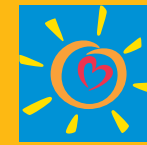


A Year of Healthy Change



**L.A. Care**  
HEALTH PLAN®

2009-2010 Annual Report



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# Mission, Vision & Values

## Our Mission

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To provide access to quality health care for Los Angeles County's vulnerable and low income communities and residents and to support the safety net required to achieve that purpose.

## Our Vision

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A healthy community in which all have access to the health care they need.

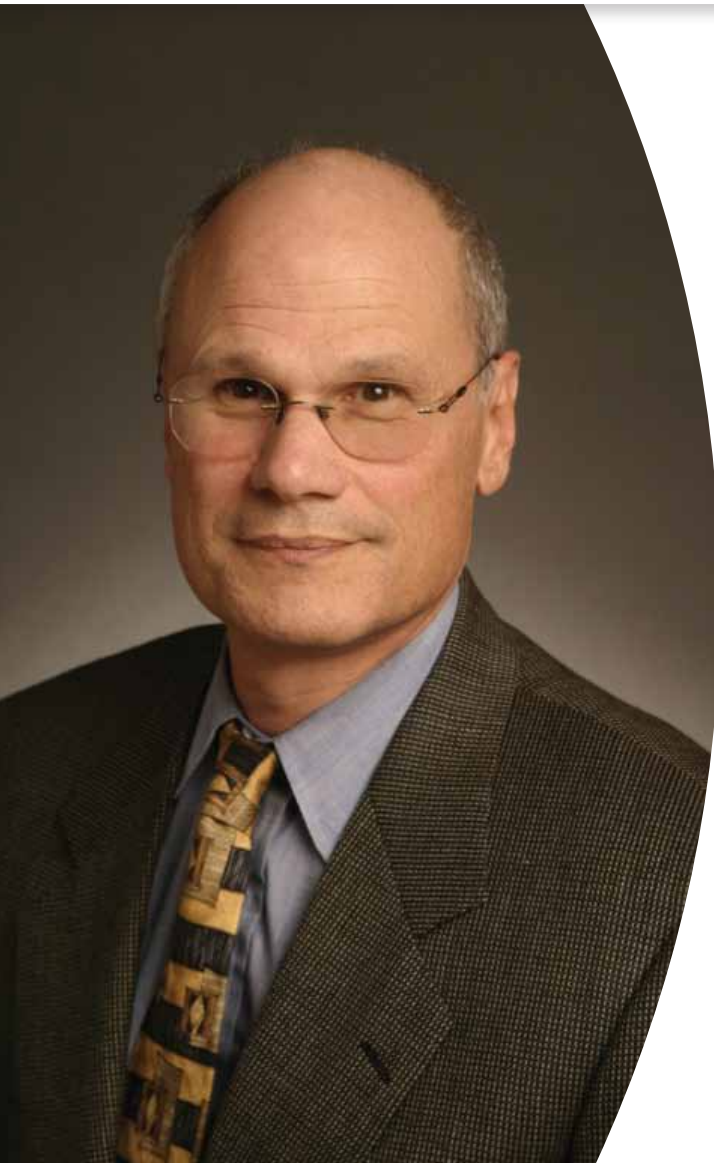
## Our Values

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We are committed to the promotion of accessible, high quality health care that:

- Is accountable and responsive to the communities we serve and focuses on making a difference;
- Fosters and honors strong relationships with our health care providers and the safety net;
- Is driven by continuous improvement and innovation and aims for excellence and integrity;
- Reflects a commitment to cultural diversity and the knowledge necessary to serve our members with respect and competence;
- Empowers our members, by providing health care choices and education and by encouraging their input as partners in improving their health;
- Demonstrates L.A. Care's leadership by active engagement in community, statewide and national collaborations and initiatives aimed at improving the lives of vulnerable low income individuals and families; and
- Puts people first, recognizing the centrality of our members and the staff who serve them.

# Letter from the Chair



As I come to the end of my tenure as chair of L.A. Care's Board of Governors, I am struck with how quickly the time passes, and how much we have accomplished in the time I have been on the Board.

My fellow Board members have been a pleasure to work with, and I can safely say that no Board works harder than this one has over the past two years. I have had the unique vantage point of watching the Board respond to the operational challenges of growth during a tumultuous period in this nation's history – the passing of the new health care law and the greatest economic recession since the Great Depression.

I am struck by the Board's very nimble response to the shifting sands of health care reform as both the Patient Protection and Affordable Care Act and California's 1115 Medicaid Waiver moved through the political process. Very early on, this Board thoughtfully discussed and agreed on its principles on what would constitute reform in our eyes — universal health coverage, an individual health insurance mandate, and support of a regional public plan option, to mention a few. After several weeks of lively discussion, we were able to put together a platform that we could all support. Especially with regards to a local public plan option, we were able to speak from a position of authority, as the largest public plan in the nation.



Achieving NCQA status a couple of years ago, and then regaining “Excellent” accreditation this year, is an enormous achievement and points to L.A. Care staff’s dedication to quality medical care. This staff goes above and beyond every day to ensure that our members have access to quality care, in their preferred language, from doctors who respect them.

Working with L.A. Care staff over the years has been one of the major highlights of my time on the Board, and something that I have thoroughly enjoyed.

*“This staff goes above and beyond every day to ensure that our members have access to quality care, in their preferred language, from doctors who respect them.”*

Something that makes L.A. Care so special, and which I really appreciate, is the importance of member input to the Board. L.A. Care is the only health plan that I know of where members actually elect two voting representatives to the Board. In addition, we have 11 active Regional Community

Advisory Committees and an Executive Community Advisory Committee that holds events, does outreach, and keeps the staff and Board informed about what’s going on in their communities.

Knowing firsthand what our members experience when they interact with the health care system makes this Board and L.A. Care much more effective, and responsive to change. I am very grateful to all of our members who have come forward with their experiences and their thoughts on how to make health care work better.

Thanks to my fellow Board members, the leadership of our CEO, and the great L.A. Care staff, my tenure as Chair has been an inspiring and joyful time. I look forward to L.A. Care’s continued growth and success as the champion of health care for our underserved and vulnerable communities.

Sincerely,

Thomas Klitzner, MD-PhD

# Letter from the CEO



2010 is going to be remembered as a turning point in health care — the year the Patient Protection and Affordable Care Act (health care law) became the law of the land. Even though some pieces of this historic law have already been implemented (such as young adults up to age 26 being able to stay on their parents' health insurance policies), the main components are still a few years away from being a reality.

At L.A. Care, we've already done a lot to prepare, and there is much more planned... and achieved.

This year, we faced a dire funding shortfall with our locally funded Healthy Kids program that threatened the coverage of more than 21,000 children ages 6-18 (children ages 0-5 are continuing to receive coverage thanks to funding from First 5 LA). At that critical moment, several members of our Regional Community Advisory Committees stepped forward and made a suggestion — what if we asked families to help pay for the program?

Keep in mind that these are very poor families — most are below the qualifying Medical income threshold. On May 21, L.A. Care sent out notices to our Healthy Kids families announcing a new premium structure — \$15 per child per month, up to \$45 per month per family. Despite the trying financial condition of these families, 72 percent of the kids' parents paid the premiums and stayed with the program. On average, we are receiving an additional \$212,000 a month from premiums to help keep the program alive.



Many of these families come from countries and cultures where the concept of health insurance is nascent. Yet, they are placing a premium value on health coverage for their kids. They care about their children being healthy, and about getting to school. They have learned that **coverage does matter.**

L.A. Care's business model for Medi-Cal includes Plan Partner health plans whom we subcontract with to deliver services. Additionally, we have our own directly contracted Medi-Cal network (MCLA) and three other lines of business. Combined, we serve over 860,000 members in Los Angeles County.

*"2010 is going to be remembered as a turning point in health care."*

This year, due to the economy, we've seen a substantial growth in Medi-Cal. L.A. Care's total Medi-Cal membership grew by nearly four percent during the fiscal year, and we achieved our organizational goal of 100,000 members in our direct Medi-Cal line of business 11 months early.

Our sizeable membership has allowed us to implement quality improvement initiatives and conduct pilots that experiment with

care delivery — thus **"raising the bar" in Medi-Cal.** We've made investments in health education classes at our Family Resource Centers, experimented with different types of provider pay-for-performance programs, and encouraged the adoption of health information technology. All of these programs are helping L.A. Care and L.A. County to prepare for the post health care reform world.

Unlike any other health plan, L.A. Care can never leave Los Angeles for business reasons. We're here to stay, and Los Angeles County is our sole focus. We're proud to be here, and look forward to the challenges and opportunities ahead.

My thanks to the Board of Governors, all of our advisory committees, and especially the L.A. Care staff for a great year.

Sincerely,

Howard Kahn

# Looking Forward



It is a challenging and exciting time to be in health care. With the passage of the Patient Protection and Affordable Care Act, the nation is poised to dramatically increase access to health coverage starting in 2014. L.A. Care is working hard to be ready.

Under the new health care law, Medi-Cal, which currently provides services to a wide range of beneficiaries, including children, their parents, seniors and nonelderly adults with disabilities, will expand to include childless adults under 133% of the federal poverty level. This means that an additional 546,000 currently uninsured Los Angeles County residents could be eligible for Medi-Cal. L.A. Care is also developing plans to participate in the new "California Health Benefit Exchange," to offer health coverage to lower-income people and small businesses.

As part of the Section 1115 Medicaid Waiver with the federal government, the State will begin enrolling Seniors and People with Disabilities (SPDs) into Medi-Cal managed care in 2011. The SPD population is among our community's most vulnerable — and expensive — population. There are 170,000 SPDs in Los Angeles County, and research shows that a managed care environment can benefit these patients clinically and socially, by linking them to community services and providing better coordination of care.





L.A. Care launched its directly contracted Medi-Cal network (MCLA) in 2006 with a focus on SPD members. Since then, we've helped clinics and other community providers increase their abilities to serve SPDs by providing grants to build ramps and purchase moveable exam room tables. We now offer member materials in Braille, audio, and large print. We are increasing our efforts to serve this population and to provide a smooth transition from the fee-for-service environment.

*“Whatever the future brings, L.A. Care Health Plan will continue to work toward a healthy community in which all have access to the health care they need.”*

provider incentives. We are working to ensure that every Los Angeles County resident will have the benefit of electronic health information exchange, regardless of their income level, cultural or linguistic needs, or the provider they see.

With the federally-funded HITEC-LA project, L.A. Care's goal is to help 3,000 Los Angeles County small-practice providers become meaningful users of Electronic Health Records (EHRs). L.A. Care is augmenting this initiative and other EHR initiatives through our own grantmaking and

Next summer, our agency is scheduled to move to new digs. After a careful and deliberate 24-month process, L.A. Care signed a 10-year lease for new office space at 1055 W. 7th Street. The new building will allow for future growth, on-site employee and visitor parking, and a much more flexible, modular workspace. L.A. Care will remain in downtown Los Angeles, close to public transportation (which half of our workforce uses). We will also be more environmentally friendly — the office space is designed to maximize use of natural light, among other things.

In addition, L.A. Care continues to work closely with Los Angeles County, particularly with the Department of Health Services (LADHS), partnering on several initiatives to strengthen the safety net and prepare for the new health care law. Initiatives include partnering with the County to transform ambulatory care services and establishing patient centered medical homes.

Whatever the future brings, L.A. Care Health Plan will continue to serve the residents of Los Angeles County, and work toward a healthy community in which all have access to the health care they need.



# L.A. Care Health Plan At-A-Glance

## L.A. Care Meets Health Care Industry's Highest Standards of Quality

In 2010, the National Committee for Quality Assurance (NCQA) awarded L.A. Care Health Plan an accreditation status of "Excellent," the highest possible level. NCQA is an independent, non-profit organization that assesses and reports on the quality of the nation's managed care plans. L.A. Care's accreditation status is based on a voluntary review of how a health plan ensures that its members are receiving high quality care.

## More Members Join L.A. Care

L.A. Care's membership exceeded 800,000 for the first time this fiscal year, and our directly contracted Medi-Cal network reached more than 100,000 members in October 2010.

Membership (as of October 1, 2010)	
Total Medi-Cal Membership <i>L.A. Care's Direct Medi-Cal (MCLA)</i>	837,182 102,522
L.A. Care's Healthy Families Program	8,705
L.A. Care's Healthy Kids	17,977
L.A. Care Health Plan Medicare Advantage HMO SNP	1,383
<b>Total Members</b>	<b>865,247</b>

## Quality Scores Show Continual Improvement

In 2010, L.A. Care achieved its best results ever on our Healthcare Effectiveness Data and Information Set (HEDIS) results. HEDIS is a tool used by more than 90 percent of America's health plans to measure performance on important dimensions of care and service.

The following six indicators reached the high performance level, or 90th percentile, based on the national HEDIS Medicaid results:

- Weight Assessment
- Weight Counseling for Children
- Physical Activity Counseling for Children
- Childhood Immunization Combination #3
- Cholesterol Management
- Beta Blocker Treatment after a Heart Attack

The following five indicators showed statistically significant improvement over the previous year's results:

- Adolescent Well Care Visits
- Diabetes Medical Attention for Nephropathy
- Breast Cancer Screening
- Appropriate Treatment for Children with Upper Respiratory Infection
- Chlamydia Screening



### L.A. Care's Pay-For-Performance Program

In FY 2010, L.A. Care's Pay-For-Performance Program awarded more than \$25 million in performance-based incentives to eligible members of our provider network of more than 15,000 physicians, hospitals, clinics, medical groups and Plan Partners, making L.A. Care a leader among Medi-Cal plans. This program is tailored for Los Angeles County doctors, hospitals and health plans who serve the most vulnerable county residents. The incentives are intended to improve the quality of patient care, physician satisfaction and clinical data reported to L.A. Care. Among the other measures assessed are well-child check-ups, childhood immunizations, asthma disease management and quality data reporting.

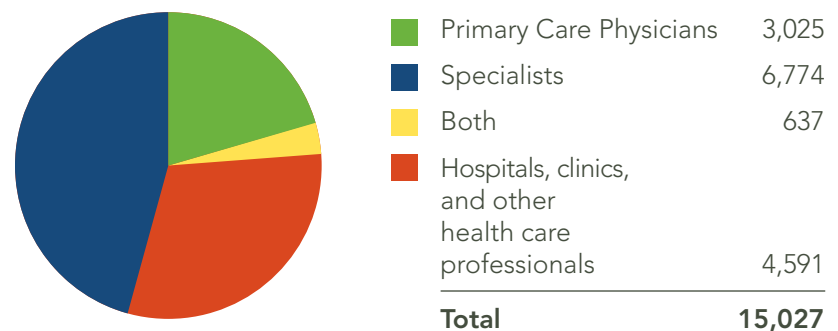
### Matching Payments to Risk

For Rate Year 2010-2011, L.A. Care launched an ambitious new contracting program to adjust payments to provider groups based on the age and sex of the membership they serve in L.A. Care's directly contracted Medi-Cal network (MCLA). The goal of this new payment methodology is to better align payment with the financial risk that providers who care for sicker or older populations take on in a capitated model. Rate Year 2010-2011 was the second year that L.A. Care used a risk adjustment methodology to determine payment to its Plan Partners.

*L.A. Care's Pay-For-Performance Program awarded more than \$25 million in performance-based incentives to eligible members of our provider network, making L.A. Care a leader among Medi-Cal plans.*

### L.A. Care's Provider Network

L.A. Care's provider network includes 15,027 doctors, specialists, hospitals, and clinics across Los Angeles County.





# 2010 Highlights & Achievements



## Empowering the Community through Grassroots Health Education

L.A. Care's Community Health Improvement Project (CHIP), a grassroots health education effort, successfully reached out to more than 37,000 Los Angeles community members in FY 2010, focusing on the importance of prenatal care, cancer screenings and well-child visits for adolescents. Regional Community Advisory Committee members, which include L.A. Care consumer members, doctors and advocates, participated in neighborhood meetings, school events, local health fairs, and even went door to door in their communities to provide this needed information to their neighbors and community members.

### Investing in Our Community's Health

This year, L.A. Care's Community Health Investment Fund (CHIF) granted more than \$13 million to strengthen the safety net, improve community and public health and expand health insurance coverage.

### Low-Income Parents Choose to Keep Their Children Covered

L.A. Care believes that all children should have health coverage. However, with the shaky economy, fundraising for the privately-funded Healthy Kids 6-18 program had become challenging. A group of health plan members from our Regional Community Advisory Committees approached L.A. Care last fall to suggest that a premium increase be considered in order to extend the program. Focus groups and a survey of Healthy Kids parents showed that 84 percent of the parents were willing to financially contribute more to help the program continue. As a result, families were asked to contribute with a modest monthly premium of \$15 per child, effective July 1, 2010. The parents of 15,295, or 72 percent, of the children enrolled in the Healthy Kids 6-18 program elected to keep their children in the health insurance program. There were no changes to the Healthy Kids 0-5 program thanks to continued funding from First 5 LA.

*Children exercise and learn fun dance routines in the Children's Physical Fitness class at our Lynwood Family Resource Center, which offers many free exercise and health education classes each week.*

# 2010 Highlights & Achievements

*Continued*



## **Nation's Largest Free Clinic Comes to Los Angeles, with the Help of L.A. Care**

Citing the significant need in our region, Remote Area Medical came to Los Angeles for a second time to run a weeklong free clinic from April 27 to May 3. Hundreds of doctors, nurses, dentists, hygienists, optometrists and nonmedical volunteers provided 16,120 free medical, dental and vision services to more than 6,500 patients during the weeklong event. For the second year in a row, L.A. Care was a Presenting Sponsor.

## **Electronic Health Records: The Future of Healthcare**

In April 2010, L.A. Care received a \$15.6 million grant from the U.S. Department of Health Services to establish a Health Information Technology Regional Extension Center (REC), called HITEC-LA, to help doctors and other health care professionals in L.A. County purchase, implement and use Electronic Health Records (EHRs) in a meaningful way. HITEC-LA will help providers assess their technology needs, as well as offer education, training, and on-site technical assistance. HITEC-LA is the sole REC in L.A. County, and providers do not need to be in L.A. Care's network to participate in HITEC-LA's activities.

*L.A. Care Health Plan was a Presenting Sponsor of this year's Remote Area Medical free clinic at the Los Angeles Sports Arena, where dental care was the most requested service.*



### L.A. Care's Inglewood Family Resource Center Turns One

L.A. Care's second Family Resource Center, located in Inglewood, invited the entire community to celebrate its first anniversary with an Island Style event that was fun for the whole family. Adai Lamar, KJLH radio host, guest-hosted the celebration, which included give-aways, food, games, face painting and more. Additionally, community members received free vision, blood pressure and glucose screenings, and had the opportunity to sign up for the FRC's free health education and exercise classes. With the success of both the Lynwood and Inglewood FRCs, planning is underway for a third site.

### Improving Access to Healthcare, One Neighbor at a Time

In April 2010, 23 new Promotores graduated from L.A. Care's Health Promoters/Promotores program, making it a total of 51 Promotores actively involved in the program. These community health promoters conduct health-related outreach in their neighborhoods and communities as they connect community members with needed health and health education services. In addition, the Promotores provide short trainings to the community on accessing health care and nutrition and healthy living.

## AWARDS & HONORS

- October 2009 → KHEIR Center Leadership Award
- October 2009 → Los Angeles County Commission on Disabilities  
L.A. County Disability Access Award
- October 2009 → National Committee for Quality Assurance  
Recognizing Innovation in Multicultural Health  
Care Award
- March 2010 → AltaMed Visionary Award
- May 2010 → UCLA School of Public Health's Health Services  
Alumni Association Leader of Today, Leader of  
Tomorrow Award
- August 2010 → Los Angeles County Department of Health  
Services 2010 Community Partner Award

# HITEC-LA: The Future of Health Care



Electronic Health Records (EHR) seemed like an essential tool to reduce costs and improve health care delivery for The Children's Clinic, Serving Children and Their Families (TCC), a Los Angeles County safety-net clinic serving Long Beach and the surrounding communities. So, in January 2009, TCC installed an EHR system to keep track of its 17,000 patients in six locations.

"At first we had a 'learning curve' drop in the number of visits, but within four months, our clinic staff were easily handling 13% more patient visits," said Elisa Nicholas, MD, TCC's Chief Executive Officer. "In addition, the onscreen data can be instantly shared and discussed, which provides for quality, coordinated and comprehensive health care and education to our patients."

Similar systems will soon appear throughout Los Angeles County thanks to HITEC-LA, a project of L.A. Care Health Plan. With \$15.6 million from a federal grant, HITEC-LA is one of L.A. Care's largest undertakings this fiscal year.

HITEC-LA is one of 62 Regional Extension Centers (REC) nationwide and the only one for Los Angeles County. The U.S. Department of Health and Human Services awarded the grant through the Health

*Dr. Elisa Nicholas explains a height and weight chart to her patient using the young girl's Electronic Health Record.*





Information Technology for Economic and Clinical Health Act (HITECH Act) of the American Recovery and Reinvestment Act of 2009.

HITEC-LA helps doctors in Los Angeles County adopt and use EHRs in a meaningful way. It helps practices with all stages of their of their EHR implementation, from deciding which system is right for them to workflow redesign to staff training.

*“Within four months, our clinic staff were easily handling 13% more patient visits.”*

L.A. Care plans to help up to 3,000 doctors and clinics throughout Los Angeles County purchase and implement EHRs over the next two years. Health care providers who demonstrate meaningful use of their

EHR system can receive incentives from the federal government for up to \$44,000 under Medicare or nearly \$64,000 under Medicaid.

HITEC-LA aligns with L.A. Care’s mission to help provide access to quality health care in Los Angeles County, especially for vulnerable and low-income communities and residents. EHRs better serve the community because electronic data is more efficient than old-fashioned paper and file folder systems. EHRs provide data quickly in emergencies and complete data when patients have language difficulties or don’t recall their treatment histories. Additionally, thorough data aids diagnosis.

Doctors and patients both benefit from EHRs because access to data from remote locations enables on-the-spot medical decisions. This helps eliminate duplicate and unnecessary medical tests and reduces time to call doctors for information or medication refills. Results can include:

- Improved continuity of care
- Better preventive, chronic and disease care
- Reduced costs of operations
- A more efficient office that can translate into more time to focus on patients.

U.M.M.A. Community Clinic was the first among 32 clinics and 835 providers who have already signed up with HITEC-LA.

“We signed up to partner with HITEC-LA because they will provide us with the technical assistance that will help us evaluate, plan and implement our EHR strategy,” said Yasser Aman, U.M.M.A. Community Clinic President/CEO. “I really respect L.A. Care’s commitment to the safety net and am very appreciative of the importance they see to building capacity among the smaller community clinics.”



# Family Resource Centers: Improving Family Health



Friday afternoons at the Inglewood Family Resource Center (FRC) the music starts and 30 senior women begin line dancing. For 90 minutes, they step forward and back, slide sideways, turn and wave arms in unison, working up a sweat and beaming in pleasure. But, the fun brings health benefits; just ask Patricia Spencer, who's been dancing for more than a year.

"When I retired, I felt fine and thought I was the picture of health," she said. "I ate what I wanted: fried fish, fried chicken, white rice."

But when her doctor diagnosed high cholesterol, prescribed medication and advised her to exercise, she started line dancing.

"For those of us over 60, it gives motivation and pep. My cholesterol is down and I've lost eight pounds," Patricia said. "It fits me to a T!"

Created to improve individual and community health, the Lynwood and Inglewood FRCs enable L.A. Care to provide health education and exercise classes to the communities it serves. Plus, FRCs reach out to L.A. Care members and potential members in neighborhoods where they live.



The Lynwood FRC opened at Plaza Mexico in November 2007 and the Inglewood FRC, at Crenshaw and Century boulevards, followed in July 2009.

Currently, nearly 2,500 people visit the centers each month. Visitors participate in free exercise and health education classes, including salsa dance aerobics, line dancing, Pilates for the family, healthy cooking and nutrition. Additionally, local doctors use a special “prescription pad” to refer patients to the FRC in their area.

*“94% of visitors felt their health improved thanks to center classes.”*

In addition to free classes, the FRCs frequently partner with local health providers and the county Department of Public Health for mammography and tuberculosis screenings, flu shots and dental health screenings. L.A. Care members can also get help with membership renewals, appointments and finding specialists and other doctors.

“I love making a difference in the lives of our members and the community,” said Margaret Coins, Administrator of the Lynwood Family Resource Center. “We are able to empower our visitors by providing free health education that they can share with their family members. Improving health by education is what the FRCs are all about!”

A recent survey at the Lynwood FRC found 93% of visitors are very satisfied with the center and staff, an opinion duplicated in a survey of referring doctors. Plus, 89% of those surveyed said they would “definitely recommend” the Center and its programs to friends. More tellingly, 94% of visitors felt their health improved thanks to center classes.

That’s why Marta Mesa brings her 10-year-old daughter, Wendy Fuentes, and her eight-year-old son, Edwin, to the Lynwood FRC classes. Each week they stretch, dance and jump to the beat of pop music along with about 40 other children.

“My kids were in daycare for five years, snacking all day, and they just gradually gained weight,” Marta said.

On a visit to their pediatrician, the doctor referred the kids to the FRC, she said. Now, besides taking her kids to exercise class, Marta also attends the FRC’s cooking and nutrition classes to improve the family’s diet.

“I don’t serve high-sugar cereals, I make brown rice instead of fried white rice and I use olive and grape oils,” she said. “The changes are kind of hard for the kids, but it’s better for us.”

# Local Healthcare: Serving People in Their Own Communities



In summer 2010, Northeast Valley Health Corporation (NEVHC) opened a new health center in a renovated storefront in Santa Clarita, Canyon Country. The new clinic brings badly needed medical services to a sprawling area with few health clinics for low-income families, limited public transportation and nearly 23,000 residents without health insurance.

"If L.A. Care had not provided a \$300,000 grant for the start-up operations money, we would have had problems," said Hector Godoy, Administrator of NEVHC's Santa Clarita Health Center. "We had federal money to build the new health center, but it didn't cover staff salaries. That money came from L.A. Care."

For Marcela Lopez, the new health center is a godsend. She and her husband couldn't afford to see a nearby doctor, so with two children in school and an 11-month-old son, they made frequent trips to NEVHC's Valencia clinic for vaccinations, school checkups, cold and flu treatments, plus pregnancy and diabetes care.

"This is very close to my home, maybe two minutes away," Marcela said recently as she sat in the health center lobby with 9-year-old Lisette and baby Anthony. "Valencia took 30 minutes, even longer if there was traffic."



The NEVHC grant was one of four awarded during fiscal year 2010 by L.A. Care's Community Health Investment Fund (CHIF) to help open new health care or dental clinics.

- **NEVHC Santa Clarita Health Center** combined a \$300,000 CHIF grant with federal funds to open a new clinic in August 2010, which helped relieve overcrowding at its Valencia health center. The new location will serve up to 9,800 visits in seven exam rooms and five counseling offices, plus a Women, Infants and Children program.
- **South Bay Children's Health Center** opened a new dental clinic in Lawndale in September 2010. A \$210,000 CHIF grant helped with construction, personnel and installation of a dental software system. The clinic provides dental exams, cleanings, fluoride varnishing, fillings, and extractions for infants to young adults of 24 years. Up to 200 patients weekly will be served; more as hours expand.
- **Pomona Community Health Clinic** used a \$200,000 CHIF grant to open a new clinic location in July 2011 in "The Village," a Pomona mall. The 12-room clinic will offer up to 25,000 annual health care visits.
- **U.M.M.A. Community Clinic** received a \$200,000 CHIF grant to add prenatal services in March 2011 at its South Los Angeles clinic and to open a school-based clinic at Fremont High School in late 2011. The new site will be part of an innovative demonstration project that combines both a school-based health center and a community garden.

Through CHIF grants like these, L.A. Care helps meet health care needs in local communities and strengthens small clinics throughout Los Angeles County.



*Both of L.A. Care's Family Resource Centers offer free flu vaccination clinics each year.*



# Community Health Investment Fund

Since 2001, L.A. Care's Community Health Investment Fund (CHIF) has provided more than \$120 million in grants to strengthen the safety net, improve community and public health and expand health insurance coverage.

During the 2010 fiscal year, L.A. Care's CHIF program awarded a total of \$13,162,000.

## Children's Health Initiative of Greater Los Angeles

The Children's Health Initiative (CHI) of Greater Los Angeles is a public-private coalition seeking to ensure that every child has access to health care coverage. Healthy Kids, the flagship health insurance program for the CHI, is administered exclusively by L.A. Care Health Plan. As of October 1, Healthy Kids is providing comprehensive medical, dental, and vision coverage for 17,977 children ages 0-18 in families with incomes up to 300% of the Federal Poverty Level who do not qualify for Medi-Cal and Healthy Families.

**Total amount awarded: \$9,010,000**

## Robert E. Tranquada, M.D. Safety Net Awards II

The Robert E. Tranquada Awards program helps small community clinics in Los Angeles County strengthen their clinical, operational, revenue streams and health information technology infrastructure for long-term impact.

**Total amount awarded: \$795,000**

## Grantees include:

- Cleaver Family Wellness/Our Saviour Center (El Monte) – \$105,000
- Garfield Health Center (Monterey Park) – \$125,000
- Pomona Community Health Center (Pomona) – \$200,000
- U.M.M.A. Community Clinic (South Los Angeles) – \$200,000
- URDC/Bill Moore Community Health Clinic (Pasadena) – \$165,000

## Health Information Technology (HIT) Initiative II

The HIT Initiative helps community clinics in Los Angeles County purchase and implement Electronic Health Records (EHR) and interface technologies. These interface technologies connect to disease registries and to local and statewide health information exchanges. Funding includes \$40,000 for project evaluations.

**Total amount awarded: \$569,000**

## Grantees include:

- Asian Pacific Health Care Venture (Los Angeles) – \$115,000
- Family Health Care Center of Greater Los Angeles (Bell Gardens) – \$115,000
- Northeast Valley Health Corporation (San Fernando) – \$100,000
- St. John's Well Child and Family Center (South Los Angeles) – \$99,000
- Venice Family Clinic (Venice) – \$100,000

## Supporting the Safety Net

These grants support the health care safety net for low-income and uninsured residents of Los Angeles County. Projects include funding for new clinics, increased access to health care services and expansion of health information technology.

**Total amount awarded: \$2,788,000**

Grantees include:

- **American Indian Healing Center** (Whittier) – \$55,000. To help AIHC plan for and establish a formal affiliation with another health care organization to enhance and leverage its services.
- **Esperanza Community Housing Corporation** (Los Angeles) – \$50,000. To provide training to 50 L.A. Care health promoters on asthma prevention, asthma management and environmental health in order to educate other community members throughout Los Angeles County.
- **Integrated Recovery Network** (Los Angeles) – \$126,000. To expand social services and connect homeless individuals with dual diagnoses of mental illness and substance abuse in Los Angeles County to medical care and benefits. Funding also supports a project evaluation.
- **Los Angeles County Department of Health Services** (Los Angeles) – \$572,000. To continue the Video Medical Interpretation (VMI) services offered to patients who speak a language other than English, including American Sign Language, at four Los Angeles County Department of Health Services hospitals.
- **Martin Luther King, Jr. Hospital** (South Los Angeles) – \$500,000. To support a planning process that will establish a new independent, nonprofit corporation to manage and operate the newly refurbished hospital located in South Los Angeles.
- **Northeast Valley Health Corporation** (Santa Clarita) – \$300,000. To open NEVHC's new Santa Clarita Health Center, which will provide up to 9,800 patient visits by mid 2012.
- **Patient Centered Medical Homes Pilot Project** (Los Angeles) – \$600,000. To launch a pilot program that will transform 11 health care practices in Los Angeles County into Patient Centered Medical Homes (PCMHs). Qualis Health, a nonprofit, nationally recognized PCMH consulting firm, will conduct baseline assessments and workflow redesign, as well as provide technical assistance to these practices over a period of two years. Funding also supports a project evaluation.
- **South Bay Children's Health Center** (Lawndale) – \$210,000. To open SBCHC's new Lawndale dental clinic, add four new operating rooms, purchase the Dentrix Electronic Health Records system, and create a new rotation program for hygiene and dental students.
- **Tides Center** (California) – \$150,000. To provide technical assistance and coordination activities to develop a statewide health information exchange.
- **West Coast Sports Medicine Foundation** (Manhattan Beach) – \$72,000. To purchase sports injury insurance for low-income students attending two high schools in Compton to encourage physical activity.
- **Western Health Information Network** (Long Beach) – \$153,000. To connect a minimum of 10 Los Angeles County community clinics at over 30 sites to the existing WHIN health information exchange network to obtain and share patient information.

**For more information about L.A. Care's CHIF program, please visit:**  
[www.lacare.org/aboutlacare/grantmaking](http://www.lacare.org/aboutlacare/grantmaking).





# L.A. Care Health Plan's Product Lines

## Medi-Cal

Medi-Cal is California's version of Medicaid and is a public program that covers low-income adults (like pregnant women, seniors, and persons with disabilities) as well as children. In addition to offering a direct Medi-Cal line of business (MCLA), L.A. Care contracts with four Plan Partners to provide coverage to Medi-Cal members:

- Anthem Blue Cross
- Care 1<sup>st</sup> Health Plan
- Community Health Plan
- Kaiser Permanente

## Healthy Families Program

Healthy Families is California's version of the federal Children's Health Insurance Plan (CHIP). Launched in July 1998, Healthy Families provides comprehensive health coverage to families who earn up to 250% of the federal poverty level, or \$55,125 for a family of four in 2010.

## L.A. Care's Healthy Kids

Healthy Kids offers comprehensive medical, dental, and vision coverage for children ages 0-18 who do not qualify for Medi-Cal and Healthy Families. Families can qualify for Healthy Kids with incomes up to 300% of the federal poverty level, or \$66,150 for a family of four in 2010.

## L.A. Care Health Plan Medicare Advantage HMO SNP

In 2008, L.A. Care launched its first Medicare product, a Medicare Advantage Special Needs Plan (SNP) for those dually-eligible for both Medi-Cal and Medicare. This population includes low-income seniors and people with disabilities, many of whom suffer from complex chronic health conditions. Nationally, 80% of these beneficiaries have incomes below 125% of the federal poverty level, or \$27,563 annually for a family of four in 2010.

# Financial Summary



(In Millions)

	<u>FY 2010</u>	<u>FY 2009</u>
Operational Revenues	1,142	1,145
Medical Expenses	1,066	1,092
Admin Expenses	55	48
Operating Income	21	5
Nonoperating Revenue (Expenses)	(1)	3
Increase in Fund Equity	20	8
<hr/>		
Medical Expenses	<b>93.4%</b>	<b>95.4%</b>
Admin Expenses	<b>4.8%</b>	<b>4.2%</b>
Operating Income	<b>1.8%</b>	<b>0.4%</b>

*The financial information contained in these pages was taken from the audited financial statements of L.A. Care Health Plan for the years ending September 30, 2010 and 2009.*

## L.A. Care Leadership Team

**Howard A. Kahn**  
Chief Executive Officer

**Elaine Batchlor, MD, MPH**  
Chief Medical Officer

**John Wallace**  
Chief of Staff

**Jim Brown**  
Chief of Operations

**Barbara Cook**  
Chief of Human and Community Resources

**Gene Fernandez**  
Chief Information Officer

**Augustavia J. Haydel, Esq.**  
General Counsel

**Mark S. Windisch, Esq.**  
Senior Advisor

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**Vacant**  
Category: Free and Community Clinics

## Annual Report

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