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AGENDA COVER MEMO

AGENDA DATE: July 6, 2005

TO: Board of County Commissioners

DEPT: Health & Human Services

PRESENTED BY: Rob Rockstroh, Director Department of Health & Human Services

AGENDA ITEM TITLE: ORDER _____ / IN THE MATTER OF APPROVING THE SUBMITTAL OF A GRANT TO THE NORTHWEST HEALTH FOUNDATION IN THE AMOUNT OF \$250,000 OVER THREE YEARS FOR THE COMMUNITY HEALTH CENTERS OF LANE COUNTY; AND DELEGATING AUTHORITY TO THE COUNTY ADMINISTRATOR TO SIGN GRANT DOCUMENTS.

I. MOTION

ORDER _____ / In The Matter Of Approving The Submittal Of A Grant To The Northwest Health Foundation In The Amount Of \$250,000 Over Three Years For The Community Health Centers Of Lane County; And Delegating Authority To The County Administrator To Sign Grant Documents.

II. ISSUE OR PROBLEM

Lane County has been invited to submit a grant application by the Northwest Health Foundation to develop the Community Health Centers Pharmacy Program. In order to submit this application, the County Administrator must have delegated authority to sign it.

I. DISCUSSION

A. Background

Community Health Centers of Lane County (CHCLC) is a multi-site clinic operating at six locations. Services are designed to provide easily accessed care in comfortable settings suitable for low income, "working poor", and uninsured and under insured Lane County residents. Particular focus on the

health disparities and needs of the Latino population and the homeless youth population is provided through bi-cultural, bilingual staff and use of youth-friendly staff and locations.

CHCLC has an annual budget of \$2.9 million which includes 27 staff FTE in six locations half of whom are Spanish speaking bilingual. Three of six practitioners are Spanish speaking. The clinics provided 5,357 low income people with 12,203 visits in the past year. Of these patients, 873 were homeless. Preventive dental services were provided for approximately 1,200 preschool and elementary children.

The proposed grant to the Northwest Health Foundation seeks funds to develop a CHCLC Pharmacy Program (CHCPP). The grant will fund: a full time pharmacy medical assistant; a half time pharmacy clerical assistant; renovation of a pharmacy room; purchase of medications and supplies.

CHCPP will increase access to medication for these special populations, resulting in improved patient care and therapeutic outcomes due to increased numbers of people properly taking their prescribed medications. In addition, the program will increase clinic efficiencies and maximize the capacity to provide health care services for more people in need. The intent is to develop a self supporting low cost pharmacy program over a three year period.

B. Analysis

Without doubt, improved medication access is a critical missing link to health for people with limited incomes. Medications, when prescribed, dispensed, and administered correctly, are some of the best prevention and treatment health care tools we have. Access to affordable medication saves lives. Conversely, lack of appropriate treatment results in significant cost to the community when conditions deteriorate due to lack of medication. Increased use of emergency room, increased hospitalization, increased mental health crises are directly related to patient's inability to follow through with treatment plans including medication.

CHCPP will assist patients who cannot afford medications (low income, uninsured, under-insured, "working poor" and homeless people) to obtain them by coordinating a multi-faceted program including:

- **Patient Assistance Program (PAP)** – CHCLC staff help patients access free medication from pharmaceutical companies and manage the ongoing renewal process for a nominal fee. CHCLC will work with local hospitals to provide replacement product for hospitalized patients. Patient education for other prescription assistance programs and eligibility for Medicare Part D drug benefit will also be provided. Immediate availability of medications will be provided by the Discounted Low-Cost Pharmacy Program and pharmaceutical donations as described below.

- **Discounted Low-Cost Pharmacy Program** – As a Federally Qualified Health Center, CHCLC will provide access to Public Health Service 340B priced medications at greatly reduced prices. These prices are typically set at about 50% of the wholesale cost. CHCLC will utilize the County competitive bidding process to contract with a local pharmacy to dispense medications and charge patients a nominal fee. A poly-pharmacy case management program is also to be implemented in the near future to assist patient to manage their multiple pharmacy needs.
- **Free Pharmaceutical Company Samples and Donations** – CHCLC will dispense samples to patients for short term treatment as available.

Integrated comprehensive pharmacy services include patient access to affordable pharmaceuticals, application of "best practices" and efficient pharmacy management, and the application of systems that improve patient outcomes through safe and effective medication use. Approximately **25,000 medications will be provided** through the CHCPP in the first year. Approximately 7,500 of these medications will be accessed through PAP. Patients at all six CHCLC sites in the Springfield/Eugene area will have access to the program. Under the clinical direction of the Medical Director, the pharmacy medical assistant will work with clinical providers, partner organizations and patients using a formulary and criteria to determine the most medically efficacious and cost-effective means by which to assist patients with securing medications. Outcomes measured will include the number and types of medications purchased and the number of patients who use the program. This information is tracked through to-be-acquired pharmacy management software as well as invoices for medications. Although this grant will not be purchasing this technology, any software purchases for this project will be coordinated with the Information Services Department. In addition, patient satisfaction surveys will be completed to provide feedback and ensure the system is effective.

The CHCPP is expected to generate approximately 20% of income in the first year from patient fees. As the program becomes more stable in the second year, 50% of income will come from patient fees. By the third year, 80% of income will come from patient fees.

CHCLC will coordinate with other local organizations such as PeaceHealth, McKenzie Willamette Medical Center/Triad as well as local safety net efforts the United Way 100% Health Care Access Project, Volunteers in Medicine and White Bird to maximize community access to the CHCPP.

As a result of CHCPP, practitioners will have the freedom to prescribe the most clinically effective drugs at the lowest cost, patient treatment outcomes will improve significantly because of follow through with appropriate medications, clinic capacity will increase to serve more patient visits as a result of lack of medication and/or problem solving medication access. Community resources will be utilized more appropriately due to less use of emergency rooms and hospitals for chronic conditions. Coordination and collaboration with other healthcare organizations will ensure that the CHCPP is

utilized to its fullest potential. By the end of the third year the program will be self-sustaining through patient fees and reimbursements.

Administrative Policies and Procedures Questions for Grant Applications

- 1. What is the match requirement, if any, and how is that to be covered for the duration of the grant?**

There is not a match requirement for this grant.

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

All expenditures for Material and Services or Capital not paid for by the grant will be paid for by the Federal Grant 330, administrative fees and program revenue generated through reimbursements and patient fees.

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

Yes, grant funds will be expended. No county funds will be expended. All expenses will be paid for by the federal grant, administrative fees and program revenue generated through reimbursements.

- 4. How will the administrative work of the grant be covered if the grant funds do not cover it?**

The administrative costs of the project not covered by the grant will be picked up by indirect costs assessed against the CHCLC.

- 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.**

Yes, grant stakeholders are informed through planning, bidding and contractual processes that services are based on the availability of the funding through the grant. If funding does not continue, there is no legal obligation to continue services. Should the funding be discontinued prior to the end of the grant, the program will be scaled back to be sustained through fees and reimbursements. The CHCPP is expected to generate approximately 20% of income in the first year from patient fees. As the program becomes more stable in the second year, 50% of income will come from patient fees. By the third year, 80% of income will come from patient fees with the balance coming from program revenue generated through reimbursements.

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

Accounting, auditing and evaluation obligations imposed by the grant will be addressed through standard reporting procedures including Uniform Data Systems Reports mandated by Bureau of Primary Health Care Section 330. There are no unusual circumstances to be addressed by the grant..

7. How will the department cover the accounting, auditing, and evaluation obligations? How are the costs for these obligations covered, regardless 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 services departments?

Existing H&HS, HSC, and CHCLC staff fulfills the accounting, auditing and evaluation obligations. The department covers the cost to support services departments through indirect costs charged to Fund 285. CHCLC acknowledges that the county will need to cover these costs.

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

No, there are no restrictions on county indirect charges.

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?

No.

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

Information Services has been informed about the Pharmacy Program and agrees to be involved in any technology related decisions.

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.

Information Services has been informed about the Pharmacy Program and agrees to be involved in any technology related decisions.

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

The grant is not a computer/software project.

C. Alternative/Options

1. Approve the submittal of a grant application to the Northwest Health Foundation in the amount of \$250,000 over three years.
2. Non-approval of the submittal of a grant application to the Northwest Health Foundation in the amount of \$250,000 over three years.

D. Recommendation

H&HS recommends that the Board of County Commissioners approve the submittal of the grant application to the Northwest Health Foundation in the amount of \$250,000 over three years.

E. Timing

Upon Board approval the grant will be submitted to the Northwest Health Foundation. If Lane County is awarded the grant, these services would be funded beginning in October 1, 2005 through September 30, 2008.

III. IMPLEMENTATION

Upon Board Order being approved and signed, the department will submit the grant application to Northwest Health Foundation.

IV. ATTACHMENTS

Board Order

THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

ORDER) IN THE MATTER OF APPROVING THE SUBMITTAL OF A GRANT TO THE NORTHWEST HEALTH FOUNDATION IN THE AMOUNT OF \$250,000 OVER THREE YEARS FOR THE COMMUNITY HEALTH CENTERS OF LANE COUNTY; AND DELEGATING AUTHORITY TO THE COUNTY ADMINISTRATOR TO SIGN GRANT DOCUMENTS.

WHEREAS, Lane County through the Human Services Commission manages human services for the Cities of Eugene and Springfield; and

WHEREAS, Community Health Centers of Lane County, a program of the Human Services Commission, is a multi-site Federally Qualified Health Center; and

WHEREAS, Lane County, through the Community Health Centers of Lane County, has been invited to submit a proposal for the Community Health Centers Pharmacy program; and

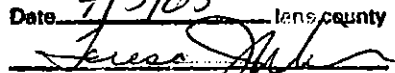
WHEREAS, the grant application amount is beyond the County Administrator's delegated authority; and

WHEREAS, if the application is approved, the revenue agreement will be beyond the County Administrator's delegated authority;

NOW THEREFORE, IT IS HEREBY ORDERED that the Board of County Commissioners approve the submission of a Grant Application to Northwest Health Foundation for the Community Health Centers Pharmacy Program for the period October 1, 2005 through September 30, 2008 and delegate the County Administrator authority to sign the application; and

ORDERED that the Board of County Commissioners delegate authority to the County Administrator to sign a revenue agreement with Northwest Health Foundation in the amount of \$250,000 for the period October 1, 2005 through September 30, 2008.

DATED this ___ day of July, 2005.

APPROVED AS TO FORM
Date 7/5/05 Lane County

OFFICE OF LEGAL COUNSEL

Anna Morrison, Chair
BOARD OF COUNTY COMMISSIONERS