



**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: August 23, 2016
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director(s) Dr. Takashi Wada, Director
Public Health Department 681-5105
Dr. Alice Gleghorn, Director
Behavioral Wellness
Contact Info: Dr. Polly Baldwin, Medical Director, Public Health Department
681-5608
Dr. Ole Behrendtsen, Medical Director, Behavioral Wellness
681-5235

SUBJECT: Staff Physician & Psychiatrist Recruitment Incentives

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: N/A

Other Concurrence: CEO/Human Resources

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Within existing funding, authorize the CEO to approve requests from the Public Health Department to provide new hire incentives for Public Health Staff Physicians up to \$75,000 per appointment as permitted by the New Hire Recruiting Incentives and Reimbursements Policy (Attachment A), not to exceed a maximum aggregate total of \$225,000 for the remainder of the fiscal year ending June 30, 2017 and if required, to distribute new hire incentives awarded prior to June 30, 2017 in subsequent years depending on the actual hire date and/or a structured payment plan;
- b) Within existing funding, authorize the CEO to approve requests from the Behavioral Wellness Department to provide new hire incentives for Psychiatrists up to \$75,000 per appointment as permitted by the New Hire Recruiting Incentives and Reimbursements Policy (Attachment A), not to exceed a maximum aggregate total of \$150,000 for the remainder of the fiscal year ending June 30, 2017 and if required, to distribute new hire incentives awarded prior to June 30, 2017 in subsequent years depending on the actual hire date and/or a structured payment plan; and

- c) Within existing funding, authorize the CEO to approve the payment of incentives for three physicians that were approved during Fiscal Year 2015-16; however, not able to be paid until Fiscal Year 2016-17 based on the actual hiring dates of these physicians; and
- d) Determine that the above action is not a project under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15378(b)(2) because it consists of general policy and procedure making that will not result in changes in the environment.

Summary Text:

The Santa Barbara County Public Health Department (PHD) and Behavioral Wellness Department (BW) have been experiencing significant difficulties recruiting new Staff Physicians and Psychiatrists while simultaneously losing existing physicians and psychiatrists to other practices. This has made it extremely difficult for the Departments to meet the demands of an increasing number of Medi-Cal patients and provide timely clinical care. Staffing vacancies overburden existing staff, jeopardize the quality and timeliness of care, and make it difficult for PHD and BW to maintain compliance with wait times for appointments as required by our Medi-Cal contracts. Further, BW is continuing to work via the Systems Change process to improve overall access and timeliness to care within the clinic system. Improvements in this area have been difficult to achieve given the current psychiatrists vacancies.

The County's New Hire Recruiting Incentives and Reimbursements Policy allows Departments to offer incentives and reimbursements up to \$20,000 per candidate and provides for higher amounts with the approval of the County Executive Officer and the Board of Supervisors. On November 10, 2015, the Board of Supervisors approved the request from PHD and BW to allow for an increased hiring incentive for physicians and psychiatrists (Attachment B). This request increased the new hire incentive for physicians and psychiatrists to \$75,000 per new hire with a maximum aggregate amount of \$550,000 for PHD and \$150,000 for BW during the FY 2015-16.

This request is to continue to provide for higher new hire incentive amounts with the approval of the County Executive Officer and the Board of Supervisors up to \$75,000 per new hire for FY 2016-17. Individual incentive amounts will continue to be determined based on the unique circumstances and merits of each candidate in accordance with established criteria per the New Hire Recruiting Incentives and Reimbursement Policy (Attachment A). PHD believes the maximum aggregate amount of \$225,000, set aside from existing and expected salary savings, could be used to hire up to four physicians for FY 2016-17. BW believes the maximum aggregate amount of \$150,000 could be used to hire up to three psychiatrists; however, due to budgetary constraints, use of new hire incentives for FY 2016-17 would be based on funding availability. Any new hire incentives approved during FY 2016-17 and not paid as a result of the delayed start date or structured payment plans, will be included in the proposed budgets for subsequent fiscal years.

Additionally, this request allows for the payment of three new hire incentives for PHD approved in FY 2015-16 to be paid in FY 2016-17. Physicians often delay the actual start date to allow time to close out their practice and transition patients to new physicians which resulted in the delay of new hire incentive processing. Also, PHD structured some of the \$75,000 payouts to be paid in three equal payments over a two-year period to minimize the risk should the physician chose to leave the County prior to the two-year commitment stated in the new hire incentive policy. The expected amount for FY 2016-17 is

\$140,000 allowable under the new hire incentive and amounts for future fiscal years will be included in the proposed budgets.

Background:

An increase in the demand for medical services and a decrease in the number of available physicians and psychiatrists, coupled with each Department's difficulties with recruitment and retention of medical providers, have led to staffing concerns in PHD and BW. As noted above, on November 10, 2015, the Board of Supervisors approved the request from PHD and BW to allow for an increased hiring incentive for physicians and psychiatrists (Attachment B). This request increased the new hire incentive for physicians and psychiatrists up to \$75,000 per new hire with a maximum aggregate amount of \$550,000 for PHD and \$150,000 for BW during the FY 2015-16.

PHD:

Prior to the increase in the new hire incentive, PHD was severely understaffed and had physician openings at every one of our health care centers. Some vacancies had been unfilled for over a year, and some centers were down more than one physician. At that time, 13 physician candidates have been offered positions, but declined to accept the positions because they had competing employment offers with more generous hiring incentives and salaries.

Since the approval of the increased new hire incentive, PHD has hired eight physicians who were offered a total of \$355,000 collectively which included some incentives that did not exceed the maximum amount of the regular new hire incentive policy which allows up to \$20,000. A summary of the incentives approved during FY 2015-16 is provided as follows:

No. of Physicians	Individual Incentive	Total Incentive
3.5 FTE	\$20,000	\$ 80,000
1 FTE	\$50,000	\$ 50,000
2.4	\$75,000	\$ 225,000
Total		\$ 355,000

Individual amounts were determined based on the unique circumstances of each new physician and may have included consideration of relocation expenses, student loans, other special needs such as tail insurance buyout, or competition with other offers. For the incentives allowed under the increased incentive policy (exceeding \$20,000), \$275,000 was approved during FY 15-16, with \$275,000 of the original \$550,000 requested not used. Of this \$275,000 approved during FY 2015-16, the payment schedule is expected to be as follows:

Fiscal Year	Amount
2015-16	\$ 75,000
2016-17	\$ 140,000
2017-18	\$ 25,000
2018-19	\$ 25,000
Total	\$ 275,000

PHD currently has one vacancy and future vacancies are expected through attrition over the next year. PHD has made commitments to CenCal and HRSA to expand access to care and to see patients in a more timely manner, and without enough physicians this commitment will be a challenge to honor.

Staff Physicians are revenue generating positions for PHD. Primary care providers generate approximately \$100,000 to over \$200,000 more than the cost of their salaries and benefits annually, so it is imperative that we fill vacant positions quickly.

BW:

Psychiatrists are in short supply across the country, and many county mental health departments have few psychiatrists to provide necessary mental health services. Santa Barbara has roughly 75% of its psychiatry positions filled through a combination of civil service and other contractual arrangements. Similar to PHD, BW believes that it could increase successful placements by offering higher recruiting incentives focused on repaying student loans.

Although recruitment strategies have been enhanced by utilizing innovative and focused approaches, current vacancies remain. These strategies include implementing tele-psychiatry services, utilizing nurse practitioners, increased locum tenens contracts, and the new hiring incentive program.

During FY 15-16 no incentives were issued, however, BW has ongoing negotiations at the beginning of FY 16-17 with candidates 1.5 FTE interested in coming to Santa Barbara and pursuing the new hire incentive option. A summary of the incentives being offered to current applicants is provided as follows:

No. of Psychiatrists	Individual Incentive	Total Incentive
1 FTE	\$40,000	\$ 40,000
.5 FTE	\$20,000	\$ 20,000
Total		\$ 80,000

BW seeks to continue the new hire incentive program of with a maximum aggregate of award up to \$150,000 in FY 16-17 with the understanding that, depending on the start date and/or structured payment plans, the expenses may be made from subsequent fiscal years. The funding is available from salary savings as a result of vacancies.

Fiscal and Facilities Impacts:

Budgeted: It is anticipated that salary savings would be used as appropriate. However the actual distribution of an incentive is contingent upon adequate funding in the impacted department.

Fiscal Analysis:

It is anticipated that up to \$75,000 per new hire would be offered to attract physicians and psychiatrists through the remainder of the fiscal year. The maximum aggregate amount authorized by the recommended action is \$225,000 for PHD and \$150,000 for BW. This amount would be covered by various potential sources, including existing salary savings for Fiscal Year 2016-17 and possibly subsequent fiscal years depending on the hire date or structured payment schedule, but use of the new hire incentives is contingent on identifying adequate funding within each department.

Staffing Impacts:

Approval of this recommendation will not, in and of itself, add any positions.

Special Instructions:

Please send an electronic copy of the Minute Order to the PHD Contracts Unit at PHDCU@sbcphd.org and CEO/Human Resources Position Control.

Attachments:

- A. New Hire Recruiting Incentives and Reimbursement Policy
- B. Board Letter dated November 10, 2015 for New Hire Incentive Increase for PHD and BW

Authored by:

Elena Morelos, PHD Human Resources Manager