

W. Q. A.

AGENDA COVER MEMO

AGENDA DATE: November 4, 2003
TO: Board of County Commissioners
DEPT: Health & Human Services
PRESENTED BY: Steve Manela



AGENDA ITEM TITLE: IN THE MATTER OF ADJUSTING THE DEPARTMENT OF HEALTH & HUMAN SERVICES BUDGET (HUMAN SERVICES COMMISSION FUND 285) TO APPROPRIATE ADDITIONAL REVENUES IN THE AMOUNT OF \$728,680 FOR THE COMMUNITY HEALTH CENTERS AND TO INCREASE FTE BY 19.25 BY ESTABLISHING A 1.0 FTE PHYSICIAN, 3.0 FTE NURSE PRACTITIONER, 2.0 FTE PUBLIC HEALTH NURSE, 1.0 FTE MENTAL HEALTH SPECIALIST, 5.0 FTE MEDICAL OFFICE ASSISTANT, 1.75 FTE COMMUNITY SERVICE WORKER, 1.0 FTE SR. OFFICE ASSISTANT, 3.0 FTE OFFICE ASSISTANT 2, 1.0 FTE ACCOUNTING CLERK 2, AND A 0.5 FTE PROGRAM SERVICES COORDINATOR.

I. MOTION

TO ADJUST THE DEPARTMENT OF HEALTH & HUMAN SERVICES BUDGET (HUMAN SERVICES COMMISSION FUND 285) TO APPROPRIATE ADDITIONAL REVENUES IN THE AMOUNT OF \$728,680 FOR THE COMMUNITY HEALTH CENTERS AND TO INCREASE FTE BY 19.25 BY ESTABLISHING A 1.0 FTE PHYSICIAN, 3.0 FTE NURSE PRACTITIONER, 2.0 FTE PUBLIC HEALTH NURSE, 1.0 FTE MENTAL HEALTH SPECIALIST, 5.0 FTE MEDICAL OFFICE ASSISTANT, 1.75 FTE COMMUNITY SERVICE WORKER, 1.0 FTE SR. OFFICE ASSISTANT, 3.0 FTE OFFICE ASSISTANT 2, 1.0 FTE ACCOUNTING CLERK 2, AND A 0.5 FTE PROGRAM SERVICES COORDINATOR.

II. ISSUE OR PROBLEM

On August 26, 2003 the U.S. Department of Health and Human Services announced that Lane County, under the auspices of the Human Services Commission (HSC), had been awarded grant funding and designated as a federally qualified health center. In order to begin the phase-in of services the Fund 285 budget needs to be adjusted to reflect additional revenues and expenses and positions need to be created.

III. DISCUSSION

A. Background

Under a September 1, 2003 Notice of Grant Award, the federal government is making a long-term commitment for the operation of a federally qualified health center in Lane County. A 10-month first-year grant of \$566,667 was provided to establish a Community Health Center (CHC) for low-income and uninsured residents. An additional \$650,000 per year is available for years two and three of the program. Non-competitive continued federal support will be available from year four forward based on performance. In addition, revenue will come from reimbursements from Medicare, Medicaid, private insurance, clinic fees, and other public and private funding. The CHC will have fees based on a sliding scale according to federal income guidelines. Most patients will pay a minimum fee.

On October 1, 2003 the Lane County Board of Commissioners approved the budgeting of \$456,750 of the \$566,667 first-year CHC grant. That action established the budget account for the CHC and allowed for the budgeting of key management positions and start-up expenses while staff refined the plan for services and finances. On October 13, 2003 the Board of County Commissioners Finance and Audit Committee reviewed and questioned staff on the budget for the project (attached). Fees and charges will be reviewed by Finance and Audit on November 25, 2003 prior to request for BCC approval on December 3, 2003. An additional \$728,680 in operational revenue is expected, based upon the current implementation plan. More funds will be budgeted at a later date for the Metro Clinic capital project.

The core of the delivery model is a full-service CHC Metro Clinic. It will offer integrated primary, medical, dental, and behavioral health services, including preventive and acute primary care, family planning, gynecological care, prenatal and obstetric services, immunizations, well-child examinations, physical examinations, health screenings, laboratory services, behavioral health services, medication management, preventive and restorative dentistry, and 24-hour call coverage. The Metro Clinic will provide services to all ages from newborn to geriatric patients. The site will be open three days a week from 8 am to 5 pm and two days a week there will be extended evening hours tailored to meet the needs of working families and individuals. An emphasis will be placed on affirmatively serving the growing Latino and farm worker populations residing in these neighborhoods. Services will be offered in English and Spanish.

The Metro Clinic will be staffed with an interdisciplinary team of 2.0 FTE Physicians (including a previously approved 1.0 FTE Medical Officer position), a 1.5 FTE Family Nurse Practitioners, a 0.5 FTE Psychiatric Nurse Practitioner, and a 1.0 FTE Mental Health Specialist. The team will provide screening, education, treatment, referral and case management. Other services may include immunization clinics, nutrition and diabetic education, and/or services as appropriate for the population served. Support staff are discussed below.

A bilingual community service worker (CSW) will ensure that the community is informed about the availability of services. The CSW will arrange and track medical referrals. The CSW will provide culturally and linguistically appropriate health care educational material. Basic outreach, health education, needs assessments, referral and follow-up will be provided. The CSW will assist families in obtaining insurance coverage. The CSW will deliver messages at the new access sites, as well as at local Latino organizations, churches, social service sites and other community locations.

Mental health and substance abuse services are provided by a 0.5 FTE Psychiatric Nurse Practitioner and a 1.0 Mental Health Specialist on site at the Metro Center and also by referral to Lane County Mental Health. The Mental Health Specialist will provide general mental health and substance abuse screening during primary care visits. Treatment needs will be met through a combination of on-site care (through the psychiatric nurse practitioner), and by using the County's mental health/substance abuse treatment system. CHC will contract for a youth and family mental health therapist, and a substance abuse therapist.

Satellite sites at the Springfield High Health Center and the Safe & Sound Homeless Youth Clinic will target at-risk and homeless children and adolescents with outreach, treatment and referral for preventive primary and behavioral health services. The behavioral health model seeks to fully integrate services and connect youth to multiple services. A multi-agency team comprised of a mid-level practitioner, mental health and substance abuse specialists, service coordinators, outreach advocates and health and safety educators will provide immediate care, referrals for health care, support for sexual abuse, exploitation and/or assault youth victims, case management, outreach, shelter, and information related to personal safety and suicide prevention, as well as transportation as needed.

The Springfield Health Center site, located at Springfield High School, will be staffed by a 0.5 FTE Nurse Practitioner. Students from seven elementary and three middle schools in the target area will utilize the services. The clinic will provide primary health care as well as prevention and early detection of physical and emotional problems for students, families, the schools and the community to encourage healthy lifestyles and positive decision-making. The school health center will be a safe place for children to talk about troubling issues, whether it is depression, illness, school failure, or peer relationships.

School aged children are increasingly at risk of a variety of dangerous health problems. Students involved in one risk-taking behavior are more likely to be

involved in other forms of risky behavior. The school health center will serve these at-risk youth.

The Safe & Sound (S&S) Homeless Youth Clinic site is located at Looking Glass New Roads homeless youth day access center and at two alternative high schools. The sites are youth friendly places that are easily accessible to homeless youth. The medical clinic will be staffed by a 1.0 FTE Nurse Practitioner and contract providers that will provide mental health and substance abuse services on site. A collaborative team of service providers will offer a continuum of support services integrating medical, mental and substance abuse services, outreach, crisis response, and support services to runaway, homeless, and at-risk youth.

The Access Center is located near the downtown Eugene mall area, a regular hangout for homeless youth. Two other S&S sites at alternative high schools are staffed by the Eugene School District, a partner agency. Outreach workers will spend time in the Springfield service area working with youth and connecting them to S&S services. The Springfield High Health Center, which is in the middle of the service area, will be an important resource for easily accessible medical care.

CHC staff will be recruited and screened for bilingual and cross-cultural skills as well as an interest in serving a low-income, diverse population. All patient-related materials, including Patient Rights and Responsibilities, clinic brochures, patient satisfaction surveys, relevant policies and all educational materials will be available in Spanish and English. All clinic signage will be in Spanish and English. PeaceHealth will provide funding for one bilingual Nurse Practitioner and a bilingual Office Assistant.

B. Analysis

To further the implementation of the CHC programs, staff will be phased in between November 2003 and March 2004. Staff will be phased-in in four groups corresponding to the start-up of reimbursable services provided by the medical provider staff. We used the federal HRSA standard for staffing with an average of three support staff per provider. In general, staff will report to work a week or two prior to each phase to begin training. This will prevent incurring support staff expenses prior to adding medical providers.

- a. Four medical provider positions are needed: a 1.0 FTE Physician, and 3.0 FTE Nurse Practitioners (2.0 bilingual designated).
- b. Nine and three-quarters clinical services positions are needed: 2.0 FTE Public Health Nurses (bilingual designated), 1.0 FTE Mental Health Specialist (bilingual designated), 5.0 FTE Medical Office Assistants (3.0 bilingual designated), and 1.75 FTE Community Service Workers (1.0 bilingual designated).

- c. Five office support staff positions are needed: 1.0 FTE Sr. Office Assistant (bilingual designated), 3.0 FTE Office Assistant 2 (2.0 bilingual designated), 1.0 FTE Accounting Clerk 2.
- d. A half-time 0.5 FTE Program Services Coordinator position is needed to provide administrative support for contracted services (0.2 FQHC and 0.3 H&HS Administration).

Existing staff to support the CHC will include a 0.5 FTE Psychiatric Nurse Practitioner, a 0.5 FTE Program Services Coordinator (Safe and Sound), a 0.2 Senior Administrative Analyst (Information Services), a 0.2 Senior Office Assistant and a 0.2 FTE Intergovernmental Human Services Manager.

Additional revenues in the amount of \$546,432 from insurance billings and fees, \$72,331 from PeaceHealth, and not previously appropriated federal CHC grant funds of \$109,917 are to be added. These funds will pay for the balance of personnel, material and supplies, and other expense items needed for the first year of clinical operations. Additionally, \$13,135 of existing HSC revenue and \$128,213 in existing Safe and Sound Clinic private foundation and City of Eugene revenue support will be shifted to the FQHC program account.

To establish the aforementioned positions and associated materials and supplies, it will be necessary to adjust the FY 2003-2004 budget. This adjustment is necessary to reflect the additional revenues and expenses in Fund 285 in the Department of Health & Human Services to implement these services. The personnel budget increases by \$455,248. The material and supplies budget increases by \$273,432.

C. Alternatives / Options

1. To adjust the Department of Health & Human Services budget (Human Services Commission Fund 285) to appropriate additional revenues in the amount of \$728,680 for the community health centers and to increase FTE by 19.25 by establishing a 1.0 FTE Physician, 3.0 FTE Nurse Practitioner (2.0 bilingual designated), 2.0 FTE Public Health Nurse (bilingual designated), 1.0 FTE Mental Health Specialist (bilingual designated), 5.0 FTE Medical Office Assistant (3.0 bilingual designated), 1.75 FTE Community Service Worker (1.0 bilingual designated), 1.0 FTE Sr. Office Assistant (bilingual designated), 3.0 FTE Office Assistant 2 (2.0 bilingual designated), 1.0 FTE Accounting Clerk 2, and a 0.5 FTE Program Services Coordinator.
2. Not to adjust the Department of Health & Human Services budget (Human Services Commission Fund 285) to appropriate additional revenues in the amount of \$728,680 for the community health centers and to increase FTE by 19.25 by establishing a 1.0 FTE Physician, 3.0 FTE Nurse Practitioner (2.0 bilingual designated), 2.0 FTE Public Health Nurse (bilingual designated), 1.0 FTE Mental Health Specialist (bilingual designated), 5.0 FTE Medical Office Assistant (3.0 bilingual designated), 1.75 FTE Community Service Worker (1.0 bilingual designated), 1.0 FTE Sr. Office Assistant (bilingual designated), 3.0

FTE Office Assistant 2 (2.0 bilingual designated), 1.0 FTE Accounting Clerk 2, and a 0.5 FTE Program Services Coordinator.

D. Recommendation

To approve number one above.

IV. IMPLEMENTATION / TIMING

Upon board approval, the budget adjustments will be processed and the positions adjusted and established. The recruitment process for the personnel will commence immediately. Interviews will commence in November 2003. A contract with PeaceHealth will be signed by January 1, 2004.

V. ATTACHMENTS

Board Order

CHC Budget as Reviewed by Finance & Audit on 10-13-03

I: \ Shared \ HSC Admin \ Steve \ FQHCBC3

THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

RESOLUTION) IN THE MATTER OF ADJUSTING THE DEPARTMENT OF HEALTH &
AND ORDER:) HUMAN SERVICES BUDGET (HUMAN SERVICES COMMISSION FUND
) 285) TO APPROPRIATE ADDITIONAL REVENUES IN THE AMOUNT OF
) \$728,680 FOR THE COMMUNITY HEALTH CENTERS AND TO INCREASE
) FTE BY 19.25 BY ESTABLISHING A 1.0 FTE PHYSICIAN, 3.0 FTE NURSE
) PRACTITIONER, 2.0 FTE PUBLIC HEALTH NURSE, 1.0 FTE MENTAL
) HEALTH SPECIALIST, 5.0 FTE MEDICAL OFFICE ASSISTANT, 1.75 FTE
) COMMUNITY SERVICE WORKER, 1.0 FTE SR. OFFICE ASSISTANT, 3.0
) FTE OFFICE ASSISTANT 2, 1.0 FTE ACCOUNTING CLERK 2, AND A 0.5
) FTE PROGRAM SERVICES COORDINATOR.

WHEREAS, Lane County Department of Health & Human Services, Human Services Commission Program, funds and administers community primary healthcare programs; and

WHEREAS, the U.S. Department of Health & Human Services has made available, on a competitive basis, \$1.5 billion to provide Community Health Center services; and

WHEREAS, Lane County Department of Health & Human Services, Human Services Commission was awarded \$566,667 for one year with two renewals possible; and

WHEREAS, additional revenues from projected insurance, billings, fees, unallocated federal Community Health Center grant money and a revenue agreement with PeaceHealth, will be added to the approved FY 2003-2004 Human Services Commission budget (Fund 285) for the Community Health Centers Program.

WHEREAS, the Board of County Commissioners as the governing body of Lane County may, in accordance with ORS 294.326.(2), appropriate by resolution unanticipated revenues and expenses.

NOW THEREFORE, IT IS HEREBY RESOLVED AND ORDERED, that appropriations are increased by \$728,680 in revenue and expenses; and

IT IS FURTHER ORDERED a 1.0 FTE Physician, 3.0 FTE Nurse Practitioner (2.0 bilingual designated), 2.0 FTE Public Health Nurse (bilingual designated), 1.0 FTE Mental Health Specialist (bilingual designated), 5.0 FTE Medical Office Assistant (3.0 bilingual designated), 1.75 FTE Community Service Worker (1.0 bilingual designated), 1.0 FTE SR. Office Assistant (bilingual designated), 3.0 FTE Office Assistant 2 (2.0 bilingual designated), 1.0 FTE Accounting Clerk 2, and a 0.5 FTE Program Services Coordinator are established in the Department of Health & Human Services.

DATED this _____ day of November 2003.

APPROVED AS TO FORM
Date 10/27/03 Lane County
Laidlaw
OFFICE OF LEGAL COUNSEL

Peter Sorenson, Chair
Lane County Board of Commissioners

Memorandum

TO: Finance & Audit Committee
FROM: Steven Manela
DATE: October 10, 2003
RE: Community Health Center

At the October 13, 2003 Finance and Audit Committee meeting we will present an overview of the financial plan for the Federally Qualified Community Health Center (FQHC). We have revised the budget for the project from the budget prepared for the grant in December 2002 based upon a new implementation schedule and other updated information. We are in the process of preparing a three-fiscal year cash flow budget to project the receipt of reimbursements in relationship to the in flow of and use of grant funds, local public and private sector funds and foundation revenue. The cash flow budget also projects expenses during that period.

Please find attached the revised three-year budget for the project as of October 9, 2003. This overview document and a detail for our personnel and capital start up expenses will be the basis for this initial discussion. Also, enclosed is the income analysis for the program income from billings for the first year of operation.

In November we will bring the fee and charge schedules and financial policies to the Finance and Audit Committee for review.

Federally Qualified Health Center				
		Budget		
Year 1	Year 2	Year 3		
FY 03/04	FY 04/05	FY 05/06	Description	
Revenue				
\$ 291,667	\$ 500,000	\$ 500,000	Community Health Center (CHC)	
\$ 125,000	\$ 150,000	\$ 150,000	Health Care for Homeless (HCH)	
\$ 150,000			One-time New Start - grant funds	
\$ 566,667	\$ 650,000	\$ 650,000	Federal grant funds	
\$ 13,135	\$ 32,017	\$ 34,897	Lane County - Applicant	
\$ 72,331	\$ 157,808	\$ 157,808	Local	
\$ 128,213	\$ 131,049	\$ 119,187	Other	
\$ 170,000	\$ -	\$ -	Other - Capital Improvement	
\$ 546,432	\$ 1,567,367	\$ 1,640,489	Program Income	
\$ 930,111	\$ 1,888,241	\$ 1,952,381	Non-federal grant funds	
\$ 1,496,778	\$ 2,538,241	\$ 2,602,381	Total Revenue	
Expenses				
\$ 516,937	\$ 1,112,610	\$ 1,149,627	Personnel - Salary only	
\$ 145,379	\$ 348,125	\$ 361,319	Fringe - Statutory benefits 29.34% Year 1, 31.47% Year 2,3	
\$ 109,181	\$ 276,911	\$ 304,597	Fringe - Negotiated \$9,513, \$10,902, & \$11, 992	
\$ 771,497	\$ 1,737,646	\$ 1,815,542	Personnel	
\$ 3,250	\$ 6,000	\$ 6,000	Provider CME (\$3,000 per physician FTE)	
\$ 3,250	\$ 5,250	\$ 5,250	Nursing CME (\$1,500 per NP FTE)	
\$ 5,833	\$ 10,000	\$ 10,500	Other Professional CME (\$1,000 per FTE)	
\$ 3,750	\$ 4,635	\$ 4,774	Travel to Required Meetings (\$1,500 per attendee x # of trips)	
\$ 1,250	\$ 1,545	\$ 1,591	Executive Director/Clinic Administrator (3 meetings)	
\$ 2,500	\$ 3,090	\$ 3,183	CFO Training	
\$ 1,667	\$ 2,060	\$ 2,122	Board Chair (2 meetings)	
\$ 1,438	\$ 1,777	\$ 1,830	Other Board/Management Travel	
\$ 22,938	\$ 34,357	\$ 35,250	Local Travel (5,000 miles x 0.345 per mile)	
			Total Travel	
\$ 202,000			Capital Improvement (remodel)	
\$ 118,000			Equipment	
\$ 320,000	\$ -	\$ -	Total Equipment and Capital Improvement	
\$ 8,444	\$ 23,188	\$ 23,188	Office & Printing (\$1.38 per encounter)	
\$ 11,826	\$ 34,068	\$ 37,539	Medical Supplies (\$2.60 per encounter)	
\$ 20,270	\$ 57,256	\$ 60,727	Total Supplies	

FORM # Income Analysis Format

YEAR 1

PAYOR CATEGORY	NUMBER OF VISITS (a)	AVERAGE CHARGE PER VISIT (b)	TOTAL CHARGE S (a * b) (c)	AVERAGE ADJUSTMENT PER VISIT (d)	AMOUNT BILLED [c-(a*d)] (e)	COLLECTION RATE (%) (f)	PROJECTED INCOME (e*f) (g)	ACTUAL ACCRUED INCOME (most recent 12 mos) (b)
FEES FOR SERVICE								
Medicaid: Fee for Services	2,958	\$130	\$384,540	\$20	\$325,380	95%	\$309,111	
Medicaid: EPSDT								
Medicaid: PPS		\$39				100%	\$115,362	
Subtotal: Medicaid								
Medicare: Fee for Services	140	\$130	\$18,200	\$10	\$16,800	90%	\$15,120	
Medicare: Capitated								
Subtotal: Medicare								
Private Insurance	228	\$130	\$29,640	\$20	\$25,080	90%	\$22,572	
Self-Pay: 100 Percent	35	\$105	\$3,675	\$0	\$3,675	90%	\$3,308	
Self-Pay: Sliding Fee Scale	795	\$130	\$103,350	\$70	\$47,700	85%	\$40,545	
Self-Pay: 0 Percent	995	\$130	\$129,350	\$93	\$36,815	90%	\$33,134	
Self-Pay: No chg. (HCH)	968	\$130	\$125,840	\$120	\$9,680	0%	\$0	
Dental - Self-Pay 0 Percent	208	\$140	\$29,120	\$105	\$7,280	100%	\$7,280	
Dental Medicaid								
Other: Capitation								
Other: Contracts								
SUB-TOTAL	6,327						\$546,432	
OTHER INCOME								
Contributions/Donations								
Fund Raising								
Other Federal Grants								
State Grants								
Local Support								
Foundation Grants								
Other								
GRAND TOTAL	6,327				\$472,410			