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Attorneys helped birth MLK Hospital

By Kibkabe Araya
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The Martin Luther King, Jr. Community Hospital in South Los Angeles will mark its first anniversary this week. Serving more than one million residents, the 131-bed hospital would not have been a reality if not for the health care attorneys who helped piece together the public-private partnership between the county, a foundation and a university system.

Located on East 120th Street, the hospital opened a month shy of the 50th anniversary of the 1965 Watts Riots, which triggered construction of the original hospital, Martin Luther King Jr. — Harbor Hospital.

Closure of the original in 2007 prompted Los Angeles County Supervisor Mark Ridley-Thomas to revamp “Killer King” — the old hospital’s nickname for its high patient death rates — by partnering with UCLA and what would become the MLK Community Health Foundation, the nonprofit operating the hospital. The intersection of the local government, a private corporation and a nonprofit created a unique public-private partnership.

“It hasn’t ever been done before as far as we could tell,” said Manuel A. Abascal, partner at Latham & Watkins LLP and founding board chair. “We looked for other models in the area, in the state and in the country. We have an innovative legal structure.”

A team of Latham & Watkins lawyers in Los Angeles represented the hospital pro bono.

The county counsel’s office relied on firms such as Glaser Weil Fink Howard Avchen & Shapiro LLP to negotiate real estate contracts and Hawkins Delafield & Wood LLP for bond counsel. University of California Health, through UCLA, depended on in-house attorneys and Foley & Lardner LLP for staffing.

The partnership consisted of contracts to define each partner’s contribution. The foundation acts as the operator and raises funds. The county, which will spend more



Courtesy Photo

Manuel A. Abascal, a partner at Latham & Watkins and Board Chair at Martin Luther King, Jr. Community Hospital.

than \$171 million in grants and loans to fund the hospital, is the landlord for the 42-acre medical campus property the 250,000-square foot hospital sits on. UCLA provides the staff in the anesthesiology, radiology and urology departments as a supplement to the other services from local physician groups.

Richard S. Volpert, a partner at Glaser Weil who focuses on real estate projects, worked on the longterm ground lease for the county. Because the county offered funds for operations and another \$18 million to cover uninsured patient costs, Volpert said the provisions between the county and hospital varied greatly from the average ground lease.

“From the county’s point of view, to build the hospital building, they wanted to achieve the purpose of the public and fill out all of their terms,” he said. “Running a hospital — all kinds of issues can come out. The county’s policy was to deal with that and to protect the public and protect the party.”

Hospitals, in many cases, depend on

public-private partnerships to sustain care, but the various types of partnerships differ due to each partner’s contribution, leaving some hard to define.

Hospital CEO Elaine Batchlor said she never worked at a facility with this type of partnership.

“I think that when you’re a new organization and you’re setting up new organizational and legal structures, having an experienced lawyer on board is very helpful for obvious reasons,” she said. “There are legal issues involved in it, so just the level of knowledge, the expertise and the perspective of a lawyer is really helpful in that kind of a startup situation.”

Earlier this year, the county opened a recuperative care center on campus to help the hospital avoid improper discharge of homeless patients under the Emergency Medical Treatment and Labor Act, a problem the Los Angeles city attorney’s office has cracked down on in recent years.