

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
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Agenda Number:
Prepared on: 8/26/03
Department Name: Public Health
Department No.: 041
Agenda Date: 9/9/03
Placement: Departmental
Estimate Time: 15 min
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Roger E. Heroux, MPA, Director
Public Health Department

STAFF CONTACT: Michael D. Harris
Primary Care & Family Health Administration
Public Health Department

SUBJECT: Obstetrical, Gynecological and Family Planning Services in Santa Maria

Recommendation(s):

That the Board of Supervisors:

- A. Accept a report from staff detailing the crisis situation surrounding obstetrical & gynecological (OB/GYN) services in the Santa Maria Region (3rd, 4th and 5th Supervisory Districts);
- B. Direct the Public Health Department (PHD) staff to proceed with the implementation of a PHD-operated expanded Women's Health Center;

Alignment with Board Strategic Plan:

The recommendations are primarily aligned with Goal No. 1, "*An Efficient Government Able to Respond Effectively to the Needs of the Community*", and Goal No. 2, "*A Safe and Healthy Community in Which to Live, Work, and Visit*".

Executive Summary and Discussion:

For approximately the last five years, the Public Health Department has contracted with the largest provider of OB/GYN services in Santa Maria to provide obstetrical and gynecological services in PHD clinics. This contract also included 24/7 coverage for county patients for deliveries and gynecological surgeries. With this arrangement patients seen in our Santa Maria clinic were afforded excellent care and, with the other OB/GYN providers in the community, women in all socioeconomic groups had access to care in the community. Our plan was to extend this contract into the next fiscal year and continue to operate our two-day/week OB/GYN clinics.

In June of this year, the existing system collapsed. The PHD's contracted provider group was notified that their malpractice carrier was no longer providing OB coverage, forcing them to make some very quick and difficult decisions about their own practice and the relationship they had with the County. They immediately initiated steps to phase out the OB part of their practice by January 1, 2004 and ended their contract with PHD two weeks later. They reduced the number of physicians in their practice and stopped accepting any new OB patients. This resulted in a significant crisis for the PHD and the community of Santa Maria. The demand for obstetrical care in this growing community far exceeds the

capacity of the remaining OB/GYN providers. While they have agreed to help us by covering our 24/7 call until January, the demands of their practices will prevent them from continuing to cover county patients after that time. The Santa Maria clinic saw an immediate spike in new OB patients seeking care and, with only mid-level providers remaining, is unprepared to deal with an influx of nearly twice the number of new patients each month. As a temporary remedy, we began referring those patients unable to locate a local provider to our Lompoc and Santa Barbara clinics or to providers in San Luis Obispo. However, we still have roughly three hundred pregnant women in our practice who will need to have babies delivered and others in need of GYN diagnostic procedures and surgeries.

With a patient saturated market place and inadequate reimbursement for underinsured patients on public programs, the community is looking to the Public Health Department to expand our ability to offer OB/GYN services in the Santa Maria area. As a Federally Qualified Health Center (FQHC) with a special reimbursement rate system based upon Federal/State standards, we are in a position to offer services to this population of uninsured and underinsured patients, the majority of who are covered by Medi-Cal.

We are recommending that PHD expand its six ambulatory care clinics by adding a new women's health center in Santa Maria. Five day/week Obstetrical, Gynecological and Family Planning services would be offered to a growing number of uninsured and underinsured women in Santa Maria and the surrounding communities. The system we put in place will insure our ability to cover all after hours call and insure that patients in Santa Maria can get care in their local community.

To date, the PHD has initiated or developed plans to initiate the following:

- Continue to work with the community-based providers to maintain emergency hospital based OB/GYN coverage;
- Initiate aggressive OB/GYN physician recruiting efforts;
- Secure an appropriate office location in close proximity to Marian Medical Center and in a demographically advantageous area;
- Submit and application for a Federal Healthy Communities Access Program grant to help offset initial start up costs for this project;
- Execute a recruitment plan with the County's Human Resources Department based upon staffing requirements;
- Secure the appropriate equipment for a full-scope OB/GYN practice;
- Initiate full-scope services on or about January 2004; and
- Ensure strong case management services to maximize patient outcomes.

Mandates and Service Levels:

The provision of primary care services are mandated by California Administrative Code, Title 17, Chapter 3, Article 2, Sections 1276, 2500, 2501, 2502, 2503 and 2505; California Administrative Code, Title 17, Chapter 3, Subchapter 1; and Section 17000 of the Welfare and Institutions Code.

The County is statutorily mandated to care for patients who have no visible means of support. Failure to provide for services to this uninsured OB/GYN population may result in Santa Maria patients receiving care in Lompoc or Santa Barbara. The ability to receive care at those locations is severely limited do to the space available and the limited time available in which to operate OB/GYN clinics.

Fiscal and Facilities Impacts:

If directed by your Board, the PHD will move forward with preparations in anticipation of the implementation of this new women's health center effective on or about January 1, 2004. Based upon departmental projections, the costs for operating the new center are estimated at \$1,333,000 for the six-month period ending June 30, 2004, including \$227,000 in one-time startup costs for equipment, supplies, and physician recruitment. On-going annual direct and indirect costs are projected to be approximately \$2,650,000 annually with the possible addition of a third Obstetrician in year 2 of the center.

As was mentioned in the executive summary section, a Federal Healthy Communities Access Program (HCAP) grant in the amount of \$582,500 has been submitted for the startup and other eligible costs of the new center. Although other grant funding will also be sought for this expansion, the department will use its special revenue funds designated for FQHC program expansion, to cover any costs necessary to get the center ready for program service provision. This use of funds cannot be precisely projected at this time, based upon the fact that it is dependent upon many factors, however, it is not expected to exceed the \$1,333,000 projection of costs for FY 03-04.

In addition, based upon current caseload for the target population in the Santa Maria region, the patient financial mix for services is projected at 80% Medi-Cal eligible, 18% uninsured, and 2% Other insurances. Because of the high rate of Medi-Cal eligible patients, FQHC Medi-Cal reimbursement for the services provided at the center are projected to cover the on-going program costs, once the center is operational.

Because adequate space does not exist at the current Santa Maria Clinic for the expansion of women's services, 3,216 square feet of leased space has been found adjacent to Marian Medical Center. Through a cooperative agreement, PHD will lease the space for \$1.75 a square foot and \$1,100 a month in cooperative services fees. The total cost is approximately \$40,368 for FY 03-04 and is included in the cost figures previously mentioned.

Upon direction by your Board, PHD will return with a Budget Revision request to amend its Adopted FY 03-04 budget by \$1,333,000 to allow for the expenditures necessary to implement the plan for the new health center. This will have the effect of increasing the Santa Maria Regional Clinics cost center on page D-180 from \$4,092,491 to \$5,425,491.

Special Instructions:

None

Concurrence:

Not Applicable

Cc: Chuck Cova, C.E.O.
Marian Medical Center

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Marian Medical Center