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The California small and rural hospital system is in a continual state of financial difficulty and continues to deteriorate. The hospitals in this system are under more financial pressures than the larger urban centers. Their patient mix has a higher percentage of Medicare (more retirees and Medi-cal (lower average incomes) clientele. They have less resources, both in capital as well as services available, i.e. staff-both professional and non-professional, as well as capital equipment. Consequently, local residents stop utilizing the facilities and seek medical care outside the area. This leads to reduced revenue for rural hospitals, and sets up a vicious cycle.

I believe these problems stem from an inadequate infrastructure, which includes the hospital administrator, hospital board, medical staff, and essential departments of the hospital (billing department, nursing department, etc.)

My recommendations include:

- Having a standardized hiring procedures for hospital administrators, perhaps sponsored by the state, with a database regarding known applicants.
- A state sponsored program to have continuing education for administrators, hospital staff and billing departments. Changes occur rapidly in these areas, and frequent updates are essential.
- There should also be an initial education and orientation process set up for the hospital board members.
- Incentive for primary care physicians and specialists to provide services for these rural healthcare centers. There should be concurrent evaluations of these providers to prevent fraud and abuse.