

Pacific Diagnostics Laboratories Services Agreement

Santa Barbara County
Board of Supervisors

March 11, 2014

PDL Agreement Services

- Process all clinical laboratory specimens
- Provide patient service centers (specimen collection) through 3 leases and mobile phlebotomy at all PHD Health Care Centers.
- Develop a bi-directional interface between PHD Electronic Health Record, Liaison Software and PDL Laboratory Information System.
- Assist with staffing and technical expertise for transition of existing in-house clinical laboratory services.
- Direct billing for all third party payers and more favorable sliding fee scale for County self-pay patients.

Background

- ❑ State reduction in Realignment Funding for indigent care.
- ❑ Cessation of Medically Indigent Adult program in 2014 (much smaller Indigent Care Program).
- ❑ Expenditures exceed third party revenues by more than \$1.3M annually
- ❑ Non-functional and aging equipment.
- ❑ Existing, local capacity within the community
- ❑ Future regulatory changes (e.g. ICD-10)
- ❑ Study of other benchmark Counties thought to be performing clinical laboratory services indicate 4 of 5 have previously contracted out these services.

Selection Process

- Request for Proposal in October 2014
- Notification of staff and unions
- Reviewed and evaluated 4 commercial laboratory submittals.
- Selected Pacific Diagnostics Laboratories
 - Only local comprehensive commercial laboratory in County
 - Agreed to include specimen collection at all 5 PHD HCCs and have 18 additional PSCs throughout county.
 - Lease of County space and County equipment
 - Potential employment for some of County clinical lab staff.
 - More favorable sliding fee scale
 - Willing to collect and transport specimens for Public Health Lab

Key Agreement Risks and Mitigations

- Development of interface
 - No current interface with GE Centricity
 - Engagement of Liaison Software to mitigate
- Staffing capacity
 - Manage testing within existing facility on Patterson Avenue but need to add staffing for PSCs at PHD HCCs.
 - Willing to talk with PHD staff for these and other opportunities
- Exclusive 2 year agreement
 - Development of interface critical and resource intensive. Both entities investing in partnership.
 - Return to paper requisition process highly undesirable.

Staffing and Operations

- Fifteen (15) staff positions affected.
 - Three (3) staff members chose retirement in February 2014.
 - Two (2) staff members have secured positions in the private sector.
 - Two (2) staff members will transition to other positions within the Public Health Department.
 - PDL/Cottage Health Systems have agreed to interview all PHD staff members seeking positions.

Summary of Recommendations

- a) Approve and authorize the Chair to execute a Clinical Laboratory Services Agreement with Pacific Diagnostic Laboratories
- b) Receive this presentation on the PDL Services Agreement.

PHD will return to your Board in the near future with lease agreements for the Patient Service Centers at the Santa Barbara, Santa Maria and Lompoc Health Care Centers.

PHD will continue to work with County Human Resources to find opportunities for Clinical Laboratory Staff and facilitate communications with PDL/Cottage Health Systems concerning interviews and opportunities.