

**Quality and Productivity Commission
31st Annual Productivity and Quality Awards Program
"Celebrating Quality Service"**

2017 APPLICATION

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

NAME OF PROJECT: EMPLOYEES SECURE RECORDS & ACHIEVE HUGE SAVINGS!

DATE OF IMPLEMENTATION/ADOPTION: 7/01/16
(Must have been implemented at least one year - on or before July 1, 2016)

PROJECT STATUS: X (YES) Ongoing One-time only

HAS YOUR DEPARTMENT PREVIOUSLY SUBMITTED THIS PROJECT? Yes X No

EXECUTIVE SUMMARY:

Have you ever encountered a County policy that makes absolutely no sense?

1 The Divisions of Health Information Management (HIM) and Facilities Management
2 (FMD) at the Department of Health Services (DHS) encountered a policy that was
3 outdated; costly; wasteful of human resources; tied up real estate; created a very large
4 legal liability; made millions of paper medical files vulnerable to loss or theft; and
5 increased the possibility of identity theft and fraudulent billing. Therefore, DHS
6 challenged the old legal opinion and successfully updated the policy which resulted in
7 very positive operational improvements and huge savings to the County.

8
9 Whereas national standards dictate that medical paper records be safely shredded after
10 they're electronically scanned or generally older than 10 years, L.A. County had been
11 maintaining millions of paper files in perpetuity because of an irrational policy based on
12 an outdated legal opinion. DHS-HIM challenged the legal opinion and changed the
13 policy. As a result of updating this policy: 3 million paper files were certified for
14 shredding & recycled; liabilities were eliminated; workers were reassigned to productive
15 jobs; the County is saving money; and the project is being replicated Countywide.

BENEFITS TO THE COUNTY

(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
\$ 519,057.72	\$563,967.55	\$ N/A	\$1,083,025.20	<input checked="" type="checkbox"/>

ANNUAL = 12 MONTHS ONLY

SUBMITTING DEPARTMENT NAME AND COMPLETE ADDRESS DEPARTMENT OF HEALTH SERVICES DIVISIONS OF HEALTH INFORMATION MANAGEMENT & FACILITIES MGT. 313 N. FIGUEROA ST., RM. 912 LOS ANGELES, CA 90012		TELEPHONE NUMBER (213) 240-8104
PROGRAM MANAGER'S NAME GERARDO PINEDO, DIRECTOR, STRATEGIC OPERATIONS MARTA GARCIA-SHEFFIELD, CHIEF, FACILITIES MGT. DIV. MARTIN SANDOVAL, DIRECTOR, HIM CONTRACTS/BUDGET		TELEPHONE NUMBER (213) 240-8104 EMAIL gpinedo@dhs.lacounty.gov
PRODUCTIVITY MANAGER'S NAME AND SIGNATURE <small>(PLEASE CALL (213) 893-0322 IF YOU DO NOT KNOW YOUR PRODUCTIVITY MANAGER'S NAME)</small>	DATE 7/7/17	TELEPHONE NUMBER (213) 240-8104 EMAIL gpinedo@dhs.lacounty.gov
DEPARTMENT HEAD'S NAME AND SIGNATURE	DATE 7/7/17	TELEPHONE NUMBER (213) 240-8101 mkatz@dhs.lacounty.gov

Quality and Productivity Commission
31st Annual Productivity and Quality Awards Program
"Celebrating Quality Service"

2017 APPLICATION

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

NAME OF PROJECT: EMPLOYEES SECURE RECORDS & ACHIEVE HUGE SAVINGS!

1st FACT SHEET – LIMITED UP TO 3 PAGES ONLY:

CHALLENGE (ISSUE/PROBLEM):

The County of Los Angeles Department of Health Services had been required to implement an outdated medical records retention policy that was based on an old legal opinion which had required the Division of Health Information Management (HIM) to unnecessarily store millions of paper files in perpetuity.

This outdated legal opinion and related County policy had been questioned by DHS managers for years to no avail; largely because it can be extremely difficult in our County system to challenge policies based on legal opinions.

The hardship to the County from this outdated policy had resulted in:

- A) Wasteful allocation of valuable real estate. Unnecessarily storing millions of paper medical records at hospitals and health centers. This space should have been utilized for direct patient care and other public services; but instead, it was being utilized to store paper files that in many cases had already been electronically scanned and no longer needed for patient care;
- B) Extremely costly warehouse and other storage rental fees. Unnecessarily accommodating overflow paper files. For example, DHS-HIM rented an 80,000 square foot industrial warehouse and purchased 76,000+ lineal feet of 21 feet high industrial shelving to store over 3 million unneeded paper files;
- C) Wasteful deployment of valuable County worker time. To manually package, move, store, and manage millions of unnecessary paper files, including those which had already been scanned electronically;
- D) Unnecessary legal liability for the County. Unnecessarily maintaining millions of paper files containing confidential patient information exposed the County to large penalties and potentially costly litigation in the event of loss of a file(s) or even worse, a break-in at the Soto Warehouse or comparable DHS facility;
- E) Demoralization of County Workers. Staff was increasingly frustrated from the overflow of paper files which they knew were completely unnecessary. Imagine going to work daily for decades to a job that you know is not needed.

Quality and Productivity Commission
31st Annual Productivity and Quality Awards Program
“Celebrating Quality Service”

2017 APPLICATION

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

NAME OF PROJECT: EMPLOYEES SECURE RECORDS & ACHIEVE HUGE SAVINGS!

SOLUTIONS:

If you've ever encountered a County policy that makes no sense and you've tried to correct it, then you've probably already experienced the tremendous challenge and great amount of energy required to accomplish this monumental task.

DHS-HIM assessed the situation and concluded that continuing to store millions of paper files in perpetuity was not feasible as it would require renting additional warehouses; contracting more commercial storage space; and spreading staff thin to try to keep up with millions of overflowing and unnecessary paper files.

Therefore, the DHS successfully resolved the problem as follows:

- I. **ILLUSTRATED THE PROBLEM TO FIND A SOLUTION:** DHS-HIM renewed and escalated its challenge of the outdated legal opinion and policy. Since “a picture is worth a thousand words”, DHS-HIM photographed the inside of the Soto Warehouse, enlarged the photographs showing the overflowing paper files, pasted these enlarged pictures on poster boards, and walked them into County Counsel at the Kenneth Hahn Hall of Administration! County Counsel was then able to visualize the major problem and agreed to revisit the legal opinion to ensure its accuracy and compliance with current law;
- II. **CHALLENGED THE OUTDATED LEGAL OPINION:** Following extensive and productive dialogue between DHS and County Counsel, our County lawyers concluded that the old legal opinion was in fact outdated and a new legal opinion was issued to bring the County's paper medical records retention policies up to date to conform to national standards!
- III. **CREATED A LABOR MANAGEMENT PARTNERSHIP:** DHS-HIM and Facilities Management partnered with SEIU shop stewards to recruit existing clerical staff knowledgeable and experienced in medical records management to diligently chart, box, forklift, and purge 3 million paper files certified for legal and safe destruction in accordance with state and federal laws. Partnering with SEIU to accomplish this very large project was extremely important because it would have cost the County many millions of dollars and taken several years to accomplish the same task through a private vendor;
- IV. **EMPOWERED EMPLOYEES TO “THINK OUTSIDE THE BOX”:** Thanks to our capable and hardworking clerical staff and managers who traveled from all over the County to the Soto Warehouse 6-days a week for 2 ½ months, DHS successfully certified and purged 3 million paper files with zero outside labor costs. X-ray films and paper were recycled in an environmentally friendly manner and this great project is now a model being replicated Countywide.

Quality and Productivity Commission
31st Annual Productivity and Quality Awards Program
“Celebrating Quality Service”

2017 APPLICATION

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

NAME OF PROJECT: EMPLOYEES SECURE RECORDS & ACHIEVE HUGE SAVINGS!

MANY BENEFITS TO COUNTY RESIDENTS FROM THIS IMPORTANT PROJECT:

1. The County of Los Angeles medical record retention policies now conform to the national standards promoting safe and adequate medical records storage;
2. County workers no longer waste valuable time unnecessarily shuffling millions of paper files from one location to another and having to stress about the overflow of paper containing sensitive patient information;
3. Employees are now productively working in areas where they can positively impact the lives of our patients and their families (service enhancement);
4. Patient confidential medical records and accompanying information is no longer sitting in warehouses where a break-in could jeopardize patient information and unnecessarily expose people to identity theft and other costly medical record billing fraud;
5. The County is no longer exposed to potential penalties and fines that could result from the breach of confidential patient medical information should a break-in occur at one of the storage sites;
6. The County is no longer required to pay extremely high rental fees for a large warehouse and other storage sites to unnecessarily keep paper files;
7. Historically relevant documents were rescued from an old warehouse and are now being historically preserved safely at LAC+USC Medical Center --- where in the future they can be properly and legally displayed for public benefit;

ADDED PUBLIC BENEFITS IMPROVING SERVICES IN L.A. COUNTY:

8. X-ray films were certified and environmentally-friendly recycled to generate thousands of dollars for use in direct patient care;
9. This project is being replicated Countywide at all DHS hospitals and health centers serving over 700,000 patients annually.
10. L.A. County returned the 80,000 square foot warehouse to its owner, one of our University partners, for it to be put to much better use for the community.
11. Patient medical records are now safer than ever before in L.A. County!

Quality and Productivity Commission
31st Annual Productivity and Quality Awards Program
“Celebrating Quality Service”

2017 APPLICATION

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

NAME OF PROJECT: EMPLOYEES SECURE RECORDS & ACHIEVE HUGE SAVINGS!

Linkage to the County Strategic Plan – 1 page only.

This project, “Employees Secure Records & Achieve Huge Savings!” strongly supports the County’s Strategic Plan in many areas, beginning with upholding and promoting the County’s vision as adopted by our Board of Supervisors and County CEO:

“A value driven culture, characterized by extraordinary employee commitment to enrich lives through effective and caring service, and empower people through knowledge and information.” This project empowered our County clerical staff to perform an unprecedented medical records project which presented many legal and logistical challenges. All of the hurdles were creatively and successfully overcome thanks to the strong will and determination of our County workforce. County staff demonstrated that:

- Legal opinions can be challenged/reviewed when there is a compelling reason;
- Complex project planning, development, and management can be successfully and effectively accomplished within existing County resources to save money;
- County staff can think creatively to overcome large logistical hurdles quickly and effectively in a cost-effective manner that serves the public while helping our own workforce to develop valuable skills.

This project further addressed and promoted the following Strategic Plan Goals:

Goal One: Making Investments That Transform Lives.

This project aggressively addressed a complicated health policy challenge by convincing our County Counsel that a longstanding legal opinion related to health and privacy laws needed to be revisited as its substance was outdated and not compatible with our County’s duty to adhere to state and federal medical retention standards.

Goal Two: Foster Vibrant and Resilient Communities.

This project drove workforce development by empowering our workforce to question and change policies when needed and to develop large logistical plans to protect our patient medical records by bringing our practices into compliance with state and federal standards. Further, it promoted environmental sustainability by recycling 100% of 3 million paper files and X-rays generating funds for our hospitals and health centers.

Goal Three: Realize Tomorrow’s Government Today.

This project demonstrated innovative, flexible, effective, & transparent partnership between management & SEIU shop stewards focused on advancing the common good by including our shop stewards in the development and implementation of the solution.

**Quality and Productivity Commission
31st Annual Productivity and Quality Awards Program
"Celebrating Quality Service"**

2017 APPLICATION

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

NAME OF PROJECT: EMPLOYEES SECURE RECORDS & ACHIEVE HUGE SAVINGS!

COST AVOIDANCE, COST SAVINGS, AND REVENUE GENERATED (ESTIMATED BENEFITS TO THE COUNTY): If you are claiming cost benefits, include a calculation on this page. Please indicate whether these benefits apply in total or on a per unit basis, e.g., per capita, per transaction, per case, etc. 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. Use Arial 12 point font

Cost Avoidance: Costs that are eliminated or not incurred as a result of program outcomes. Please indicate whether these are costs to the County or to other entities.

Cost Savings: A reduction or lessening of expenditures as a result of program outcomes. Please indicate whether these were expenditures by the County or by other entities.

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
\$ 519,057.72	\$563,967.55	\$ N/A	\$1,083,025.20	<input checked="" type="checkbox"/>

ANNUAL = 12 MONTHS ONLY

Base rental amount: \$519,057.72 / annually
(cost to County)

Projected Housekeeping: 65,102.50. / annually
(cost to County)

Projected Maintenance and Repairs: 34,140.00 / annually
(cost to County & University Partner)

Projected Equipment Rental: 45,714.29 / annually
(cost to County)

Projected Staffing: 394,230.76 / annually
(cost to County)

Projected Utilities: 24,780.00 / annually
(cost to County)

TOTAL COSTS AVOIDED/SAVINGS: \$1,083,025.20 / ANNUALLY

Please note: Costs do NOT include costs that would have been incurred in FY 2017-18 to replace the failing roof at the 80,000 square feet Soto Warehouse. Also, additional system savings are being achieved as this project is replicated at other DHS-HIM sites located throughout the County.