



BOARD OF SUPERVISORS  
AGENDA LETTER

**Agenda  
Number:**

**Clerk of the Board of  
Supervisors**  
105 E. Anapamu Street, Suite  
407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** CEO  
**Department No.:** 012  
**For Agenda Of:** January 24, 2012  
**Placement:** Administrative  
**Estimated Tme:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors

**FROM:** Chandra Wallar, County Executive Officer, 568-3404  
Jeri Muth, Human Resources Director, 568-2816

Contact Info: Andreas Pyper, Employee Benefits Manager, 568-2821

**SUBJECT:** *On-site Employee Health Clinic Program Expansion*

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**County Counsel Concurrence**

As to form: N/A

**Other Concurrence:**

As to form: N/A

**Auditor-Controller Concurrence**

As to form: N/A

**Recommended Actions:**

That the Board of Supervisors direct staff to use funds set aside in the Human Resources designation fund to expand the hours of operation of the two on-site employee health clinics and provide an employee flu shot program in the fall of 2012.

**Summary Text:**

The recommended actions would allow the County to expand the capacity of existing on-site employee health clinics to allow qualifying dependents of County employees enrolled in County medical plans to use the clinics and provide for a 2012 employee flu shot program to

further support employee wellness. The flu shot program would primarily be provided at the two existing employee health clinics; however, some offerings would be provided in Lompoc to make the program more easily accessible by employees who work there. Expanding the employee health clinic program to qualifying dependents, spouses, registered domestic partners, and children over age 16, would continue to drive a decrease in utilization of County medical plans, improve the health of employees and their qualifying dependents enrolled in County plans, and assist the County in managing the rising cost of health care.

The additional cost of the expansion of the employee health clinics is \$158,000 and the County's employee flu shot program would cost \$19,000. This flu-shot program was previously cut from the Human Resources budget and reinstating the program for 2012 would support the health and wellness of County employees.

Staff is proposing to fund both the clinic expansion and the flu shots from an existing budget designation of approximately \$177,000. These funds are the remainder of the amount established by the Board in 2009 to cover the initial implementation of the clinics. The remaining funds in the designation are the result of implementation costs being less than originally anticipated.

This expansion is within the existing terms of the contract approved by the Board in 2009 and staff will submit a budget revision request as part of the next regularly-scheduled budget revision item on February 21, 2012.

**Background:**

On June 2, 2009, the Board of Supervisors authorized staff to enter into a contract with Healthstat Inc. (Healthstat), a nationwide provider of on-site primary health care, to establish an on-site employee health clinic program as recommended by the County's Health Oversight Committee (HOC). The clinics currently provide County employees easy access to primary medical care, help identify and manage chronic medical conditions, and reduce unnecessary doctor and emergency room visits. The ultimate goal of the program is improved health of employees, reduced healthcare claim expenses, and lower increases in medical premiums. To date, the clinics have been beneficial to the County in managing the rising cost of healthcare benefits and have been well-received by employees.

During the last two years, staff estimates that there have been savings of approximately \$2,317,000 in claims costs not passed on to the health plan claims experience that is used as the basis for determining future healthcare plan premiums. Decreasing claims experience through programs such as the on-site employee health clinics helps the County achieve lower future medical premium increases than medical insurance cost trend. In addition, County employees have realized an estimated \$184,000 in averted co-payment savings by visiting the clinics instead of their primary care physicians.

During 2011 contract negotiations with the Service Employees International Union, Local 620, the Union proposed that dependents be allowed to use the clinics, and on September 6, 2011, the Board authorized the Human Resources Director to explore the possibility of expanding the use of the clinics to employees' qualifying dependents covered by a County medical plan. The Board directed staff to return in open session with a recommendation to expand Health clinics and implement a flu shot program in the fall of 2012.

Increased clinic use by qualifying dependents will result in increased savings in costs not passed on to the County's health plans' claims experience, though it is not possible to estimate in advance what the actual savings will be, or what the impact of these savings will be in reducing future medical plan premiums. Staff has met with the HOC regarding this expansion and the HOC supports the recommended action.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

The recommended action will increase the cost of operating the clinic by approximately \$158,000 annually. The provision of flu shots at the two onsite-clinics, and a flu-shot clinic held in Lompoc will cost approximately \$19,000. If the Board authorizes the recommended action, the additional costs for Calendar Year 2012 would be paid from the remaining balance of budget designation, which was established by the Board in 2009 to cover the initial implementation of the on-site health clinics. Ongoing future costs would be charged to the departments and would be funded through a combination of Federal, State and General Funds.

cc: Chandra L. Wallar, County Executive Officer  
Dennis Marshall, County Counsel  
Robert Geis, Auditor Controller