

Response to the Los Angeles County Board of Supervisors regarding possible creation of a health agency Executive Summary

Executive Summary

On January 13, 2015, the Los Angeles (LA) County Board of Supervisors unanimously passed a motion approving in concept the creation of a single, integrated health agency with authority over the Departments of Health Services (DHS), Mental Health (DMH), and Public Health (DPH). As requested in the Board motion, this report provides an overview of the types of opportunities that a health agency might be well-positioned to capture within LA County, the potential risks and drawbacks of a health agency, a proposed structure, and suggested implementation steps and timeline that could be taken to create an agency. The report was developed with significant input from a broad set of internal and external stakeholders across the health care community.

If created, a health agency would be responsible for leading, supporting, and promoting integration of services and programs between DHS, DMH, and DPH for the benefit of LA County residents. An agency would work to enhance services; it would not reduce service levels, budgets, staffing, or contracts.

Following are key opportunities an agency may pursue that, if achieved, would yield significant benefits for the residents of LA County.

1. Enhance cross-linkage between population health and direct care services, allowing each to inform and strengthen the other.
2. Integrate direct care services for patients/clients/consumers that need physical, mental, substance abuse, and housing-related services and supports.
3. Address gaps in service delivery for at-risk, vulnerable populations, including but not limited to foster children and transitional aged youth, re-entry populations, homeless individuals, and those in psychiatric crisis.
4. Streamline access by creating a unique identifier and aligning referral, financial screening, and registration practices.
5. Use information technology to enhance access to information on shared clients and populations.
6. Improve utilization of owned and leased buildings to enhance service delivery and lower costs.
7. Capture opportunities in pharmacy, ancillary services, contracting, purchasing, and human resources to improve the quality and efficiency of County services and the experience of those interacting with the system.
8. Generate additional revenue by increasing managed care contracts and strategically pursuing other revenue-maximization opportunities.
9. Focus on educating and training the health care workforce to succeed in an integrated care environment.
10. Increase the County's ability to influence state and federal health policy issues.
11. Reduce health disparities by raising visibility into unmet need and identifying and implementing interventions that address gaps in care.

The creation of an agency also has drawbacks or disadvantages. Risks that have been raised as part of the stakeholder process include the possibility that an agency may:

1. Lead to service and budget cuts to critical population health and mental health programs, stemming in part from negative perceptions of the history of the Departments' organizational relationships.
2. Add layers of bureaucracy that will result in delayed services/functions.
3. Require financial investment that would be funded by Departmental resources.
4. Prevent Departments from focusing on the full breadth of their current missions, including their full scope of activities, the full set of clients/populations they serve, and the way in which services/programs are provided (e.g., contracted agency relationships).
5. Aggravate cultural differences and distrust between the Departments, compromising efforts to work together.
6. Replace the recovery model that is strongly rooted in mental health with a focus on a medical model of disease and treatment.

7. Disrupt existing, successful models of care and well-established provider relationships that provide that care.
8. Distract Department staff and community stakeholders from their ongoing work enhancing programs/services.

The proposed structure of an agency attempts to take into account the above risks and intentionally seeks to mitigate their likelihood of becoming a reality. First, the Board approved in concept an agency model in which each Department preserves a separately appropriated budget that can only be changed by the Board of Supervisors, rather than a merged Department model in which DHS, DMH, and DPH are consolidated into a single department. Next, to mitigate the risk of bureaucracy and administrative costs, agency staffing should be lean and could employ the use of dual-roles, though some thought this would not be feasible in practice. Functions should not be duplicated between the Departments and agency and should only be moved to an agency level when there is a clear, demonstrable added value of doing so in terms of service enhancements and efficiency gains. Specific full units recommended for prompt placement at an agency level are: data/planning, capital projects/space planning, and government affairs; workforce training and consumer affairs/care navigation functions should also be considered. Certain strategic leadership positions are also recommended to reside at the agency level, utilizing a dual-role model. These include IT strategy, revenue maximization, service contracting and procurement, human resources/employee relations; roles in managed care strategy and emergency response should also be considered.

Some people felt that an agency was not necessary to achieve the benefits of integration, but rather the benefits of integration could be achieved by the Departments working more collaboratively. A summary of alternative non-agency models suggested by stakeholders is also included in the text.

At the Board's discretion, a health agency would be created by adopting a County ordinance formally approving the agency and specifying the reporting relationship between the agency and DHS, DMH, and DPH. Beyond these legal steps, the agency should be carefully implemented in a way that continues to mitigate the potential risks raised by stakeholders and that supports ongoing transparency and community engagement. Recommended actions include the need to:

1. Establish a regular and ongoing stakeholder engagement process in which a broad set of community members, including patients/clients/consumers and their families, provide input into agency priorities/activities and raise ideas and concerns. Such engagement is critical in ensuring ongoing community participation in integration planning and restoring trust and confidence among community members.
2. Establish and clearly communicate an intentional set of initial agency priorities.
3. Regularly and publicly report on agency progress, including indicators related to agency impact, encouraging public statements to be made by Department heads and community stakeholders as well as agency leadership.
4. Publish clear, concise data on Departmental budgets and source and uses of various financing streams.
5. Clearly communicate any changes in County organizational structure or programs with the public.
6. Create opportunities to build relationships and trust among staff.

The ultimate goal of the County's health-related Departments is to improve the health and well-being of all LA County residents, promoting equity for all and not just for a fortunate few, enhancing parity of access to care and services across physical, behavioral, and population health. The hope is that through this report, and the extensive internal and external stakeholder process that helped inform it, LA County leadership is well positioned to determine the best path for the County's three health-related Departments so that it may maximize opportunities for innovation and integration and ultimately improve the health and lives of all County residents.