Martin Luther King, Jr. Community Hospital

Los Angeles Area Chamber of Commerce
September 6, 2013
Introduction: Elaine Batchlor, MD, MPH

Employment
• Chief Executive Officer of Martin Luther King, Jr. Community Hospital
• Former Chief Medical Officer, L.A. Care Health Plan
• Vice President, Health Care Finance, Organization and Operations, California HealthCare Foundation Leadership Program
• Chief Medical Officer, Prudential Health Care of California
• Medical Director, Los Angeles County DHS Office of Managed Care
• Service Area Medical Director, Ross-Loos Medical Group/CIGNA Health Plan of California
• Clinical Instructor, UCLA School of Medicine

Professional Activities
• Board chair, Integrated Healthcare Association
• Board member, Public Health Institute
• Editorial board member, Health Affairs
• Advisory board member, California Healthcare Foundation Leadership Program
• Advisory Group member, Robert Wood Johnson Clinical Scholars Program, UCLA

Education and Professional Designations
• BA, Biology, Harvard University
• MD, Case Western Reserve University
• MPH, University of California – Los Angeles
• Board certified in internal medicine and rheumatology
• Internship, residency, and fellowship training completed at Harbor-UCLA Medical Center
Historical Background
History

• April 2010: Los Angeles County (the “County”) and the University of California (“UC”) jointly sponsor AB2599 to ensure long-term financial viability of the new Hospital; AB 2599 signed by Governor Schwarzenegger on September 23, 2010

• July 2010: County and UC sign Coordination Agreement. UC will assist with:
  – Hiring the Hospital’s Chief Medical Officer
  – Development of the Hospital’s Graduate Medical Education program
  – Development of hospital-based physician services
  – Development of the Hospital’s quality and performance improvement programs
  – Assistance with other pre-opening activities that require physician expertise

• August 2010: Martin Luther King, Jr. – Los Angeles Healthcare Corporation (“MLK-LA”) formed as a new nonprofit entity; Board members are appointed by the County and UC
History

• Mid- to Late 2011: MLK-LA begins work to engage a permanent management team and move forward with opening the Hospital
  – Interim CEO appointed in October, 2011, and a search process for the permanent CEO was initiated
• Early 2012: Foundation is formed and begins fundraising activities
• October, 2012: Elaine Batchlor, MD, begins serving as the CEO of the Hospital
• Year-to-date 2013:
  – MLK-LA receives 501(c)(3) tax-exempt status at the state and federal levels
  – MLK-LA hires permanent Chief Operating Officer/Chief Nursing Officer, Chief Medical Officer, Chief Information Officer, and Director of Medical Quality
The New Martin Luther King, Jr. Community Hospital

L.A. County
- Governance: County Board of Supervisors
- County Government

Coordination Agreement

UC, UCLA
- Governance: Board of Regents
- State of California

Shared Services Agreement
- Building Lease
- IGT and Indigent Care Fund $$

MLK Community Hospital
- Governance: Community Board
- Nonprofit 501c3

MLK-LA Foundation
- Governance: Community Board
- Nonprofit 501c3 in support of the Hospital

Hospital-based Physician Services, GME Quality and Performance Improvement Assistance
## Board of Directors

<table>
<thead>
<tr>
<th>Board Member</th>
<th>Board Office</th>
<th>Current Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manual A. Abascal, JD</td>
<td>Chair of Board</td>
<td>Partner, Litigation Department Latham and Watkins, LLP</td>
</tr>
<tr>
<td>Paul King, MHA</td>
<td>Vice Chair of the Board</td>
<td>Executive Director, C.S. Mott Children’s Hospital and Von Voigtlander Women’s Hospital; Past President and Chief Executive Officer Children’s Hospital Los Angeles Medical Group</td>
</tr>
<tr>
<td>James Yoshioka, BS</td>
<td>Treasurer of the Board</td>
<td>President and Chief Executive Officer (Retired), Citrus Valley Health Partners</td>
</tr>
<tr>
<td>Michael Madden, MA</td>
<td>Secretary of the Board</td>
<td>Chief Executive Officer (Retired), Providence Healthcare of Southern California</td>
</tr>
<tr>
<td>Robert Margolis, MD</td>
<td>Board Member</td>
<td>Co-Chairman of the Board, DaVita HealthCare Partners and Chief Executive Officer, HealthCare Partners</td>
</tr>
<tr>
<td>Robert E. Tranquada, MD</td>
<td>Board Member</td>
<td>Emeritus Professor USC Sol Price School of Public Policy</td>
</tr>
<tr>
<td>Georgina Garcia, RN, MS</td>
<td>Board Member</td>
<td>Executive Director Kaiser Permanente – West Los Angeles Medical Center</td>
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</tbody>
</table>
Our Community: An Overview of Service Planning Area 6
Geographic Overview of SPA 6

Key Demographics of SPA 6:
- 1.2 million residents; 45.5% age 15-44 years
- 74% Hispanic; 21% Black
- 67% of household incomes less than $50,000

- Large portions of SPA 6 are designated as a Health Professional Shortage Area and/or a Medically Underserved Area, indicating that there is a deficit of primary care physicians in the community. In addition, physician shortages exist across almost all medical and surgical specialties.
# Service Area Health Indicators

**Martin Luther King, Jr. Community Hospital**  
**Key Indicators of Health - SPA 6 versus Los Angeles County**  
**Report released March 2013, based on 2011 data**

<table>
<thead>
<tr>
<th>Indicators of Health</th>
<th>SPA 6</th>
<th>Los Angeles County</th>
<th>SPA 6 vs. Los Angeles County</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mortality Indicators (1)</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Diabetes death rate</td>
<td>34.1</td>
<td>20.2</td>
<td>Worse</td>
</tr>
<tr>
<td>Coronary heart disease death rate</td>
<td>178.2</td>
<td>128.6</td>
<td>Worse</td>
</tr>
<tr>
<td>Stroke death rate</td>
<td>45.5</td>
<td>33.7</td>
<td>Worse</td>
</tr>
<tr>
<td>Lung cancer death rate</td>
<td>39.9</td>
<td>31.3</td>
<td>Worse</td>
</tr>
<tr>
<td><strong>Communicable Diseases (2)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incidence rate of AIDS among adolescents and adults (ages 13+ years)</td>
<td>32.3</td>
<td>24.9</td>
<td>Worse</td>
</tr>
<tr>
<td>Incidence rate of chlamydia</td>
<td>999.5</td>
<td>512.9</td>
<td>Worse</td>
</tr>
<tr>
<td>Incidence rate of gonorrhea</td>
<td>231.9</td>
<td>103.4</td>
<td>Worse</td>
</tr>
<tr>
<td><strong>Reproductive Health</strong></td>
<td></td>
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<tr>
<td>Rate of births (per 1,000 live births) to teens ages 15-19 years</td>
<td>51.1</td>
<td>28.1</td>
<td>Worse</td>
</tr>
<tr>
<td>Percent of low weight (&lt;2,500 grams) births (per 100 live births)</td>
<td>8.1%</td>
<td>7.1%</td>
<td>Worse</td>
</tr>
<tr>
<td>Percent of all live births where mother received prenatal care during the 1st trimester</td>
<td>77.1%</td>
<td>81.6%</td>
<td>Worse</td>
</tr>
<tr>
<td><strong>General Health Environment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of adults who obtain recommended amount of aerobic exercise each week (3)</td>
<td>61.0%</td>
<td>61.8%</td>
<td>Worse</td>
</tr>
<tr>
<td>Percent of adults who are obese (BMI ≥ 30.0)</td>
<td>32.7%</td>
<td>23.6%</td>
<td>Worse</td>
</tr>
</tbody>
</table>

Source: Los Angeles County Department of Public Health: Key Indicators of Health, March 2013  
(1) Age-adjusted, per 100,000 population  
(2) Annual new cases, per 100,000 population  
(3) Defined as ≥ 150 minutes per week of moderate activity, or ≥ 75 minutes per week of vigorous exercise

https://sharepoint.theandsengroup.com/Clients/Martin_Luther_King_Hospital/SPA_6_Market_Assessment/Health_Status_Indicators.xls
## Service Area Historical Inpatient Payer Mix

### SPA 6

**Distribution of Total Inpatient Discharges by Payer**

**CY 2007 - 2011**

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td><strong>Medicare</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managed Care</td>
<td>6.3%</td>
<td>7.3%</td>
<td>7.5%</td>
<td>1.3%</td>
</tr>
<tr>
<td>FFS</td>
<td>19.7%</td>
<td>20.3%</td>
<td>21.6%</td>
<td>1.9%</td>
</tr>
<tr>
<td><strong>Medicare Subtotal</strong></td>
<td>26.0%</td>
<td>27.6%</td>
<td>29.1%</td>
<td>3.2%</td>
</tr>
<tr>
<td><strong>Medi-Cal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managed Care</td>
<td>11.7%</td>
<td>11.9%</td>
<td>13.2%</td>
<td>1.5%</td>
</tr>
<tr>
<td>FFS</td>
<td>34.2%</td>
<td>33.7%</td>
<td>30.5%</td>
<td>-3.7%</td>
</tr>
<tr>
<td><strong>Medi-Cal Subtotal</strong></td>
<td>45.9%</td>
<td>45.6%</td>
<td>43.8%</td>
<td>-2.1%</td>
</tr>
<tr>
<td><strong>Private Coverage</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HMO</td>
<td>12.3%</td>
<td>11.9%</td>
<td>11.7%</td>
<td>-0.6%</td>
</tr>
<tr>
<td>PPO</td>
<td>3.1%</td>
<td>2.8%</td>
<td>2.9%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>FFS</td>
<td>1.1%</td>
<td>1.4%</td>
<td>1.5%</td>
<td>0.4%</td>
</tr>
<tr>
<td><strong>Private Coverage Subtotal</strong></td>
<td>16.6%</td>
<td>16.2%</td>
<td>16.2%</td>
<td>-0.4%</td>
</tr>
<tr>
<td><strong>Other Payers</strong> (1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11.6%</td>
<td>10.7%</td>
<td>10.9%</td>
<td></td>
<td>-0.6%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

Total Discharges = 138,344 in 2007, 143,748 in 2009, 141,705 in 2011

Source: OSHPD Inpatient Discharge Databases 2005 - 2011

Notes: Numbers may not foot due to rounding. Excludes normal new borns (DRG 391 in 2007 and MS-DRG 795 in years 2009 and 2011).

(1) Other payers include county indigent programs, other government, other indigent, other payer, self pay, workers’ compensation, and unknown.

Notes: Numbers may not foot due to rounding. Excludes normal new borns (DRG 391 in 2007 and MS-DRG 795 in years 2009 and 2011).

(1) Other payers include county indigent programs, other government, other indigent, other payer, self pay, workers’ compensation, and unknown.

Note: Numbers may not foot due to rounding.
Where We Are Today
Mission and Vision

Vision
To be a leading model of innovative, collaborative community healthcare.

Mission
To provide compassionate, collaborative, quality care and improve the health of our community.
MLK will be an independent, non-profit, high-quality, community-oriented, state-of-the-art hospital.

- Designed to serve the community – Medi-Cal, Medicare, commercially insured and uninsured
- State of the art technology infrastructure
  - Open with electronic health record system
  - Use telemedicine to expand access to high-quality specialty care services
  - Use patient interactive systems to educate and engage patients
- Work with UCLA to develop quality programs and graduate medical education
- Work with County Department of Health Services (“DHS”) and community partners to improve population health and expand access to outpatient services
Martin Luther King, Jr. Community Hospital

Where We Are Today: **Quarter Three, CY 2013**

- The County Department of Public Works is responsible for construction of the new facility; Hensel Phelps is the contractor
- Once construction is finished, MLK-LA will complete the following before the Hospital opens:
  - Install equipment and information technology ("IT")
  - Test all equipment and the new IT system
  - Stock the facility
  - Hire and train Hospital staff (approximately 700 full-time equivalents ["FTEs"])
  - Obtain appropriate licensures, certifications, and accreditations
  - Construction of the Hospital’s expanded obstetric program and build-out of six “shelled” medical-surgical inpatient rooms
The MLK Campus Master Plan was Approved by the Los Angeles County Board of Supervisors on January 21, 2013

Future site of Martin Luther King, Jr. Community Hospital
The Campus Master Plan Positions MLK to be an Innovative Provider of Coordinated Care

Parcel 1:
- Research/innovation center
- Medical office/ clinic/ urgent care/behavioral and mental health space
- Parking garage
- Childcare
- Retail

Parcel 2:
- Assisted living
- Skilled nursing facility
- Rehabilitative care
- Senior housing

Source: Initiative for a Competitive Inner City
Martin Luther King, Jr. Community Hospital

Top: Main entry of new hospital inpatient tower
Right: Artist’s rendering of new patient rooms
# Facility Overview

<table>
<thead>
<tr>
<th>Licensed Bed Type</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical/Surgical</td>
<td>93</td>
</tr>
<tr>
<td>Intensive Care</td>
<td>20</td>
</tr>
<tr>
<td>Obstetrics</td>
<td>18</td>
</tr>
<tr>
<td><strong>Total Licensed Beds</strong></td>
<td><strong>131</strong></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>Nursery - Bassinets</td>
<td>11</td>
</tr>
<tr>
<td>Emergency Department Stations</td>
<td>21</td>
</tr>
<tr>
<td>Fast Track Stations</td>
<td>8</td>
</tr>
<tr>
<td>Operating Rooms</td>
<td>3</td>
</tr>
<tr>
<td>C-Section Rooms (dedicated)</td>
<td>2</td>
</tr>
<tr>
<td>Post-Anesthesia Care Unit</td>
<td>12</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Projected Inpatient Volume&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Daily Census</td>
<td>96+</td>
</tr>
<tr>
<td>OB/Deliveries</td>
<td>1,400+</td>
</tr>
<tr>
<td>Emergency Department Visits (Inpatient and Outpatient)</td>
<td>35,500+</td>
</tr>
<tr>
<td>Inpatient Surgeries</td>
<td>2,000+</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Reflects projected patient volume during the Hospital’s first full year of operation.
MLK Will Offer Services that are Reflective of a Community Hospital

**Scope of Clinical Services to be Provided by the Hospital**

- Anesthesiology
- Cardiology – Medical and Diagnostic
- Emergency Services
- Endocrinology
- Gastroenterology
- General Medicine
- Gynecology
- General Surgery
- Neurology
- Obstetrics
- Oncology
- Ophthalmology
- Orthopedics
- Otolaryngology
- Pathology
- Radiology
- Pulmonary Medicine
- Urology
- Other - Health education

**We will refer patients who require a higher level of care to our hospital partners.**
Developing an Innovative, Integrated Care Strategy

- Los Angeles County Ambulatory Clinics
  - Shared Professional Staff

- Community Clinics/FQHCs
  - Needs Assessment

- Medical Groups/IPAs
  - UCLA and community-based providers

- Community-based Providers
  - Shared data

- Partnering Hospitals
  - Tele-ICU

- Pre-Post Acute Providers
  - Home Visits

- Prevention, Education, and Wellness Partners
  - Learning Center
Building the MLK Brand

Collaboration
Quality
Caring
New
Innovation
MLK Community Hospital Key Attributes

Martin Luther King, Jr. Community Hospital
MLK Brand: New

- New **logo** reflects extensive community research
- **Building** is state-of-the-art and seismically compliant
- Installing new **furniture, fixtures, and equipment** (medical, non-medical, and IT) for the Hospital
- Recruiting and training all new staff from 2013 through 2014
- Implementing state-of-the-art **electronic health record** and IT systems
- Established the new MLK Community Health **Foundation**, hired leadership, and began fundraising
MLK Brand: Quality

• Breadth and depth of experience among MLK-LA Board and Management Team across all areas of Hospital operations
• Hospital-based physician services provided by UCLA physicians and community-based physician groups
• Application of evidenced-based medicine protocols and performance measurement
• Implementation of staff orientation, training and evaluation
• Use of state-of-the-art information and biomedical technology
## MLK Brand: Collaboration

<table>
<thead>
<tr>
<th>Area of Collaboration</th>
<th>Partner</th>
</tr>
</thead>
</table>
| **Care Coordination**  | • DHS/MAACC  
• Referring hospitals  
• Southside Coalition of Community Health Centers  
• Other community-based organizations |
| **Clinical Oversight** | • UCLA |
| **Construction of New Building** | • Department of Public Works  
• EMS and referring hospitals |
| **Emergency Services** | • Los Angeles County Board of Supervisors  
• California DHS  
• MLK Community Health Foundation  
• The California Endowment  
• Other Granting Agencies |
| **Funding** | • UCLA  
• Community-based physician groups |
| **Provider Network** | • • • |
MLK Brand: Caring

• Application of behavioral interviews to employ a diverse, multilingual workforce that embraces our values
• Furnish family-centered hospital rooms with sleepover beds
• Provide patient interactive systems for education, entertainment and interaction with staff
• Display healing art collection
• Provide customer service coordinators
• Use Press Ganey and HCAHPS satisfaction surveys to measure and improve satisfaction
MLK Brand: Innovation

• Implementation of a state of the art technology infrastructure
  – Use telemedicine to expand access to high quality specialty care
  – Use patient interactive systems to educate and engage patients
    (e.g., smart phone applications)

• Development of Community Learning Center and Innovation Center

• Located within the Willowbrook Wellness Zone

• Development of an innovative delivery network
Other Accomplishments

- Obtained 501(c)(3) tax-exempt status for the Hospital at the state and federal levels
- Established and obtained 501(c)(3) status for new MLK Community Health Foundation and hired leadership
- Adopted an operating model and scope of services for the Hospital
- Developed a five-year financial budget and detailed operating plan
- Hired permanent CEO, COO/CNO, CMO, CIO, and Director of Medical Quality
- Engaged advisors with expertise across all functional areas of the Hospital
- Selected furnishings, fixtures, and equipment for the Hospital; received first delivery of equipment in March, 2013
- Completed an IT strategy and selected health information systems
- Developed a plan for hospital-based physician staffing in collaboration with UCLA
- Completed a Physician Needs Assessment, Environmental Assessment, and FQHC Clinic/Patient Needs Assessment for SPA 6
- Engaged with South Los Angeles community and other key stakeholders (e.g., FQHCs, community-based groups)
Key Activities Underway

- Engaging remainder of permanent hospital management team
- Developing:
  - Communications plan
  - Human resources infrastructure
  - Key policies and procedures for pre- and post-hospital opening operations
  - Provider network strategy
- Securing hospital equipment
- Beginning build out and design of health information systems
- Developing the Hospital’s Medical Staff
- Preparing for appropriate licensures, certifications, and accreditations
- Developing Learning Center for community health education programs
- Establishing relationships with key partners
MLK: Estimated Annual Impact on Los Angeles County

- Direct revenue: $197.9 million
- Direct employment (jobs): 847
- Total Economic Impact:
  - Output: $338.5 million
  - Employment (jobs): 1,766
  - Labor income: $132.8 million
- State and Local Taxes: $15.1 million
- Federal Taxes: $26.4 million

Source: Los Angeles County Economic Development Corporation
Key Challenges

• New public-private partnership
• Development of an integrated ambulatory care network and coordinated system of patient care
  – Large shortages of providers across all medical and surgical specialties, including primary care
  – Significant capital needed to attract new providers and develop a robust population health management infrastructure
• Local market dynamics:
  – Poor health status outcomes and payer mix distribution
  – Recruitment and retention of highly qualified staff over a short period of time
• Planning for the opening of a hospital during an era of healthcare reform with significant changes in the marketplace
Contact Information

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