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AGENDA COVER MEMO

AGENDA DATE: August 26, 2009
TO: Board of County Commissioners
DEPARTMENT: Health & Human Services
PRESENTED BY: Rob Rockstroh



AGENDA TITLE: ORDER / _____ IN THE MATTER OF ADDING A TOTAL OF 27.0 FTE FOR THE COMMUNITY HEALTH CENTERS OF LANE COUNTY, APPROPRIATING REVENUES AND EXPENSES IN THE AMOUNT OF \$755,029 FOR FY 10 IN FUND 286 OF HEALTH & HUMAN SERVICES

I. MOTION

In the Matter of Adding a Total of 27.0 FTE for the Community Health Centers of Lane County, Appropriating Revenues and Expenses in the Amount of \$755,029 for FY 10 in Fund 286 of Health & Human Services.

II. AGENDA ITEM SUMMARY

The Board of Commissioners are being asked to approve expanded staffing capacity for the two new Community Health Center facilities which will open at Charnelton Place (Eugene, February, 2010) and on Olympic Street (Springfield, July, 2010). Although hiring for all but one of the requested FTE are planned for late January through June, 2010; this action is requested at this time to facilitate recruitment, especially of medical providers.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

FTEs, funded by the American Recovery and Reinvestment Act, were added to the Community Health Centers via BO 09-4-8-10, but that funding was limited to a calculation based on the CHCLC's prior year service provision and did not provide for the number of providers that will be required to fully staff both the RiverStone expansion (2073 Olympic St) and the Charnelton Place opening.

Charnelton Place, to be known as the Charnelton Community Health Clinic, has now been added to scope/site by the Health Resources Service Administration (HRSA). ARRA funding will assist with renovations at both Charnelton Place (\$716,480) and the Olympic Street site (\$5,000,000, requested), but will not pay for the required

increased FTE.

HRSA regulations prohibit the CHCLC from seeking additional grant funding to offset the initial costs of opening a new location. In theory, the addition of medical providers should generate sufficient revenue to offset both the providers' salaries and those of all support staff. The CHC will be permitted to apply for an adjustment to its base grant, possibly in mid-2010 and the CHC Division Manager has already apprised Lane County's HRSA grant manager of the need to request such an adjustment. The CHC did receive a modest \$48,000 base grant adjustment last FY.

B. Policy Issues

Purchase of the Olympic Street and Charnelton Place sites represent the County's commitment to remain the primary (public) safety-net provider of health services in this area.

The CHCLC will achieve sustainability with a 40% Medicaid, 40% self-pay, 10% Medicare and 10% insured model. Over the past twelve months, the payor mix has equaled or exceeded 30% Medicaid (the critical component for sustainability, based on the enhanced reimbursement rate) and expansion into the Eugene downtown area will provide an additional uptick in that key rate.

This request for additional FTE includes a change to the CHCLC's staffing structure and the flow of patient intake and handling. The CHCLC will add 6.0 FTE of licensed practical nurses (LPNs), in lieu of only relying on medical assistants), in order to reduce provider contact time per patient, thereby maximizing provider-generated revenue. The movement to use LPNs is in keeping with an industry standard that supports each licensed individual provider with well trained non-provider staff who review patient charts, check vital signs and expedite patient processing. Additionally, each Clinic will benefit from the addition of a nursing site supervisor. One of the tasks of the site supervisor is to coordinate provider staffing across sites to maximize patient booking and revenue capture.

C. Board Goals

N/A.

D. Financial and/or Resource Considerations

Per capita revenue generation by physicians at the RiverStone Clinic currently equals an average of \$9,490 per month, based on a current load of 70 patients per month. The average nurse practitioner generates \$27,070 per month, based on 210 encounters per month. By adding two physicians and four nurse practitioners, an additional revenue stream of \$1,527,120 per annum, projected at the proposed 40/40/10/10 payor mix, will be created, without allowing for anticipated increased productivity.

Clinic productivity standards have improved by more than 10% over the past year, when allowing for fluctuations in the number of provider hours (though nurse practitioner provider hours have been stable, the number of physician hours has varied from month-to-month, making accurate productivity gain comparisons difficult). H&HS believes that the use of LPNs, as detailed above under Item III B, will yield another increase in productivity, as will the significant enhanced anticipated as a result of the movement to better-designed facilities. The combined effects of increased provider hours, an improved patient "flow" model and the new facilities should permit at least additional 10% increase in productivity in FY 10-11.

The Phase I opening/expansion into Charnelton Place (February, 2010) and Olympic Street (July, 2010) foresee the need to add a total of 27 FTE, as follows: 2.0 FTE physicians, 4.0 FTE nurse practitioners, 3.0 FTE nursing/clinic supervisors, 1.0 FTE administrative assistant (Division Manager support), 2.0 FTE registered nurses (community health nurses), 2.0 FTE licensed practical nurses, 4.0 FTE bilingual licensed practical nurses, 1.0 FTE community service worker, 1.0 mental health specialist 2, 3.0 FTE office assistant 2 and 4.0 FTE bilingual office assistant 2. Of these 27 FTE, 12 FTE have been estimated at five months' FY 10 service, one is proposed for immediate hire (9 months' of FY 10) and the remaining fourteen would be hired in May or June, 2010.

Total value of the proposed additional FTE for FY 10 is: \$755,029. Total anticipated revenue generation is \$699,930; assuming a soft-opening of Charnelton Place in February, 2010 (70% of possible bookings in February, increasing to full capacity by April); increase of 1.0 FTE nurse practitioner at RiverStone, in anticipation of the move to Olympic Street. An initial loss in revenue is still projected, with full maximization and sustainability foreseen by October, 2010. If an HRSA adjustment to the CHC's base grant is received in May, 2010; profitability may be achieved sooner in calendar year 2010.

E. Analysis

CHCs throughout the U.S. have achieved self-sustaining payor mixes, in line with the 40/40/10/10 mix identified and advocated for herein by H&HS,

The efforts of the current Administration to ensure that "public option" healthcare becomes part of a systemic national healthcare overhaul and the ARRA funds received and requested thus far, are both encouraging indicators that Lane County's timing will position the new facilities for success.

The CHCLC's movement toward providing integrated care and its hiring of a pediatrician have positioned it well to benefit both from national healthcare reform and the Oregon "Children First" initiative. The movement of PeaceHealth from the Eugene downtown area should also assist the CHC in boosting the Medicaid and insured components of its payor mix.

Finally, though not yet operating at a profit, the strides made by the CHC over the past 12 months to improve its bottom line have been significant and the staffing structure proposed via this action will further enhance provider productivity and revenue generation.

F. Alternatives / Options

1. Approve the addition of the requested FTEs and the appropriation of revenues and expenses.
2. Direct staff to return with a reduced expansion proposal.

IV. TIMING/IMPLEMENTATION

H&HS seeks to establish the new positions immediately, but posting/hiring will be phased-in, as follows (with the exception of the division-level administrative assistant, slated for hire in September, 2009):

Charnelton Community Health Center

Providers – recruitment to begin immediately, hiring anticipated in mid-January to April, 2010 (Total of 6.0 FTE - 2 physicians, 3 nurse practitioners and one mental health specialist).

Support staff (registered and/or licensed practical nurses, site and clinic supervisors, one CSW and office assistants) – recruitment to commence in December, 2009 with hiring in late January through late May, 2010 (Total of 18 FTEs, with one working with the outreach staff).

RiverStone (relocation to Olympic Street)

Recruitment of one nurse practitioner to commence in early 2010, with hiring anticipated for late June, 2010 (1.0 FTE).

Support staff – recruitment of one additional nursing supervisor to commence in April, 2010 with hiring in late June, 2010 (1.0 FTE).

V. RECOMMENDATION

Health & Human Services supports approval of this request.

VI. FOLLOW-UP

If Board concurrence/approval is received, H&HS will work with HR to post the vacancies, per the schedule outlined in Item IV.

VII. ATTACHMENTS

Board Order

Organization Chart – Community Health Centers of Lane County

THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

ORDER:) ORDER _____ IN THE MATTER OF ADDING A TOTAL OF
) 27.0 FTE FOR THE COMMUNITY HEALTH CENTERS OF
) LANECOUNTY, APPROPRIATING REVENUES AND EXPENSES
) IN THE AMOUNT OF \$755,029 FOR FY 10 IN FUND 286 OF
) HEALTH & HUMAN SERVICES

WHEREAS, expanding healthcare services to the under- and uninsured residents of Lane County is of importance to the Board of Commissioners and the Department of Health & Human Services; and

WHEREAS, Lane County has affirmed its commitment to providing safety-net healthcare by purchasing buildings at 2073 Olympic Street in Springfield and 151 West 7th. Avenue in Eugene to permit the opening of the new RiverStone Clinic and the Charnelton Community Clinic; and

WHEREAS, the provision of expanded primary care will require the hiring of additional provider and support staff for both clinic locations;

NOW, THEREFORE, IT IS HEREBY ORDERED AND RESOLVED, that the Board of County Commissioners approve the addition of 27.0 FTE in Fund 286 of Health & Human Services for FY 10 as follows:

CLASSIFICATION	FTE
Administrative Assistant	1.0
Office Assistant 2	3.0
Office Assistant 2-B	4.0
Nurse Practitioner	4.0
Physician	2.0
Community Health Nurse/RN	2.0
Community Service Worker	1.0
Licensed Practical Nurse	2.0
Licensed Practical Nurse – B	4.0
Mental Health Specialist 2	1.0
Nursing Site Supervisor (Prof/Tech Supvr)	2.0
Clinic Support Supervisor (Prof/Tech Supvr)	1.0

AND; IT IS HEREBY FURTHER ORDERED that the Board of County Commissioners appropriate revenues and expenses in the amount of \$755,029 in Fund 286 of Health & Human Services for FY 10.

DATED this _____ day of August, 2009.

Pete Sorenson, Chair
Lane County Board Of Commissioners

APPROVED AS TO FORM
Date 8/17/09 Lane County
Shard Law
OFFICE OF LEGAL COUNSEL



Health & Human Services Community Health Centers

Legend	
Symbol	Legend Subtitle
☆	Count
●	Description
☆	30
●	New position
☆	7
●	Year 2 position

*Administrative Assistant 1 FTE

Jeri Weeks
CHCLC Manager
(CEO)

Springfield
High School

RiverStone
Clinic

Charmelton
Community
Clinic

Lane County
Mental Health

Churchill
High School

Medical Director
RiverStone - 3 FTE

*Site Nurse Supervisor
1 FTE

*Stores Clerk
1 FTE

Nursing Services
Supervisor
1 FTE

*Clinical Support Supervisor
1 FTE

*Site Nurse Supervisor
1 FTE

*Associate Medical Director
Charmelton Community
Clinic - 1 FTE

Physician
1.75 FTE

Nurse Practitioner
5.5 FTE

*Nurse Practitioner
1 FTE

LPNB
1 FTE

PSCIB
1 FTE

*RN
1 FTE

*LPN
1 FTE

Referral Clerk
(OA2)
1 FTE

RN
3 FTE

MA2B
6 FTE

LPN
2 FTE

CSW2B
2 FTE

MHS
1 FTE

*BHS
3 FTE

Clinical Support Supervisor
1 FTE

Reception
(OA2B)
2 FTE

Check-Out
(OA)
1 FTE

Med. Records
(OA2)
1 FTE

Patient Assistance
(OA2B)
1 FTE

2nd Floor (OA2B)
1 FTE

OA2
1 FTE

*2nd Floor (OA2)
1 FTE

QA
ChC Policy &
Procedure
Shared CSW2
1 FTE
Shared

*Intake (OA2)
1 FTE

*Intake (OA2)
1 FTE

Intake (OA2)
1 FTE

Intake (OA2-B)
1 FTE

Call Center
Shared

*Reception
(OA2B)
2 FTE

*Check-Out
(OA2)
1 FTE

*Med. Records
(OA2)
1 FTE

*Prescription Assistance
(OA2B)
1 FTE

*Telephone
(OA2B)
1 FTE

*Med. Records
(OA2)
1 FTE

Referral Clerk
(Sr. OA)
1 FTE

*RN
2 FTE

*CSW2B
1 FTE

*MHS2
1 FTE

*LPNB
4 FTE

*LPN
2 FTE

*LPN
1 FTE

*Physician IM
1 FTE

Nurse Practitioner
1.6 FTE

*Nurse
Practitioner
2 FTE

*NP (Peds)
1 FTE

*Physician (Peds)
1 FTE