

W. H. C. I.

AGENDA COVER MEMO

AGENDA DATE: December 7, 2005
TO: BOARD OF COUNTY COMMISSIONERS
DEPT: Health & Human Services
PRESENTED BY: Steve Manela



AGENDA ITEM TITLE: ORDER _____ IN THE MATTER OF APPROVING THE SUBMISSION OF CONTINUATION GRANT APPLICATION FOR THE COMMUNITY HEALTH CENTERS IN THE AMOUNT OF \$3,299,000 FOR FY 2006-2007 THROUGH FY 2010-2011 AND AN EXPANDED MEDICAL CAPACITY GRANT FOR FY 2006-2007 AND FY 2007-2008 IN THE AMOUNT OF \$1,300,000 TO THE FEDERAL DEPARTMENT OF HEALTH & HUMAN SERVICES.

I. MOTION

Order _____ In The Matter Of Approving The Submission Of Continuation Grant Application For The Community Health Centers In The Amount Of \$3,299,000 For FY 2006-2007 Through FY 2010-2011 And An Expanded Medical Capacity Grant For FY 2006-2007 And FY 2007-2008 In The Amount Of \$1,300,000 To The Federal Department Of Health & Human Services.

II. ISSUE OR PROBLEM

The Lane County Department of Health & Human Services, Human Services Commission (HSC), is eligible for grants in the amount of \$659,800 a year for the five year period between FY 2006-2007 through FY 2010-2011 from the Federal Department of Health & Human Services (HHS) for continuation of the Community Health Center of Lane County (CHCLC) based on the approval of submitted service area continuation grant (SAC) application. To continue the operation of the CHCLC over the next five fiscal years a SAC grant application needs to be submitted by December 30, 2005.

We are also eligible to apply for a competitive Expanded Medical Access Capacity (EMC) grant in the amount of \$650,000 a year for two years to provide health care through expanded hours of operation at two existing sites of the RiverStone Clinic and Churchill High School and to expand access to the growing migrant and Latino populations. To expand access to CHCLC services for two years beginning July 1, 2006 an EMC grant application needs to be submitted by December 15, 2005.

We need the County Administrator to be delegated authority to sign grant documents with the Federal Department of Health & Human Services over the period of these grants.

III. DISCUSSION

A. Background / Analysis

The Lane County Department of Health & Human Services, Human Services Commission (HSC) Program is requesting approval to submit a SAC grant application in the amount of \$659,800 a year for FY 2006-2007 through FY 2010-2011 and a EMC grant in the amount of \$650,000 a year for FY 2006 and FY 2007 to the Federal Department of Health and Human Services (HHS) Health Resources and Services Administration (HRSA) Bureau of Primary Health Care (BPHC). These grants are funded under Section 330 of the Public Health Service Act to provide access to health care services for medically underserved populations.

Community Health Centers of Lane County (CHCLC), under the sponsorship of the Human Services Commission, is successfully finishing its third year of operation under the original HRSA New Start grant. Established in 2003, CHCLC is a culmination of the efforts by the HSC over the past several years to serve those who have limited or no access to basic health care services.

After a humble beginning, CHCLC has become a significant provider of primary care medical, behavioral health and preventive dental services to the communities of Lane County. CHCLC has over 8,000 active patients and delivers over 20,000 encounters per year with approximately 57% of those visits to uninsured patients. The CHCLC has 32 FTE permanent employees, and 20 temporary and locum employees providing health care at eight sites.

CHCLC began providing services as a Community Health Center in January, 2004 and boasts the RiverStone Clinic facility, a 7000 sq foot building with 15 exam rooms and other supporting offices, that has the capacity to support at least six providers. CHCLC operates the Springfield High School Clinic, and the Safe and Sound Clinic and at two Eugene alternative schools. The BPHC recently approved a change of scope to allow CHCLC to operate at Lane County Mental Health and HIV Alliance.

The clinics' delivery system is tailored to serve low-income residents: Latinos needing culturally and linguistically appropriate health care; homeless and at-risk families, including children and adolescents; Medicare/Medicaid recipients who cannot access local health care; and uninsured/underinsured patients.

Clinic fees are based on a sliding scale according to federal income guidelines. The Community Health Centers funding will be made up of BPHC Health Center grants, reimbursements from Medicare, Medicaid and private insurance, clinic fees, and other public and private funding.

In June 2006 CHCLC will be ending the third year of our initial federal grant. The SAC and EMC grants were discussed and approved by the Community Health Center Council on November 22, 2005. In early November the Finance and

Audit reviewed the CHCLC five-year financial plan. As the CHCLC is a part of the Human Services Commission (HSC) the HSC board has reviewed the finances and has adopted goals for supporting the efforts of the CHCLC as a means to expand access to health care in Lane County.

With the submission of the SAC grant we are forecasting the CHCLC financial picture over the next five years to be stable with some challenges. The medical and preventive dental practices have performed well given the gradual staffing of vacant support staff positions. Productivity of providers will be optimized by completion of the hiring process for a few key staff positions that remain vacant. The payor mix for financial stability continues to improve over time with the addition of more Medicaid, Medicare and privately insured patients as a part of the practice. The current year's budget has insured patients making up 43 percent of the practice with a goal of 49 percent by year end. Over time we hope to bring the percentage of insured patients up to 51 percent. The balance of the patients are self pay and the collection rate for self pay patients has improved to receiving 89 percent of payments within 30 days.

Potential reforms of the Medicaid system considered by Congress or by the State of Oregon could have a negative impact on the financial stability of the organization. Currently, all legislation being considered at the federal level keeps intact the prospective-based reimbursement system for federally qualified health centers. However, the State of Oregon could change the methodology of how it is applied, which could reduce our reimbursement rate. We are currently offsetting reductions in the adult populations being served by the Oregon Health Plan by enrolling more children into our practice.

The CHCLC's RiverStone Clinic has reached capacity with the present configuration of providers and hours. The demand for services continues to grow. The EMC grant will enhance the clinic schedule at RiverStone clinic with greater evening and weekend availability. Clinic hours would increase from five, eight-hour days-a-week to five ten-hour days-a-week, and add four hours of service on Saturdays. A family practice physician and a pediatrician would be added to the RiverStone staff. Two health promoters would be added to assist with health education and access for the rural, migrant, and Latino populations. Additional support staff would be hired to cover the additional clinic hours. We would increase a .5 FTE Nurse Practitioner to full-time and add a medical assistant and clerical support at the Churchill High School clinic.

In summary, with the submission of the SAC and EMC grants CHCLC's operations and efficiency will be strengthened and it will enable us to increase the healthcare capacity by a third. This combination of the two grants will allow CHCLC to continue and expand its contribution to desperately needed healthcare resources.

Please find below the required administrative procedure manual items for grant consideration:

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

No local matching funds are required to be eligible to receive the SAC or EMC federal HRSA grants.

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

Material and Services not paid for by the grants are paid for reimbursements from Medicare, Medicaid and private insurance, clinic fees, and other public and private funding.

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

The grants require that all available local support and third party payments are applied to costs before using federal grant funds.

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

Administrative costs include accounting, contracting, auditing, and evaluation. County indirect costs are covered through the grant application based on the OMB A-87 Cost Allocation Plan for Lane County.

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

The federal HRSA BPHC grants are renewed on a five-year basis and will not sunset unless Congress de-funds the program. HRSA BPHC has sustained all CHC's since the inception of the program in 1972. We have established a reserve to cover costs that would be incurred if we had to shut the project down some time in the future.

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

Standard cost accounting and audit requirements per OMB circulars are needed for the HRSA BPHC grants. Evaluation for the project is built into the practice management software.

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 service departments?

The obligations for costs associated with accounting, audit and evaluation are supported by the SAC and EMC grant budgets.

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

No

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?

There are no unique or unusual conditions triggering additional work. Liability is covered by the Federal Torts Liability Claims Act.

10.-12. This is not a technology grant, so questions 10-12 are not applicable.

B. Alternatives / Options

1. To approve the submission of continuation grant application for the Community Health Centers in the amount of \$3,299,000 for FY 2006-2007 through FY 2010-2011 and an expanded medical capacity grant for FY 2006-2007 and FY 2007-2008 in the amount of \$1,300,000 to the federal department of health & human services.
2. To not approve the submission of continuation grant application for the community health centers in the amount of \$3,299,000 for FY 2006-2007 through FY 2010-2011 and an expanded medical capacity grant for FY 2006-2007 and FY 2007-2008 in the amount of \$1,300,000 to the federal department of health & human services.

C. Recommendation

H&HS recommends that the Board of County Commissioners approve the submission of continuation grant application for the Community Health Centers in the amount of \$3,299,000 for FY 2006-2007 through FY 2010-2011 and an expanded medical capacity grant for FY 2006-2007 and FY 2007-2008 in the amount of \$1,300,000 to the federal department of health & human services.

D. Timing

Upon Board approval, the EMC and SAC grant applications will be submitted to the HRSA BPHC U.S. Department of Health & Human Services by December 15 and December 30, 2005 respectively.

IV. IMPLEMENTATION

Upon the Board Order being approved and signed, the department will submit the grant applications to HRSA BPHC U.S. Department of Health & Human Services.

V. ATTACHMENTS

Board Order

Shared \ HSC Admin \ Steve \ CHC 5 Year Grant

December 6, 2005 Agenda Item

Zoe & Teresa,

In the Matter of Approving the Submission of Continuation Grant Application for the Community Health Centers in the Amount of \$3,299,000 for FY 2006-2007 through FY 2010-2011 and an Expanded Medical Capacity Grant for FY 2006-2007 and FY 2007-2008 in the Amount of \$1,300,000 to the Federal Department of Health & Human Services.