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AGENDA COVER MEMO

AGENDA DATE: June 3, 2009
TO: Board of County Commissioners
DEPARTMENT: Health & Human Services
PRESENTED BY: Rob Rockstroh



AGENDA TITLE: ORDER / _____ IN THE MATTER OF RATIFYING THE COUNTY ADMINISTRATOR'S DECISION AUTHORIZING SUBMISSION OF A GRANT PROPOSAL IN THE AMOUNT OF \$716,480 FOR ONE-TIME, TWO-YEAR FUNDING FOR THE COMMUNITY HEALTH CENTERS OF LANE COUNTY UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT AND ACCEPTING ANY RESULTING GRANT AWARD

I. MOTION

In the Matter of Ratifying the County Administrator's Decision Authorizing Submission of a Grant Proposal in the Amount of \$716,480 for One-Time, Two-Year Funding for the Community Health Centers of Lane County under the American Recovery and Reinvestment Act and Accepting any Resulting Grant Award.

II. AGENDA ITEM SUMMARY

Through the American Recovery and Reinvestment Act (ARRA), the Health Resources and Services Administration (HRSA) has computed one-time "Capital Improvement Program" (CIP) funding for Federally Qualified Health Centers (FQHCs). HRSA notified Lane County on May 4, 2009 that the Community Health Centers of Lane County (CHCLCs) would be eligible for \$716,480 in funding to be used for "pressing capital improvement needs, such as construction, repair, renovation, and equipment purchases, including health information technology systems." The application documents were released the same day, with an application deadline of June 2, 2009. This timeline combined with staff commitments to attend a conference in Alaska and the lack of a Board meeting on May 27, 2009; precluded requesting Board of Commissioners' delegated authority prior to grant submission. Ratification of the County Administrator's actions in permitting the CHCLCs to respond to this grant funding opportunity are hereby requested.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

The Board of County Commissioners last approved the submission of the CHCLC continuation grant application to HRSA via BO 05-12-7-4. Based on a similarly short timeline, the Board recently ratified a CHCLC application for ARRA enhancement funding to be used for expanded services via BO 09-4-1-7. That grant funding has been awarded and dedicated to additional FTE at the CHCLC. The Board approved purchase of a permanent facility to house the RiverStone Clinic via BO 09-5-20-6 and the acquisition of Charnelton Place, where a satellite of the CHC will open in 2010, was approved via BO 07-3-14-5.

The ARRA was signed on February 17, 2009 and included \$850,000,000 in funding to support one-time Capital Improvement Programs (CIPs) from July 1, 2009 through June 30, 2011 at Federally Qualified Health Centers (FQHCs). The proposed \$716,480 has been allocated by HRSA based on the number of patients served by the CHCLC, as reported in the federal uniform data system (UDS).

The complete grant application will be routed the week of May 25, 2009 and will be available for review in the CAO prior to the Board meeting date of June 3, 2009.

B. Policy Issues

Please note that this is a non-competitive application.

Board of Commissioners delegation of authority and approval is sought based on the fact that this grant application responds to a unique HRSA grant announcement and is being processed by H&HS as a separate, two-year only funding application, not part of the CHCLC's ongoing grant funding.

Lane County's Behavioral Health Services have been within the scope of practice of the CHCLC since October 1, 2007; qualifying behavioral health for HRSA grant funding.

LC Cares is the electronic health record (EHR) utilized by Lane County's Behavioral Health Services. The CHCLC does not yet have access to an EHR. Its encounters (billings) are processed via the Oregon Community Health Information Network (OCHIN). The grant funding permitted under this ARRA-funded application must be utilized either to purchase a certified EHR system or may be used to upgrade or expand a certified EHR system*.

*LC Cares has been approved by the Certification Commission for Healthcare Information Technology.

C. Board Goals

Supports Board goal of providing services to County residents.

D. Financial and/or Resource Considerations

ELECTRONIC HEALTH RECORD (\$362,887): Grant funding will be used to add four software modules to the LC Cares system. The grant funding will also be used to

purchase additional hardware (\$42,296 for a staging server, video cards, monitors, etc.), provide for costs associated with training (\$6,988, room rentals, materials, etc.) and to offset existing FTE (\$201,316, project management and IT services for the LC Cares Phase II implementation)

Recovery Companion (\$38,255) – permits for more interactive involvement of clients in defining treatment goals and progress.

Decision Support (\$56,962) – improves communication among service agencies.

Lexi-Comp (\$9,050) & *SureScripts* (\$8,250) – integrates drug database capacity with clinical dispensing.

CONSTRUCTION (\$339,603): Relocation of the RiverStone Clinic to the new Olympic Boulevard building and the establishment of a satellite clinic in Eugene at Charnelton Place will both require substantial renovation expenditures. This dedicated ARRA funding will assist the County with these costs. H&HS proposes to use the one-time funding provided under this grant application for Charnelton Place and to use other grant funding, the still-pending 2008 “United Front” request for \$400,000 or, that failing, expanded medical capacity funding from HRSA in conjunction with the relocation to the Olympic Blvd. site. The funding under the CIP award will be used for: architectural and engineering fees, project inspection fees, some site work (demolition and removal), bonding and insurance costs, appraisal, contingencies (5%), administrative and legal costs and limited equipment purchases.

OTHER (\$13,990): Medical Transcription costs increase, as the FQHC adds more providers. Introduction of voice recognition software, purchased at a cost of \$1,900 per provider, will be tested using this grant funding. The FQHC’s transcription costs may reach \$100,000 in FY 10.

E. Analysis

The information required by the Board of County Commissioners prior to approval of grant applications and receipt of grant funds is provided below.

1. What is the Match Requirement, if any, and how is that to be covered for the duration of the grant?

There is no match requirement.

2. Will the grant require expenditures for Material and Services or capital not fully paid for by the grant?

Yes, but the capital improvement expenditures foreseen to support the opening of a satellite clinic in Charnelton, and the expenses associated with the implementation of the software modules would otherwise be fully borne by the County.

3. Will the grant funds be fully expended before county funds need to be spent?

No, the expenditures will be concurrent.

4. How will the administrative work of the grant be covered if the grant funds don't cover it?

Additional grant reporting will be completed with current staff. No additional staff resources will be required for the routine reports. Depending on the specific use of the funds, some additional reporting may be required, for example, environmental impact or historical surveys. However, the overall cost savings to the County, with respect to covering some of the renovation costs for Charnelton Place, will more than offset the costs associated with the additional federal reporting compliance standards.

5. Have grant stakeholders been informed of the grant sunseting policy so there is no misunderstanding when the funding ends? Describe plan for service if funding does not continue.

The County is the sole stakeholder. The uses proposed for this funding are one-time in nature, as is the ARRA funding and fall within the two-year program timeline (July 1, 2009 – June 20, 2011).

6. What accounting, auditing, and evaluation obligations are imposed by the grant conditions?

Under the ARRA requirements, quarterly progress reports will be required. Annual and final reporting is also required. Funding announcements and reports are placed on the www.recovery.gov website, to ensure transparency and tracking of taxpayer funds.

7. How will the department cover the accounting, auditing, and evaluation obligations? How are the costs for these obligations covered, regardless of whether they are in the department submitting the grant or a support service department? Does the department acknowledge that the county will need to cover these costs and it is an appropriate cost incurred by support service departments?

The grant application permits the County to include administrative overhead. Sufficient staff exists to respond to the obligations incurred in administering this grant.

8. Are there any restrictions against applying the county full cost indirect?

No. An indirect amount has been included in the grant application budget, per the negotiated agreement with the federal government.

9. Are there unique or unusual conditions that trigger additional county work effort, or liability, i.e., maintenance of effort requirements or supplanting prohibitions or indemnity obligations?

EHR: Adding additional modules to the LC Cares system may increase the time a provider spends updating the client EHR, but it improves the responsiveness of the system (providing for greater client involvement) and improves the quality of client care (protection from unintentional drug interactions).

CONSTRUCTION: H&HS will attempt to limit additional requirements related to federal mandates. Use of federal funding for equipment purchases requires that the County treat all of the purchases as one individual purchase, to ensure classification as "capital assets" for tracking and reporting purposes. Use of federal funding for "construction" may require review under the "National Historic Preservation Act", but H&HS will work closely with Management Services (which approves of this application and the dedication of funds to Charnelton Place construction) and County Counsel to ensure that all federally-mandated requirements are met.

OTHER: Use of voice recognition technology will require adaptation by provider staff, but may result in substantial cost savings.

10. Grants involving technology issues require Information Services department review and approval prior to submission to the Board to ensure compatibility with existing county systems and development tools.

County IS has worked in tandem with the CHCLC to develop the EHR and equipment purchases proposed under the application.

11. Information services department sign-off is required for all agenda items requesting funding for new or enhanced computer applications/systems that will interface with existing county systems/infrastructure.

County IS has been added to the board packet routing.

12. If this is a grant funded computer/software application project.

- a. The LC Cares implementation team consists of one IS representative – Janet Labonte and four H&HS staff from Behavioral Health - Walter Rosenthal, Michel Farivar, Liisa John and Debbie Currie and Julie Losco of H&HS' Clinical Financial Services.
- b. The system adaptations will be developed by the County LC Cares implementation team in tandem with UNICARE (U/C) representatives, under the terms established via county contract #8064.
- c. The County will remain responsible for any renewal licensing fees for the modules.
- d. The County assumes full responsibility for ongoing maintenance and staff costs related to the behavioral health EHR.

F. Alternatives / Options

1. Approve the ratification of the grant proposal submission.
2. Direct staff to recall the grant application submitted on June 2, 2009 and to decline any funding offered by HRSA.

IV. TIMING/IMPLEMENTATION

Board approval and HRSA confirmation of the awarding of funds being received, H&HS will amend the LC Cares EHR system during Phase II, currently projected to start in the summer, 2009. The construction phase of the CHCLC expansion at Charnelton Place is currently scheduled for the fall, 2009; though some of the proposed funding may be used prior to the actual demolition/renovation phase.

V. RECOMMENDATION

Health & Human Services, Management Services (including IS) staff support approval of this request.

VI. FOLLOW-UP

H&HS will work closely with Management Services and County Counsel on the renovation of Charnelton Place to ensure the requested federal funds are utilized in accordance with federally-mandated requirements.

VII. ATTACHMENTS

Board Order

THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

ORDER:) ORDER / _____ IN THE MATTER OF RATIFYING THE
) COUNTY ADMINISTRATOR'S DECISION AUTHORIZING
) SUBMISSION OF A GRANT PROPOSAL IN THE AMOUNT OF
) \$716,480 FOR ONE-TIME, TWO-YEAR FUNDING FOR THE
) COMMUNITY HEALTH CENTERS OF LANE COUNTY UNDER
) THE AMERICAN RECOVERY AND REINVESTMENT ACT AND
) ACCEPTING ANY RESULTING GRANT AWARD

WHEREAS, the Lane County Board of County Commissioners is cognizant that the current economic downturn severely impacts lower-income county residents; and

WHEREAS, the County offers low-cost healthcare to under- and uninsured residents via the Community Health Centers of Lane County; and

WHEREAS, the federal government has made one-time funding available for the Community Health Centers of Lane County under the American Recovery and Reinvestment Act; and

WHEREAS, Lane Manual 21.137 sets forth policy regarding grant applications and requires Board approval of the preliminary application and acceptance of any grant award greater than \$100,0000; and

WHEREAS, the total funding to be awarded through this grant is \$716,480 and, therefore, exceeds the signatory authority of the County Administrator;

NOW, THEREFORE, IT IS HEREBY ORDERED, that the Board of County Commissioners ratify the submission of a grant proposal by the County Administrator for \$716,480 for the period July 1, 2009 through June 30, 2011 and to accept any resulting grant award; and

IT IS FURTHER ORDERED, that the Board of County Commissioners delegate authority to the county administrator to execute the grant documents and any resulting award documents.

DATED this _____ day of June, 2009.

Pete Sorenson, Chair
Lane County Board Of Commissioners

APPROVED AS TO FORM

Date 5/22/09 Lane County

J. Paul Law
OFFICE OF LEGAL COUNSEL