



Thursday, February 9, 2023

Sent via U.S. Mail and Electronic Mail

Honorable Supervisor Hilda Solis
Honorable Supervisor Holly Mitchell
Honorable Supervisor Lindsay Horvath
Honorable Supervisor Janice Hahn
Honorable Supervisor Kathryn Barger

Los Angeles County Hall of Administration
500 West Temple Street
Room 383
Los Angeles, CA 90012

RE: Financial and Operational Issues Impacting Care to L.A. Care Members

Dear Honorable Members of the Los Angeles County Board of Supervisors,

We are writing to you on behalf of more than 90 hospitals in Los Angeles County that are members of the Hospital Association of Southern California (HASC), the California Association of Health Facilities (CAHF) representing over 350 nursing facilities and the Los Angeles County Ambulance Association (LACAA) representing 26 ambulance providers with more than 1,200 licensed ambulances. As a group we are deeply concerned and frustrated over the ongoing challenges in providing health care services to patients enrolled in the L.A. Care Health Plan.

For the past several years, we have attempted to work directly with L.A. Care leadership to address the challenges in caring for their patients. This week, L.A. Care leadership shared a high-level overview of their intent to make changes designed to improve engagement with providers. These proposed changes have no timeline and no guarantee of approval/success. In addition, they are not comprehensive as they do not address the requests and recommendations HASC and its members have shared with L.A. Care as recently as last fall. With little improvement seen, many of our member organizations state that the issues have reached a crisis level that threatens care for many of the most vulnerable and underserved individuals in Los Angeles County.

Examples of the issues L.A. Care members and their providers face include:

- Delays in authorization to provide care, which results in delayed access to necessary medical care for many L.A. Care members.
- Hospitals experience countless delays when attempting to discharge medically stable patients to post-acute care settings such as skilled nursing, long-term acute care and home health. L.A. Care's administrative practices of delayed payment, underpayments and delayed authorizations to discharge patients to post-acute care settings significantly contribute to the crippling of the 9-1-1 system and exacerbate delays in emergency response times, placing lives at risk.
- Hospitals outside of the L.A. Care network are also experiencing delays in transferring patients to L.A. Care contracted hospitals and post-acute providers.

- These delays cause L.A. Care patients who need acute inpatient care to wait hours — if not days — in hospital emergency rooms, because hospitals are unable to transfer medically stable patients to more appropriate levels of care. The situation also has a downstream impact on 9-1-1 response times because ambulances are backed up in hospitals waiting for beds to become available.
- The delays described above are exacerbated by an increasing number of contracted acute and post-acute providers that are unwilling to accept L.A. Care patients because of L.A. Care’s deficient claims payment practices. Another cause is L.A. Care’s seemingly inadequate network of primary, specialty and post-acute providers.
- Delays in claims adjudication have resulted in significant account receivables for many hospitals – a particular concern for safety-net hospitals whose cash flow is critical to their ability to remain viable.
- The issues outlined above exacerbate disparities faced by the low-income and underserved individuals and families that make up L.A. Care’s membership. All Med-Cal members deserve access to high-quality and timely health care and we believe the organization can take steps to support better care for this population.

In November 2022, HASC requested that L.A. Care consider the following recommendations to improve patient care, however, we have yet to see significant improvement:

1. Increase transparency through the development of Provider and L.A. Care dashboards that display accurate metrics for claims denial rates, types of denials, total accounts receivable (AR), days in AR, AR over 90 days, administrative days paid, interest payments, etc. The development of metrics could assist in prioritizing actions that result in the greatest improvement for patient care/health outcomes.
2. Increase the infrastructure to support patient care needs including, but not limited to, inpatient admissions, facilitating repatriation to in-network facilities, and ensuring timely post-discharge transitions to appropriate level of care (e.g., skilled nursing facilities) consistently on a 24/7 basis using technology and electronic interfaces.
3. Assess the adequacy and willingness of provider network to ensure there is sufficient post-acute capacity in the L.A. Care network.
4. Assess the capacity and oversight of contracted medical groups and their ability to manage their assigned patients. The lack of access and accountability results in overutilization of emergency services when patients are returned to their independent physician association/medical group with specific and timely follow-up requests but are not always accommodated.
5. Develop a tracking system to ensure receipt of requested documentation and attachments to reduce the number of hours spent by provider staff calling L.A. Care and having to resubmit previous paperwork.
6. Address lack of timeliness of non-emergency medical transportation and non-medical transportation, which leads to delays in patient transfers or hospitals paying for services themselves.
7. Enhance the L.A. Care Provider Portal to reduce the number of subsequent calls to determine the status of a claim.
8. Improve consistency and clarity of communications involving overpayments and offsets on provider remittances.
9. Seek to reduce the collective administrative burden on L.A. Care and its provider partners through the use of technology, deployment of sufficient staff and a collaborative culture of accountability.

We respectfully request that the Board of Supervisors send a five-signature letter to L.A. Care Chief Executive Officer John Baackes and the L.A. Care Board asking that they immediately take the following measures to improve their organizational deficiencies:

- Hire an independent consultant to evaluate current operational and financial infrastructure systems, processes, member and provider communication, and network adequacy.
- Update systems and procedures to improve the timeliness of authorizations for care and transfers to in-network acute and post-acute providers.
- Create a physician advisory board to conduct clinical reviews and determine issues and best practices for patient care.
- Develop a quality improvement plan to assess consistency in quality-of-care management.
- Develop a transparent method for real-time data collection and regular reporting of operational efficiencies to the L.A. Care Board and the LA County Board of Supervisors. This reporting will create a higher level of accountability and help restore public trust.

Furthermore, we ask that you send a copy of the John Baackes letter to the California Department of Health Care Services and Department of Managed Health Care with a request for a thorough review of the issues outlined in this letter.

Sincerely,



George W. Greene, Esq.
President and CEO
Hospital Association of Southern California



Craig Cornett
CEO/President
California Association of Health Facilities



Chad Druten
President
Los Angeles County Ambulance Association

Cc: John Baackes, CEO, L.A. Care
Al Ballesteros, Chair, L.A. Care Board of Governors
Los Angeles Hospital Leadership Group
California Hospital Association
Los Angeles County Health Deputies