



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: Public Health  
Department No.: 041  
For Agenda Of: October 6, 2009  
Placement: Set Hearing  
Estimated Tme: 20 Minutes on 10/13/09  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

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**TO:** Board of Supervisors

**FROM:** Department Michele Mickiewicz, MPH, Interim Director  
Director(s)  
Contact Info: Elizabeth Snyder, MHA (681-5252)  
Deputy Director Primary Care and Family Health Division

**SUBJECT:** **Set Hearing to Discuss the Development of a Santa Barbara County Community Health Center**

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:**

As to form: No

**Recommended Actions:**

That the Board Supervisors:

Set a hearing for October 13, 2009 to consider recommendations regarding obtaining Community Health Center (CHC) designation for the Public Health Department Federally Qualified Health Center (FQHC) clinics, as follows:

- a) Receive a presentation on Community Health Center status designation for FQHC clinics from the Public Health Department (PHD) Interim Director and Deputy Director.
- b) Authorize the PHD Interim Director to direct staff to complete the co-applicant agreement (PHD and Board of Supervisors as co-applicants) to the Federal Government's Bureau of Primary Health Care to obtain CHC designation for the PHD FQHC clinics.
- c) Provide direction to staff in the development of a Community Health Center Board.

**Summary Text:**

The PHD has qualified as an FQHC through the Health Care for the Homeless (HCH) Program and its grant with the Federal Government's Bureau of Primary Health Care since 1986. Currently, the HCH

program serves approximately 4,000 unique patients, which represents 13% of the total patients seen in the clinics. The HCH grant is slightly more than \$400,000 per year.

The clinic division of the Public Health Department (PHD) is a Federally Qualified Health Center, and is considered to be equivalent to the “bronze” standard in the spectrum of outpatient medical clinic structure and organization. The clinic division currently treats more than 30,000 unique patients who are not part of the HCH program and thus fall outside of FQHC status. FQHCs are considered “safety net” providers and include entities such as community health centers, public housing centers, outpatient health programs and programs serving migrants and the homeless. The main purpose of the FQHC program is to enhance the provision of primary care services in underserved urban and rural communities. FQHCs are allowed to establish, and be compensated at, higher reimbursement rates from Medi-Cal and Medicare, as a condition of their “safety net” status. These higher rates have allowed the PHD to operate our clinics at a lower level of General Fund contribution than other non-FQHC counties of comparable size that operate clinics. This is significant given that the PHD clinics serve 25% of the uninsured population; and that percentage is growing due to worsening economic conditions.

The PHD is interested in further extending and leveraging its status to become a CHC, which is more robust and comprehensive in its federal standing and benefits levels. (CHC status is considered to be the “gold” standard, because it offers more security for the future.) Some of the benefits are:

1. Expanded access to American Recovery and Reinvestment Act (ARRA) funding opportunities will be possible as a CHC since the available grants are based on the total number of patients served and the total budget. (The ARRA funding would be based on the total 34,000 unique patients as opposed to the 4,000 Homeless.)
2. Access to CHC grants to fund an Electronic Medical Record (EMR). Grants are expected for the FY 2010-11.
3. Participation in Federal Tort Claims Act which will provide malpractice insurance at reduced cost and risk.
4. This change in status will “insulate” the department from potential revenue reductions that the state may impose over the next five years due to its financial crisis.
5. As a CHC, the PHD clinics would be recognized and permitted to extend their services and benefits to the 30,000 non-homeless patients whom we currently serve in the clinics.
6. As a CHC, we strengthen the position of the clinics and the department as we prepare for health care reform.

Federal designation as a CHC is a multi-faceted process, for which approval of this board item is only one of the first steps. The PHD will return to your board with requests for approval of an ordinance to create a CHC Board, and approval of its membership.

A CHC Board is a mandatory element of a CHC and the Board shall assist and advise the PHD in promoting its vision of healthy people in healthy communities. The CHC Board shall also support and guide the PHD in its mission to provide comprehensive health care that is quality-driven, affordable and culturally competent to the people of Santa Barbara County. This request for your Board to provide direction to staff in the development of a CHC Board will allow staff to establish the membership criteria for Board participation.

The federal government recognizes and respects the limitations of relinquishing authority by a County Board of Supervisors to local community boards and is careful to avoid usurping any substantive authority. Therefore, the federal government understands that the Board of Supervisors will continue to:

1. Retain fiscal authority;
2. Approve the annual CHC budget;
3. Exercise authority over personnel policies, procedures, and labor issues; and
4. Approve the CHC Board membership.

Specifically, and according to federal guidelines, the CHC Board will have the following authorities and responsibilities:

- Adherence to County fiscal and labor policies, and County ordinances;
- Participation in the selection, annual review and continued leadership of the Deputy Director of the FQHC clinics;
- Adoption of a quality of care audit procedure, identification and consultation about the services to be delivered and the hours of clinic operation;
- Review and approval of FQHC financial priorities and approval of the clinic budget within appropriations made available by the Board of Supervisors;
- Adoption of policies necessary and proper for the efficient and effective operation of the FQHC clinics;
- Periodic evaluation of the effectiveness of the FQHC clinics in making services accessible to County residents; and
- Development and implementation of a procedure for hearing and resolving patient grievances.

All meetings of the CHC Board, shall be called, publicly noticed, held, and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the California Government Code).

According to federal regulations, CHC Board members must be comprised of both clinic users (consumers) and community members. Potential members must complete an application which demonstrates that they meet the qualifications outlined in federal guidelines.

Community members must possess training, skills, and expertise in the provision of outpatient medical services to the underserved. Specific areas of expertise may include: business, health administration, finance, community affairs, education, housing and shelter services, insurance, marketing, public relations, and other health and social service organizations and providers.

Consumers must comprise at least 51% of the CHC Board and be representative of the clinic user population of the County's FQHCs in terms of ethnicity, location of residence, race, gender, age and economic status. The consumer representation will provide feedback on service improvements to meet consumer needs. The consumer presence provides a unique perspective which is often missing in large health care delivery systems. No more than 50% of the consumers may derive more than 10% of their annual income from the health care industry.

The PHD recommends the following options for the establishment of a CHC Board for your Board to consider:

1. The PHD Director recommends the entire 13 member CHC Board for your approval after pre-screening applicants as described above; or
2. The PHD Director recommends the 7 consumer CHC Board members for your Board's approval and your Board appoints the 6 community members. In this option, all potential candidates would need to apply and be pre-screened for eligibility prior to nomination and appointment.

With any option, the composition of the consumer members of the CHC Board should be reflective of the patients who are served in the FQHCs today. The Board composition of consumer members should be an appropriate mixture of ages, genders, race/ethnicity, and a representation of a variety of payor classes such as Medi-Cal, Medicare, MIA, and Self Pay.

**Background:**

The PHD has been anticipating the potential benefits of this change for the past three years. Fortuitously, in March 2009, the Health Resources Services Administration (HRSA) developed a new policy which allows Healthcare for the Homeless grantees a streamlined process to apply for expanded status and become a CHC.

In reviewing pending federal legislation and various health reform plans, much of it is centered on increased funding and grant opportunities for existing CHCs.

Approval of the CHC application would permit the PHD to further evaluate premium savings by participating in the Federal Tort Claims Act malpractice insurance program. The premium savings to the County may be small but is representative of our continued effort to optimize revenues, decrease expenses and better prepare for an uncertain future for health care delivery systems.

The next phase of ARRA funding is designed to incentivize CHCs and to adopt and demonstrate meaningful use of an electronic health record. This funding is available to some, but not all, FQHCs. It is, however, available to all CHCs.

The PHD's designation as a CHC is critical to being progressive, contemporary, and well positioned to take full advantage of the benefits that come from this very special status. Other California counties with Public Health Clinics have obtained, or are pursuing, CHC status. The nation's 7,000 CHCs are viewed as well organized and cost effective. In addition, they have demonstrated excellent patient outcomes and ensured that care is accessible to all.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

There are no fiscal impacts or increased use of general fund resources associated with the recommended actions. All tasks and responsibilities associated with the establishment of the Santa Barbara County CHC Board will be assumed by existing PHD staff. It is anticipated that there will be immaterial costs that are associated with the functioning of the Board and its monthly meetings, such as travel and office supplies. These costs will be contained within the PHD's existing budgeted expenditure appropriation for clinic operations.

It is anticipated that some of the benefits of this change in status may have a positive financial impact on the department (access to new grant and/or funding opportunities), however, this cannot be fully quantified at this time.

**Staffing Impacts:**

None. Existing staff will assume the minimal number of additional tasks and responsibilities associated with the formation and maintenance of a CHC Board.

**Special Instructions:**

Please return an electronic copy of the Minute Order to the PHD Contracts Unit at [PHDRES.ContractsUnit@sbcphd.org](mailto:PHDRES.ContractsUnit@sbcphd.org)

**Attachments:**

Community Health Center Presentation PowerPoint

**Authored by:**

Elizabeth Snyder, Deputy Director Primary Care and Family Health Division