



KING/DREW MEDICAL CENTER TRANSITION REPORT

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KING/DREW MEDICAL CENTER TRANSITION REPORT: EXECUTIVE SUMMARY

The Los Angeles County Board of Supervisors faces a difficult decision: How to ensure that Martin Luther King Jr./Drew Medical Center (KDMC) patients receive high quality medical care and that this medical center is prudently administered, both fiscally and managerially? Various health care administrators, policy makers and community advocates have suggested different solutions, one of which is to convert KDMC from a teaching hospital to a non-teaching community hospital.

This report seeks to answer the question, "If KDMC becomes a non-teaching facility, what are the implications for the delivery of health services to Service Planning Area (SPA) 6 residents?" In doing so, it presents summaries of qualitative data from reports, interviews, etc., and uses quantitative data to compare KDMC with the three other general acute care hospitals in SPA 6--LA Metropolitan Medical Center, St. Francis Medical Center and Suburban Medical Center. This study does not address the quality of care issues raised by the series of articles by the Los Angeles Times¹, nor the administrative problems of concern to the Los Angeles County Board of Supervisors.

Key Findings

This information is provided under two headings. The first focuses on KDMC's current contributions to health services in SPA 6 and the other on what could be expected if it ceased to be a teaching hospital.

KDMC's current contributions:

- Between 2000 and 2004, KDMC provided 40% of most licensed bed types, although the number of staffed beds declined in all SPA 6 hospitals over this time.
- While Medical is the predominant payor for all patients in SPA 6, KDMC has the highest proportion of self-pay patients and provides the highest amount of uncompensated care.
- Over the last four years, 80% of KDMC's inpatient admits came through its ED and in 2003, it discharged almost half of patients in SPA 6 admitted for ambulatory sensitive diagnoses.
- In 2004 KDMC provided slightly more than one-third (37%) of all ED patient visits in SPA 6, provided inpatient services for nearly half (47%) of all patients admitted from EDs, and almost three-quarters (71%) of its discharged patients resided in SPA 6.

Potential consequences if KDMC loses its teaching status:

- Over \$98 million/year² revenues in terms of medical reimbursements will be lost. These dollars provide funding for physician intern salaries enabling the hospital to serve a large number of uninsured patients.
- Over \$20 million/year in research funding will also be lost. These dollars support unique programs at KDMC, e.g. sickle cell, endocrinology and neuroscience research and services, and they give low-income patients access to cutting-edge treatments as participants in clinical trials and research protocols.
- Many specialty training programs will be eliminated including emergency medicine, OB-GYN, family and internal medicine, pediatrics, psychiatry and several others, further compounding difficulties in accessing specialty services which are more expensive to provide.
- The number of trained physicians willing to practice in low-income inner city communities (including South LA) will be reduced. Over 80% of KDMC graduates practice in low-income urban centers compared to 20% of physician graduates from UCLA.
- Uninsured SPA 6 patients will find it more difficult to access services. As a teaching hospital, KDMC has been able to treat more uninsured and county indigent patients than other SPA 6 hospitals; however this number has been decreasing since 2000. In 2004, KDMC served almost twice the number of uninsured patients (2,826 patients, 28% of total patients served) than St. Francis (1,514, 6% of total patients served).

As a teaching hospital, KDMC will be better equipped to meet the medical needs of SPA 6 residents. If the access it provides to specialty services is removed, SPA 6 patients will seek them elsewhere. Wherever the uninsured patients among them seek care, they will confront providers reluctant to serve them. This will further stress a health delivery system for low income and indigent patients that is already over-burdened.

¹On December 5, 2004 the Los Angeles Times began a five part series focusing on systemic problems at KDMC. While the last article in the series was published on December 23, 2004, periodic other accounts in the Times suggested that many of the problems identified in its series had not been fixed. However, a somewhat positive article was published in the Times on July 27, 2005.

² This figure is based on NHF's estimation using 2000-2003 OSHPD Hospital Annual Financial Data.