

Quality and Productivity Commission  
**27<sup>th</sup> Annual Productivity and Quality Awards Program**  
 "Saluting County Excellence"

**2.0**

**2013 APPLICATION**

Title of Project (Limited to 50 characters, including spaces, using Arial 12 point font):

**NAME OF PROJECT: DHS MANAGED CARE PATIENT REPATRIATION PROJECT**

**DATE OF IMPLEMENTATION/ADOPTION:** JUNE 2012  
 (Must have been implemented at least one year - on or before June 30, 2012)

**PROJECT STATUS:**  Ongoing  One-time only

**HAS YOUR DEPARTMENT PREVIOUSLY SUBMITTED THIS PROJECT?**  Yes  No

**EXECUTIVE SUMMARY:** Describe the project in 15 lines or less using Arial 12 point font. Summarize the problem, solution, and benefits of the project in a clear and direct manner

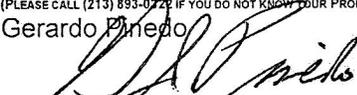
1 With ongoing implementation of federal and state healthcare reform measures, a  
 2 growing number of previously uninsured people now have access to high quality  
 3 healthcare. With much of this new access being focused on Medicaid coverage  
 4 expansion, the Los Angeles County Department of Health Services (DHS) and its  
 5 medical safety net community partners play an important role. Efforts at containing  
 6 costs, providing quality care that is supported by evidence in the medical literature,  
 7 maintaining accessibility to healthcare resources, and meeting patient expectations for  
 8 customer service are vital in order to extend coverage to a larger number of patients.

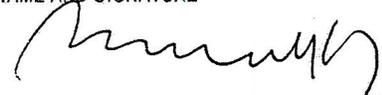
9 When patients assigned to DHS and its community partners are hospitalized at non-  
 10 DHS hospitals, the costs of care are charged to DHS. Providing care out of the DHS  
 11 network decreases the availability of funds for patient care and leads to decreased  
 12 coordination of care. The Managed Care Services unit (MCS) has developed a  
 13 program to bring DHS patients hospitalized at non-network facilities back to DHS  
 14 hospitals, thereby decreasing out of network expenses and improving care coordination  
 15 after hospital discharge.

(1) ESTIMATED/ACTUAL ANNUAL COST AVOIDANCE	(2) ESTIMATED/ACTUAL ANNUAL COST SAVINGS	(3) ESTIMATED/ACTUAL ANNUAL REVENUE	(1) + (2) + (3) TOTAL ESTIMATED/ACTUAL BENEFIT	SERVICE ENHANCEMENT PROJECT
\$	\$ 1,347,200	\$	\$ 1,347,200	

<b>SUBMITTING DEPARTMENT NAME AND COMPLETE ADDRESS</b> DHS Office of Managed Care, Managed Care Services 1000 S. Fremont Ave., Bldg. A-9 East, 2 <sup>nd</sup> Floor, Unit 4 Alhambra, CA 91803	<b>TELEPHONE NUMBER</b> 626-299-5554
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<b>PROGRAM MANAGER'S NAME</b> Dr. Mary Giammona 6/18/13 	<b>TELEPHONE NUMBER</b> 626-299-7222  <b>EMAIL</b> mgiammona@dhs.lacounty.gov
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<b>PRODUCTIVITY MANAGER'S NAME AND SIGNATURE</b> (PLEASE CALL (213) 893-0722 IF YOU DO NOT KNOW YOUR PRODUCTIVITY MANAGER'S NAME) Gerardo Pinedo 	<b>DATE</b> 6/19/13	<b>TELEPHONE NUMBER</b> (213) 240-8104  <b>EMAIL</b> gpinedo@dhs.lacounty.gov
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<b>DEPARTMENT HEAD'S NAME AND SIGNATURE</b> Dr. Mitchell Katz 	<b>DATE</b> 6/19/13	<b>TELEPHONE NUMBER</b> (213) 240-8101
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**NAME OF PROJECT: DHS MANAGED CARE PATIENT REPATRIATION PROJECT**

**FACT SHEET – LIMITED TO 3 PAGES ONLY:** Describe the **Challenge, Solution, and Benefits** of the project, written in plain language. Include a discussion of the technology and linkage to the County Strategic Plan. The description should identify Performance Measures

**CHALLENGE** The Countywide Strategic Plan directs the provision of Fiscal Sustainability (Goal 2) by strengthening and enhancing the County’s capacity to sustain essential services through proactive and prudent fiscal policies and stewardship via the funds saved by DHS not paid to out-of-network hospitals. This project advances Health Care Reform (Strategic Initiative 1) by ensuring continuity of the effective delivery of County health, mental health, and substance abuse services under the new regulatory environments of the Federal Affordable Care Act and California’s Section 1115 Medicaid Waiver by bringing patients back to a DHS facility and thus discharging them with follow-up to their patient centered medical home. Additionally, the Strategic Plan directs the provision of Integrated Services Delivery (Goal 3) by maximizing opportunities to measurably improve client and community outcomes and leverage resources through the continuous integration of health, community, and public safety services. This project helps achieve Integrated Health Services (Strategic Initiative 5) by improving care coordination for County managed care patients who are initially hospitalized outside of the DHS network. As noted above, when patients are brought back to a DHS facility while still hospitalized, this allows improved care coordination, reconnection to their PCP and better integrated care compared to being discharged by an out-of-network hospital and told to follow up with their “source of usual care.”

**SOLUTION**

With ongoing implementation of recently-enacted federal and state healthcare reform measures, a growing number of previously uninsured people now have access to high quality healthcare. With much of this new access being focused on Medicaid coverage expansion, DHS and its medical safety net community partners are playing an important role in health reform.

Individuals who meet established income and disability criteria and indigent families with dependent children are eligible to receive Medicaid health benefits coverage. Medicaid is supported by federal and state funds. Medi-Cal is the Medicaid program operated in California by the state Department of Health Care Services. Medi-Cal pays for the full scope of medically necessary services for U.S. citizens and permanent residents. The beneficiaries of this Full Scope Medi-Cal coverage may seek care from providers and facilities, such as DHS, that participate in the Medi-Cal program.

As part of health reform, Medi-Cal funding has shifted over the past two years to a capitation-based model. Rather than receiving payment on a fee-for-service basis, participating groups of Medi-Cal providers, including DHS, receive a set payment from a Medi-Cal managed care health plan to take care of a pre-determined number of patients. This pool of money must be managed carefully to maintain access to medical

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services and high quality of care. When Full Scope Medi-Cal patients assigned to DHS and its community partners are hospitalized at non-DHS hospitals, the costs of providing this care are deducted from County funds.

2,617 of the most fragile patients in the Medi-Cal managed care program that DHS cares for, specifically seniors and persons with disabilities (SPDs), were admitted to non-DHS hospitals in fiscal year 2011-2012. Based on claims paid through March 2013, these patients accounted for 3,243 admissions and 18,654 bed days at non-DHS hospitals. SPDs spent nearly 6 days per hospitalization at non-DHS facilities. \$31,411,522 (\$1,684 per hospital day) was spent for out of network hospital costs.

Providing care out of the DHS network decreases the availability of funds overall in our safety net system. Quality of care also suffers, since patients who are hospitalized outside of the DHS network often have difficulty obtaining follow-up specialized care for complex medical problems. Further, the coordination of care between a patient's primary care team and a provider at a non-DHS hospital is difficult because of lack of availability of medical records and non-DHS provider lack of familiarity with processes to obtain post hospitalization services for DHS patients. In general, this leads to a patient being discharged with the instructions to go get further services at “your usual source of care,” regardless of whether the patient knows where to go, who their PCP is, and how to access needed follow-up care expeditiously.

### **SOLUTION**

MCS has developed a program to transfer DHS patients hospitalized at non-network facilities to one of the four DHS-operated hospitals to decrease out of network expenses and improve patient care coordination during hospitalization and after discharge.

Beginning in June 2012, outreach to non-DHS hospitals in LA County was performed to help easily identify DHS managed care patients when they present for care at outside hospitals. Once these efforts were successful, non-DHS hospitals were then instructed to notify MCS when they request admission of a DHS managed care patients to their facilities.

Over a period of three months, MCS nursing staff met with key physicians, nurses, and administrative staff at each of the four DHS-operated hospitals to develop a workflow for transferring stable DHS managed care patients admitted at non-DHS facilities to the DHS network. MCS staff would review the progress of County managed care patients admitted outside of the DHS system, identify appropriate candidates for repatriation to the DHS network, and coordinate transfers with the sending and receiving hospitals.

During the planning stages of this project, a third party vendor was selected by L.A. Care Health Plan, the payer that funds the vast majority of care for DHS managed Medi-Cal patients, to authorize out-of-network hospital stays for DHS patients for a short

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period of time. The third party vendor was unable to coordinate the transfer of *any* DHS managed care patients to the DHS system.

After initial planning efforts were completed, the DHS Managed Care Patient Repatriation Project was operationalized on September 24, 2012. Through June 17, 2013, 144 of 218 patients admitted at non-DHS hospitals who were identified as appropriate candidates have been transferred to the DHS hospital network. An average of 4 days at non-DHS hospitals have been avoided for each patient transferred. An on-line, real-time inventory of DHS patients appropriate for transfer from out of network facilities to DHS hospitals has been maintained since February 2013. Developed by the Medical Alert Center (MAC) to assist MCS with its repatriation work, this resource is accessible 24 hours daily and keeps a record of demographic and important clinical information on each patient in a HIPAA-compliant environment. This database enables the four DHS hospitals to repatriate County managed care patients back into network after hours and has helped increase the number of transfers.

### **BENEFITS**

In its first year of operation, the Repatriation Project is estimated to have saved \$1,347,200 in costs that would have been spent to provide care for DHS managed care patients at hospitals outside of the DHS network. Under the Centers for Medicare and Medicaid Services Disproportionate Share Hospital (CMS-DSH) program, DHS hospitals also receive payments using a complex reimbursement formula for Medi-Cal patients transferred to them. Therefore, the Repatriation Project has helped decrease County expenses incurred when patients are admitted at a non-DHS hospital while serving as a source of additional revenue from the CMS-DSH program. Due to the complexities of calculating CMS-DSH revenue for each of the 4 DHS-operated hospitals, an estimate of annual revenue from Repatriation Project efforts has not been provided in this submission.

Improvements in quality of care afforded by the Repatriation Project are more difficult to place a monetary value on. In many cases, access to specialized clinical services such as cardiothoracic, orthopedic, and neurologic surgery was not readily available at non-DHS hospitals. Eliminating delays in provision of care is beneficial to decrease hospitalization lengths of stay and minimize patient exposures to hospital-acquired infections, medication errors, and disruption of life activities. Information sharing with

DHS primary care teams and coordination of post discharge care is facilitated when care is provided in network as these patients' primary care providers are more accessible for consultation and their treatment records are more readily available. Further, DHS patients with complex medical problems are often well-known to treating physicians and this continuity relationship with the DHS system helps decrease the ordering of unnecessary or duplicative services, which furthers the goal of cost efficiency.

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**COST AVOIDANCE, COST SAVINGS, AND REVENUE GENERATED (ESTIMATED BENEFIT):** If you are claiming cost benefits, include a calculation on this page. You must include an explanation of the County cost savings, cost avoidance or new revenue that matches the numbers in the box. Remember to keep your supporting documentation.

**Cost Avoidance:** Costs that are eliminated or not incurred as a result of program outcomes.

**Cost Savings:** A reduction or lessening of expenditures as a result of program outcomes.

**Revenue:** Increases in existing revenue streams or new revenue sources to the County as a result of program outcomes.

(1) ACTUAL/ESTIMATED ANNUAL COST AVOIDANCE	(2) ACTUAL/ESTIMATED ANNUAL COST SAVINGS	(3) ACTUAL/ESTIMATED ANNUAL REVENUE	(1) + (2) + (3) TOTAL ANNUAL ACTUAL/ESTIMATED BENEFIT	SERVICE ENHANCEMENT PROJECT
\$	\$1,347,200	\$	\$1,347,200	<input type="checkbox"/>

**ANNUAL= 12 MONTHS ONLY**

Cost per out of network hospital day = \$1,684

Estimated patient transfers to DHS (first year) = 200

Average number of out of network hospital days saved per patient transfer = 4

Estimated total out of network hospital days saved (first year) = 200 x 4 = 800

Estimated annual cost savings (first year) = \$1,684 x 800 = \$1,347,200

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**FOR COLLABORATING DEPARTMENTS ONLY**

*(For single department submissions, do not include this page)*

<b>DEPARTMENT NO. 2 NAME AND COMPLETE ADDRESS</b> N/A	
<b>PRODUCTIVITY MANAGER'S NAME AND SIGNATURE</b>	<b>DEPARTMENT HEAD'S NAME AND SIGNATURE</b>
<b>DEPARTMENT NO. 3 NAME AND COMPLETE ADDRESS</b>	
<b>PRODUCTIVITY MANAGER'S NAME AND SIGNATURE</b>	<b>DEPARTMENT HEAD'S NAME AND SIGNATURE</b>
<b>DEPARTMENT NO. 4 NAME AND COMPLETE ADDRESS</b>	
<b>PRODUCTIVITY MANAGER'S NAME AND SIGNATURE</b>	<b>DEPARTMENT HEAD'S NAME AND SIGNATURE</b>
<b>DEPARTMENT NO. 5 NAME AND COMPLETE ADDRESS</b>	
<b>PRODUCTIVITY MANAGER'S NAME AND SIGNATURE</b>	<b>DEPARTMENT HEAD'S NAME AND SIGNATURE</b>
<b>DEPARTMENT NO. 6 NAME AND COMPLETE ADDRESS</b>	
<b>PRODUCTIVITY MANAGER'S NAME AND SIGNATURE</b>	<b>DEPARTMENT HEAD'S NAME AND SIGNATURE</b>