Mr. Margolin had considered creating the post of inspector general or auditor to investigate possible abuses of the system or violations of the law. Mr. Margolin said that some proposals to that effect had been made, but that none had been acted upon yet.

Commissioner Padilla asked about the possibility of rationing health care, or determining who should be given continued hospital care, based on prognosis. Mr. Margolin responded that the answer was not rationing, but moving from hospital-based care to clinic-based care. It is also necessary to establish more public-private projects to stretch each health care dollar, rather than eliminating patients. Only the public sector places value on indigent care.

Commissioner Kimbrough commented that privatization has created a new class of workers who have few benefits or none, including health benefits. She asked if this had been factored into this study. Mr. Margolin responded that although the private sector salaries received by employees at privatized or semi-privatized clinics may be lower than the salaries of analogous public sector employees, all such private employers have adequate benefit packages. Privatization, he pointed out, can be done selectively, contracting only with those employers who provide adequate benefits. He would like to see this happen, although no such policy has been officially adopted.

Chairperson Buerk asked if it would be possible to ask the Board to employ some health care experts on their staff so that there would be common expertise and understanding between the Board staff and the Health Authority staff. Mr. Margolin responded that this would be helpful but the immediacy of the health care crisis requires timely response.

Chairperson Buerk then asked if Mr. Margolin envisioned a sunset for the Health Authority, once the crisis is over. Mr. Margolin said that he could envision a sunset for the Authority, possibly in five years, once restructuring is complete. Chairperson Buerk asked about a deadline for the Commission's review of the Health Authority proposal, and Mr. Margolin responded that February 1, 1996 would be a good time to have it finished.

VII. NEW BUSINESS

1. Board Request for Comments on Governance for Department of Health Services Restructuring

Chairperson Buerk asked the Commission to consider if they felt qualified to review Mr. Margolin's recommendations to the Board and, if so, determine whether the Commission could obtain funding from some outside organization to do the work on such a review.

Commissioner Fuhrman said he agreed with Mr. Margolin that the review should be submitted before March, 1996. He also said the Commission should not wait for outside funding. Chairperson Buerk said the answer to the Board should not be dependent upon funding. Commissioner Barger said there is enough expertise on the Commission to submit a response.

A special meeting was set for January 31, 1996, so that the Commission's response could be submitted to the Board on February 1, 1996.

Moved, seconded and approved: that the Commission consider Mr. Margolin's recommendations to the Board and respond to the Board with comments by February 1, 1996, pursuant to the Board's direction.

2. Election of Commission Officers

Gunther Buerk was unanimously elected Chair and Betty Trotter was appointed vice-chair.

3. Establishment of a Policy Committee

Commissioner Padilla submitted a motion on the creation of a Policy Committee. After amendment, the following motion was seconded and approved:

Have the Executive Committee review the practices of the Commission relative to report follow-up, implementation and advocacy and make recommendations, if any, to increase the effectiveness of the policy.

Chairperson Buerk suggested that the Executive Committee hold a special meeting to address this issue.

Moved, seconded and approved: That the Executive Committee meet immediately following the January 31, 1996 special meeting.

VIII. ADJOURNMENT

The meeting was adjourned at 12:10 p.m.

Respectfully Submitted,



Bruce J. Staniforth
Executive Director

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