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10 Attorneys for Claimants ANTELOPE VALLEY HOSPITAL,
A FACILITY OF ANTELOPE VALLEY HEALTHCARE DISTRICT
11 and ANTELOPE VALLEY HEALTHCARE DISTRICT

12 **IN THE MATTER OF THE CLAIM**
13 **OF ANTELOPE VALLEY HOSPITAL,**
14 **A FACILITY OF ANTELOPE VALLEY**
15 **HEALTHCARE DISTRICT and**
16 **ANTELOPE VALLEY HEALTHCARE**
17 **DISTRICT.**

CLAIM AGAINST COUNTY OF
LOS ANGELES AND BOARD OF
SUPERVISORS OF THE COUNTY
OF LOS ANGELES

[California Government Code Section 910,
et seq.; Los Angeles County Code Section
4.04.010, et seq.]

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19 **TO THE EXECUTIVE OFFICER OF THE LOS ANGELES COUNTY BOARD OF**
20 **SUPERVISORS (ATTENTION: CLAIMS), 500 WEST TEMPLE STREET, ROOM 383,**
21 **KENNETH HAHN HALL OF ADMINISTRATION, LOS ANGELES, CA 90012:**

22
23 Claimants ANTELOPE VALLEY HOSPITAL, A FACILITY OF ANTELOPE VALLEY
24 HEALTHCARE DISTRICT (“AV Hospital”) and ANTELOPE VALLEY HEALTHCARE
25 DISTRICT (collectively, “Claimants”) hereby present their Claim against the COUNTY OF LOS
26 ANGELES and the BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES
27 (collectively, “Respondents”), as follows:
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BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

1 comprehensive assessments of the County's trauma system. Respondents have further failed to use
2 Measure B funds to address the County's most pressing trauma needs, and have failed to fulfill the
3 intent of Measure B to expand trauma services countywide.

4 Respondents even disbanded the Measure B Oversight Committee, further depriving
5 Claimants and other stakeholders of their rights to know where Measure B funds were being
6 allocated and whether such allocations were consistent with or permitted by Measure B.

7
8 **Antelope Valley Hospital and the Entire Antelope Valley Community Have Been Harmed**
9 **by the County's Misallocation and Mismanagement of Measure B Funds**

10 AV Hospital is the only hospital with emergency and trauma services in the entire Antelope
11 Valley, which spans over 2,200 square miles and is home to approximately 500,000 people. Despite
12 servicing 5% of the County's population and handling nearly 12.5 % of the County's trauma and
13 emergency room visits, AV Hospital receives only a paltry .5% of Measure B funds, a mere \$1 million
14 per year.

15 As the only trauma center in the Antelope Valley, AV Hospital provides faster care for those
16 involved in serious accidents and allows families to visit their loved ones without having to drive to
17 Los Angeles-based trauma centers. AV Hospital is a not-for-profit hospital that has cared for the
18 people of the Antelope Valley since 1955. It is the region's premier healthcare provider, with 450
19 staff physicians, over 2,000 employees, and more than 400 volunteers. AV Hospital is fully accredited
20 and its emergency department handles more than 100,000 visits each year -- an average of nearly 270
21 each day.

22 As an example of Respondents' inequitable allocations of Measure B funds, St. Francis
23 Medical Center and California Hospital Medical Center-- with more patients able to pay and with
24 roughly half the trauma volume of AV Hospital -- receive nearly \$8 million and \$9 million per year,
25 respectively, while AV Hospital receives only \$1 million per year. In addition, Olive View Medical
26 Center receives thirty times more trauma funding than AV Hospital -- even though Olive View is not
27 even a trauma hospital.

1 In addition, it is clear that Respondents have inequitably favored their own (i.e., County)
2 hospitals, as opposed to non-County hospitals such as AV Hospital, with regard to Measure B funding.
3 In Fiscal Year 2013, for example, Respondents received more than \$271 million in Measure B taxes.
4 While County/USC Hospital received \$116 million (or 43% of the funds), Harbor/UCLA Hospital
5 received \$60 million (or 22% of the funds), and Olive View Hospital received \$38 million (or 14% of
6 the funds, Claimants received only \$1.3 million (or .48% of the funds). Other examples of
7 Respondents' gross inequities in allocating Measure B funds will be demonstrated as this claim (or
8 litigation) proceeds.

9 Respondents' failure to provide appropriate financial support to AV Hospital has left it in
10 danger of shuttering its trauma department, the consequences of which would be devastating not only
11 for AV Hospital, its patients, and its dedicated employees and vendors, but for the entire Antelope
12 Valley and indeed the entire County. This is not what the voters' intended in enacting Measure B in
13 2002.

14 Despite full knowledge of AV Hospital's significant patient caseload, broad geographic reach,
15 and high quality management and staff, Respondents have turned a blind eye to AV Hospital's
16 financial difficulties and the immense financial challenge of providing trauma and emergency services
17 to such a large community in the Antelope Valley. Respondents have not changed their Measure B
18 allocation approach in more than ten years and have avoided any meaningful type of accountability
19 with regard to the billions of dollars of Measure B funds with which Respondents have been entrusted.

20 Respondents' lack of accountability and improper allocation of funds essentially places
21 Respondents in the position of judge, jury, and executioner – literally making decisions with life and
22 death consequences as a result of an ad hoc and unreasonable system of Measure B funds distribution.
23 The lack of Measure B funds to which AV Hospital was and is entitled has led to substantial
24 underfunding of AV Hospital, its infrastructure, and the significant and much-needed life-saving and
25 trauma and emergency care services it provides.
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1 Further, Respondents' failures have caused such a financial strain for AV Hospital over the last
2 several years that AV Hospital's bond rating was downgraded to "junk," thus increasing borrowing
3 costs and cutting off access to many potential lenders. Finally, the State of California has confirmed
4 Respondents' mismanagement of Measure B funds in a scathing 2014 audit.

5
6 **Required Elements of Claim**

7 Pursuant to California Government Code section 910, Claimants set forth the following:

8
9 (a) Claimants are ANTELOPE VALLEY HOSPITAL, A FACILITY OF ANTELOPE
10 VALLEY HEALTHCARE DISTRICT and ANTELOPE VALLEY HEALTHCARE DISTRICT, both
11 of which are located at 1600 West Avenue J, Lancaster, CA 93534.

12
13 (b) Notices regarding this claim should be sent to:

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21 and

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(c) The dates, places and other circumstances of the occurrences or transactions giving rise to
this claim are set forth above. Specifically, the dates are from at least 2010 -- when AV Hospital
became a Level II Trauma Center and was entitled to begin receiving its fair share of Measure B funds
-- to the present, and continuing into the future. The places are the Kenneth Hahn Hall of

1 Administration, 500 West Temple Street, Los Angeles, CA 90012 -- where Respondents' offices are
2 located and where Respondents' Measure B funding decisions are made, as well as 1600 West Avenue
3 J, Lancaster, CA 93534 – where Claimants' offices are located and where Claimants should have been
4 receiving their fair share of Measure B funds.

5
6 (d) Claimants have incurred injury, damage, and/or loss as set forth above. Specifically, in
7 allocating Measure B funds to trauma centers and other entities throughout the County, Respondents
8 have consistently deprived Claimants of substantial amounts of such funds to which Claimants have
9 been and continue to be entitled. These amounts are estimated to be in the tens of millions of dollars
10 and will be more fully demonstrated during the course of this claim (or litigation).

11
12 (e) Claimants are presently unaware of the names of the public employees causing the injury,
13 damage, or loss, but Claimants are informed and believe that such public employees include the
14 members of the Los Angeles County Board of Supervisors at the time that each Measure B funding
15 decision was made relative to Claimants, along with County staff involved in such funding decisions.

16
17 (f) The amount of this Claim is well in excess of the maximum amount allowed for a limited
18 civil case, and is believed to be in the tens of millions of dollars, and perhaps in excess of \$100 million
19 on a past, present, and going forward basis.

20
21 **Claimants' Exemptions from the Government Claims Requirements**

22 With regard to several aspects of the Superior Court Complaint that Claimants expect to file if
23 this matter is not resolved informally through the claims process, Claimants assert that they are exempt
24 from having to comply with and/or exhaust any government claims statutes and/or administrative
25 and/or internal remedies and/or grievance. Without waiving this assertion however, and in order to
26 give Respondents sufficient information to evaluate the entirety of Claimants' complaints, Claimants
27 have included additional elements of their expected Superior Court Complaint in this Claim.

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Conclusion


By presenting this claim, Claimants are hopeful that Respondents will carefully evaluate their past, present, and future Measure B funding decisions and distributions and will work in good faith with Claimants to resolve Claimants' claims and provide Claimants with their fair share of Measure B funds so that the citizens of the Antelope Valley and others who have needed and will need Claimants' trauma, emergency, and other services will have the resources they need and to which they are entitled pursuant to Measure B.

Respectfully Submitted:

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Dated: April 13, 2015

By: 
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VALLEY HEALTHCARE DISTRICT and
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