

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 integration-related opportunities that a health agency might pursue, the potential risks and drawbacks of a health agency, a proposed structure, and suggested implementation steps and timeline. The report was developed with significant input from a broad set of internal and external stakeholders across the health community.

If created, a health agency would be responsible for leading, supporting, and promoting integration and enhancement of services and programs between DHS, DMH, and DPH for the benefit of all LA County residents. An agency would support the full scope and spectrum of activities and responsibilities of the three Departments. It is not intended to reduce service levels or programs, cut budgets, lay off staff, or cut contracts with private agencies/providers. Below are key integration opportunities the County ought to pursue that, if achieved, would yield significant benefits for the residents of LA County. The creation of an agency might assist in the pursuit of these goals.

1. Reduce health disparities by identifying and implementing interventions that address social determinants of health and improve access and utilization.
2. Address gaps in service delivery for at-risk, vulnerable populations, including but not limited to foster children and transitional aged youth, justice-involved populations, homeless individuals, and those in psychiatric crisis.
3. Enhance cross-linkage between population health and direct clinical care services.
4. Integrate direct care services for patients/clients/consumers that need physical, mental, substance abuse, and housing-related services and supports.
5. Streamline access to services and programs provided or funded by the County by creating a unique identifier and aligning referral, financial screening, and registration practices.
6. Use information technology to enhance access to information and coordinate management of shared clients and populations.
7. Educate and train the health care workforce to succeed in an integrated care environment.
8. Increase the County's ability to influence state and federal health policy issues.
9. Improve utilization of owned and leased buildings to enhance service delivery and lower costs.
10. 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.
11. Generate additional revenue by increasing managed care contracts and strategically pursuing other revenue-maximization opportunities.

An agency structure may have drawbacks or disadvantages. Risks and concerns that have been raised as part of the stakeholder process include the possibility that an agency may:

1. Result in service and budget cuts to critical population health and mental health programs.
2. Add layers of bureaucracy that will result in delayed services/operations.
3. Require financial investment that would need to be funded within existing Departmental resources.
4. Prevent Departments from focusing on the full breadth of their current missions and scope of activities, the full set of clients/populations served, and the way in which services/programs are provided.
5. Aggravate cultural differences and distrust between the Departments, compromising efforts to work together.
6. Replace the recovery and resiliency models that are foundational to the community mental health system of care with a focus on a medical model of disease and treatment.
7. Disrupt existing, successful programs and well-established provider/agency relationships.

8. Distract Department staff and community stakeholders from their ongoing work enhancing programs/services.

The proposed agency structure takes into account the above risks and seeks to mitigate their likelihood of becoming a reality. First, the Board chose to approve 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 approving 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. Functions should not be duplicated between the Departments and agency and units 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 units (in full or in part) recommended for placement at an agency level are: data/planning, capital projects/space planning, government affairs, and consumer affairs/advocacy/ombudsman; a workforce training function should be considered. Core administrative functions (e.g., IT, HR, contracting, finance) should remain within the Departments. Individuals with strategic leadership positions in the following areas are also recommended: information technology, revenue maximization, service contracting/procurement, and human resources/employee relations; an individual charged with coordinating managed care strategy should be considered.

Many people felt that an agency was not necessary to achieve the benefits of integration, but rather such benefits could be achieved by the Departments working more collaboratively or through other non-agency structures. A summary of alternative non-agency models suggested by stakeholders include: creation of a separate office, patterned after the Office of Child Protection, to help coordinate and lead integration-focused initiatives; realignment of Department functions without creation of an agency; creation of an agency focused only on clinical service delivery (i.e., excluding population health); creation of a health and social services agency; and creation of a health authority.

At the Board's discretion, a health agency could be created by adopting a County ordinance formally approving the agency and specifying the reporting relationships between the agency and Departments. Beyond this, should the Board decide to create an agency, it should be carefully implemented in a way that mitigates the potential risks raised by stakeholders and that supports ongoing transparency and community engagement. Recommended actions include the need to:

1. Appoint an agency director with the skills and temperament needed to be successful in the role.
2. Establish and clearly communicate an integrated strategic plan and a set of initial agency priorities to which the agency director and Department heads are held accountable.
3. Build a transparent, ongoing, and meaningful partnership with internal and external stakeholders 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 planning programs and initiatives and restoring trust and confidence among community members.
4. Promote cultural competency in all health-related activities.
5. Ensure accountability and oversight of the agency, potentially through empowerment of the existing Commissions.
6. 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.
7. Publish clear, concise data on Department budgets including sources and uses of various financing streams.
8. Clearly communicate any changes in County organizational structure or programs with the public.
9. Create opportunities to build relationships and trust among staff.

While each has a unique mission and set of responsibilities, the ultimate goal of the health-related Departments is to improve the health and well-being of all LA County residents, enhancing parity and equitable 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 forward so that it may maximize opportunities for innovation and integration for the benefit of all LA County residents.