



California Health Care Foundation

California Regional Markets: Los Angeles

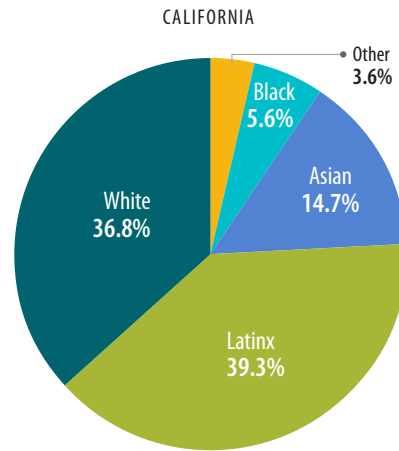
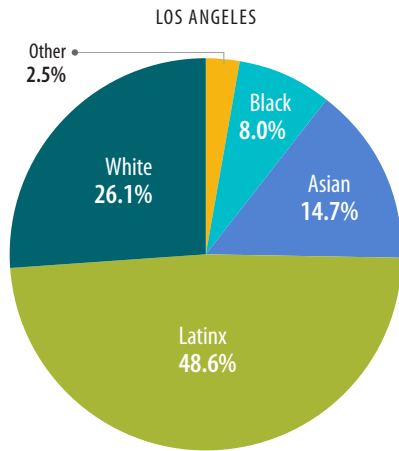
CALIFORNIA HEALTH CARE ALMANAC QUICK REFERENCE GUIDE

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Race/Ethnicity

Region vs. State Average, 2018



Population Statistics, 2018

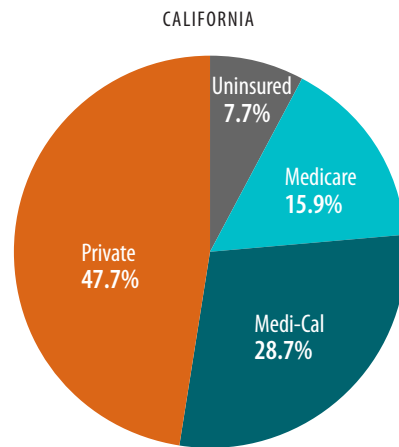
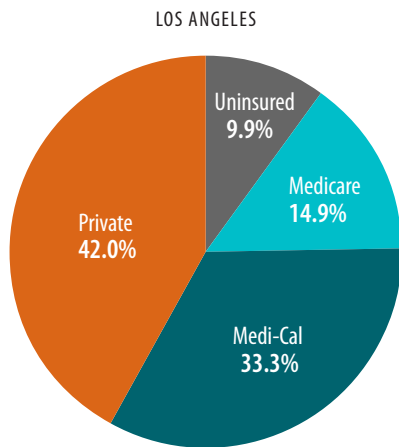
	Los Angeles	California
Total population (in millions)	10.106	39.557
Five-year population growth	0.9%	3.2%

Economic Indicators, 2018

	Los Angeles	California
Below 100% FPL	14.1%	12.8%
100% to 199% FPL	19.7%	17.1%
Unemployment rate	4.7%	4.2%
Able to afford median-priced home	27.3%	31.0%

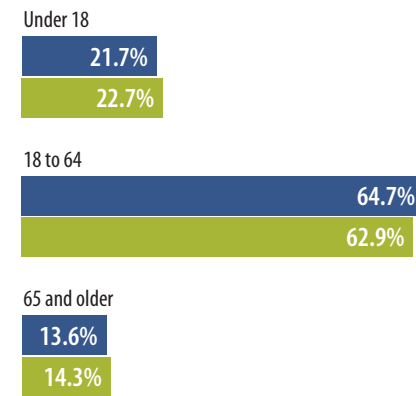
Health Insurance

Region vs. State Average, 2019



Age of Population

Region vs. State Average, 2018



Notes: *Private* includes any other insurance coverage (excluding Medicare and Medi-Cal). *Medicare* includes dual-eligible enrollees. *Asian*, *Black*, *White*, and *Other* categories are non-Latinx. Charts may not total 100% due to rounding.
 Sources: "County Population by Characteristics: 2010–2019," US Census Bureau, last accessed June 1, 2020; "2018: ACS Supplemental Estimates Detailed Tables — Ratio of Income to Poverty Level in the Past 12 Months," US Census Bureau; "Employment by Industry Data: Historical Annual Average Data" (as of August 2020), Employment Development Dept., n.d.; "Housing Affordability Index - Traditional," California Association of Realtors; "Medi-Cal Certified Eligibles Tables, by County from 2010 to Most Recent Reportable Month," CHHS Open Data Portal; "Medicare Enrollment Dashboard," Centers for Medicare & Medicaid Services; "2019: ACS 1-Year Estimates Detailed Tables — Age by Disability Status by Health Insurance Coverage Status," US Census Bureau. All websites accessed June 1, 2020.

California Regional Markets: Los Angeles, *continued*

The Los Angeles health care market — as varied as it is vast — juggles the needs of more than 10 million people. More than 80 acute care hospitals are scattered throughout Los Angeles County. The county includes 88 cities, and the historically fragmented health care sector tends to serve distinct geographic areas where residents live and work. Only two health systems operate on a countywide scale: Kaiser Permanente, an integrated delivery system, and the Los Angeles County Department of Health Services (LACDHS), which operates the safety-net system. Over the past several years, the Los Angeles market has inched toward greater consolidation as two major health systems — Cedars-Sinai and Providence — have expanded through new affiliations.

KEY FACTORS AFFECTING THE LOCAL HEALTH CARE MARKET INCLUDE:

- ▶ **Medi-Cal coverage expansion continues to fuel growth of L.A. Care Health Plan, the local public plan.** The 2014 Medi-Cal expansion under the federal Affordable Care Act has helped push L.A. Care enrollment to more than two million people, about two-thirds of Medi-Cal managed care enrollment in the county.
- ▶ **Enrollment in Medicare managed care continues to grow, while commercial health maintenance organization (HMO) enrollment stagnates.** In 2019, for the first time, more than half of Los Angeles Medicare beneficiaries opted for Medicare Advantage rather than fee-for-service Medicare. In the commercial market, HMO enrollment flattened, except for Kaiser.
- ▶ **The Los Angeles hospital market has consolidated slightly in recent years — primarily through closures and new affiliations and partnerships.** The six largest health systems accounted for half of acute inpatient market share — with no system accounting for more than 11% of discharges.
- ▶ **Los Angeles continues as a stronghold for large capitated, delegated physician organizations.** Across Southern California, Optum, a part of UnitedHealth Group, employs or is affiliated with more than 7,000 physicians — a scale rivaled only by Kaiser’s Southern California Permanente Medical Group.
- ▶ **Los Angeles County government, which plays a critical safety-net role, divides responsibility for physical and behavioral health services across three departments.** LACDHS, with a \$6.2 billion operating budget, runs an integrated delivery system of hospitals and clinics serving Medi-Cal enrollees and the uninsured. The Department of Mental Health operates the countywide plan for Medi-Cal enrollees with serious mental health conditions requiring specialty care, while the Department of Public Health’s Substance Abuse Prevention and Control unit functions as a specialty substance use disorder (SUD) managed care plan, contracting with providers to facilitate delivery of SUD treatment services. Coordination is a significant challenge for all involved.
- ▶ **The COVID-19 pandemic hit Los Angeles hard in 2020.** Through August 2020, Los Angeles County experienced an infection rate about a third higher than the state as a whole and a COVID-19 death rate 75% higher than statewide. The pandemic has amplified underlying racial health disparities: Black and Latinx Angelenos have been disproportionately impacted by the virus.

Hospitals (acute care), 2018

	Los Angeles	California
Beds per 100,000	205	178
Operating margin	3.9%	4.4%
Total operating expenses per adjusted patient day	\$5,020	\$4,488

Health Professionals
Per 100,000 Population, 2020

Physicians	198.0	191.0
▶ Primary care	57.5	59.7
▶ Specialists.	140.0	130.8
▶ Psychiatrists.	12.0	11.8
% of population in HPSA.	36.6%	28.4%

Note: HPSA is health professional shortage area.
Sources: "Hospital Annual Financial Data - Selected Data & Pivot Tables," California Office of Statewide Health Planning and Development, accessed June 1, 2020; Healthforce Center at UCSF analysis of Survey of Licensees (private tabulation), Medical Board of California, January 2020; and Health Professional Shortage Area (HPSA) data from *Shortchanged: Health Workforce Gaps in California*, California Health Care Foundation, July 15, 2020.

ABOUT THE REGIONAL MARKETS SERIES

This quick reference guide is based on the full report *Los Angeles: Vast and Varied Health Care Market Inches Toward Consolidation* by Jill Yegian of Yegian Health Insights and Katrina Connolly of Blue Sky Consulting Group.