January 2, 1997

The Honorable Zev Yaroslavsky
Chairman
Los Angeles County Board of Supervisors
500 West Temple Street, Room 821
Los Angeles, CA 90012

Dear Supervisor Yaroslavsky:

SUBJECT: Update of the Commission's DHS Reengineering Report issued November 1, 1995

On November 1, 1995 the Citizens Economy and Efficiency Commission submitted a report to the Board of Supervisors entitled Reengineering Patient Care at Los Angeles County's Department of Health Services. The report outlined a series of findings and recommendations addressing the delivery of patient services within the Department. On February 6, 1996 the County Board of Supervisors directed the Director of the Department of Health Services to implement the recommendations made by the Commission. In the same session it also directed the Commission "...to report back to the Board on a semi-annual basis on the status of the implementation of the various recommendations...". This correspondence is submitted in compliance with that direction.

On August 1, 1996 the Director of Health Services submitted memo to the Board covering the status of the Reengineering Study recommendations. In this memo Mr. Finucane reported the status of each of the 47 recommendations made by the Economy and Efficiency Commission; Implemented 23, Partially Implemented 5, Modified 10 and Agreed with 9. He further pointed out that the Department had been involved in further evaluations of cost per visit, in reductions in staff and in the evaluation of capital project costs.

Subsequent to the issuance of this memo, DHS made a presentation to the Economy and Efficiency Commission Task Force to further clarify the material contained in the memo. During this presentation the Commission Task Force and DHS discussed the rationale used by DHS in arriving at the position that they had taken in each recommendation. Based upon these discussions, it appears that the department's reasoning was based upon revised economic and operational conditions and was realistic in its development.

The Commission remains strongly committed to the principles and the recommendations put forth in our report. We also recognize that conditions change and new challenges have to be address. The department's implementation, agreement with or modification to the
recommendations made in the Commission's report has proven the value of the reengineering approach. The accomplishments of the department should be recognized, as should its efforts on this project and the work that it has put forth to achieve the objectives that were established.

Due to the advancements of the Department of Health Services in the areas covered by this report and to the continually and dramatically changing environment in Health Services, the Commission agrees with the Department that further reporting on the status of the recommendations made in our report would not be an optimum utilization of resources for either the Department or the Commission. Thus, unless directed otherwise by the Board, the Commission will consider this report to complete the requirements of this project.

Sincerely,

[Signature]

Gunther Buerk
Chair

C: Each Supervisor
   Each Commissioner
   David Janssen, CAO
   Mark Finucane, Director, DHS
   Alan Sasaki, Auditor-Controller