

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: Health Services Agency *maj*

BOARD AGENDA # \*B-11

Urgent  Routine

AGENDA DATE June 24, 2008

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Authorize the Submission of the Federally Qualified Health Center Look-Alike Recertification Application by the Health Services Agency

STAFF RECOMMENDATIONS:

1. Authorize the Managing Director of the Health Services Agency or her designee to submit the Federally Qualified Health Center Look-Alike Recertification Application.
2. Authorize the Chief Executive Officer or his designee to sign the Second Amended Affiliation Agreement between Stanislaus County and the Stanislaus County Community Health Center Board.
3. Authorize the Chief Executive Officer or his designee to sign required documents as part of the Federally Qualified Health Center Look-Alike Recertification Application.

FISCAL IMPACT:

The annualized net impact of the Federally Qualified Health Center Look-Alike designation is approximately \$7 million in enhanced revenue and prescription drug discounts. The designation was effective on September 20, 2007. The prorated impact was included in the Fiscal Year 2007-2008 Agency budget and the full annual impact was included in the Proposed Fiscal Year 2008-2009 budget.

BOARD ACTION AS FOLLOWS:

No. 2008-469

On motion of Supervisor Monteith, Seconded by Supervisor Grover

and approved by the following vote,

Ayes: Supervisors: O'Brien, Grover, Monteith, DeMartini and Chairman Mayfield

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1)  Approved as recommended

2)  Denied

3)  Approved as amended

4)  Other:

MOTION:

*Christine Ferraro*

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

## Authorize the Submission of the Federally Qualified Health Center Look-Alike Recertification Application by the Health Services Agency

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### **DISCUSSION:**

The Federally Qualified Health Center Look-Alike (FQHC-LA) designation was awarded effective September 20, 2007. On an annualized basis, it is projected that the award will contribute over \$6 million dollars to the Stanislaus County Community Health Centers (Health Services Agency primary care clinics). This single initiative resolves approximately half of the health centers' historical annual operating shortfall. The remaining shortfall is currently being resolved through multiple strategic initiatives, which have been presented to the Community Health Center Board and to the County Board of Supervisors throughout the past ten months and incrementally implemented. Due to the FQHC-LA designation and the implemented initiatives, it is projected that during the upcoming Fiscal Year 2008-2009, the health centers and remaining clinic system operated by the Health Services Agency will reach operational break-even with the planned General Fund contribution by the Board of Supervisors of approximately \$4.7 million.

Annually, at least 60 days prior to the anniversary of the FQHC-LA award, it is required that a recertification application be submitted to the federal Health Resources and Services Administration (HRSA). During the past year, HRSA increased the requirements of the recertification process and now requires an application similar in scope to the initial application.

Staff has already begun to prepare the required data and materials. HFS Consultants will be used primarily as a resource for questions and review, as the information will be gathered and the recertification application will be prepared internally.

Experience data is required to be the most recent twelve months of completed information and includes both patient demographic data as well as financial (collections) data. Due to the lag time on collecting from insurance entities, the twelve month period used will be April 1, 2007 – March 31, 2008. This has been approved by HRSA and will be the same twelve-month period used each year.

The Application Checklist is attached as Attachment A. In some cases, information is required only if there has been a change since the award of the designation. One of the contracts included in the original application, which should be revised, and then included in the recertification application is the Applicant (Stanislaus County) - CoApplicant (Community Health Center Board) Affiliation Agreement. Changes are being recommended to reflect operational changes that have occurred during the past year. These changes include the hiring of the Medical Director, the closure of the clinical laboratory and radiology department and changes being made in the area of mental health, which includes increased consultation access.

While the deadline for the submission of the Recertification Application is July 20, 2008, staff has set an internal target for completion by July 3, 2008.

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The Stanislaus County Community Health Center Board approved the submission of the recertification application and the amendments to the Affiliation Agreement during their meeting of June 4, 2008.

**POLICY ISSUES:**

This recommendation supports the Board of Supervisor's priorities of a Healthy community, Effective partnerships and Efficient delivery of public services, as the FQHC-LA designation is the single largest contributing factor to the Agency's ability to sustain the County's clinic system, and supports the Community Health Center Board's activities.

**STAFFING IMPACT:**

There is no direct staffing impact based as a result of this recommendation.

OMB No. 0915-0142  
Expires: 08/31/2005

BPHC Program Information Notice 2003-21

FORM 2

APPLICATION CHECKLIST

DOCUMENTS TO BE INCLUDED WITH APPLICATION/RECERTIFICATION				
ALL DOCUMENTS MARKED WITH "XX" MUST BE INCLUDED WITH APPLICATION	INITIAL APPLICATION FOR FQHC LOOK-ALIKE STATUS		RECERTIFICATION FOR FQHC LOOK-ALIKE STATUS	
		APPLICATION PAGE # (s)		RECERTIFICATION PAGE # (s)
Form 1 -A/1-B (as appropriate): Application for FQHC Designation/Recertification Cover Sheet – Notarized	XX		XX	
Table of Contents	XX			
Project Summary	XX			
Eligibility Checklist	XX		XX	
<b>BODY OF APPLICATION</b>				
Need and Community Impact	XX		*	
Health Services	XX		*	
Management and Finance	XX		*	
Governance	XX		*	
<b>REQUIRED ATTACHMENTS</b>				
Form 2: Application Checklist	XX		XX	
Form 3: Compliance Checklist	XX		XX	
Form 4: Health Center Affiliation Checklist	XX		XX	
Form 5: Service Sites	XX		XX	
Form 6: Change in Scope Assurances Checklist			XX	
Table 1: Services Offered and Delivery Method	XX		XX	
Table 2, Part A: Users by Age and Gender	XX		XX	
Table 2, Part B: Users by Race/Ethnicity	XX		XX	
Table 2, Part C: Users by Income Levels	XX		XX	
Table 2, Part D: Users by Payment Source	XX		XX	
Table 3: Providers	XX		XX	
Table 4: Patient Service Charges, Collections and Self-Pay Adjustments	XX		XX	
Table 5: Current Board Member Characteristics	XX		XX	
Map of service area identifying site(s), MUAs/MUPs, and other primary care providers	XX		XX	
Corporate Bylaws	XX		XX	
Articles of Incorporation	XX		XX	
Other contracts as applicable	XX		XX	
Co-Applicant Agreement (if applicable)	XX		*	
Organization Chart	XX		*	
Job or Position Description for Key Personnel	XX		*	
Resumes for Key Personnel	XX		*	
Most recent independent financial audit including all management letters	XX		XX	
Schedule of discounts (Sliding Fee Schedule)	XX			
Current or requested MUA or MUP designation	XX			
Current or requested HPSA designation	XX			
Internal Revenue Service (IRS) Tax Exempt Certification for the Applicant, (or documentation of pending certification) OR, if the Applicant is a public entity, the Co-Applicant Board	XX			
* Update, as necessary, for any changes since last recertification				

**SECOND AMENDED AFFILIATION AGREEMENT  
BETWEEN STANISLAUS COUNTY AND THE  
STANISLAUS COUNTY COMMUNITY HEALTH CENTER BOARD**

Whereas, Stanislaus County (Applicant) and the Stanislaus County Community Health Center Board (Co-Applicant) jointly operate clinics for which Applicant and Co-Applicant are seeking a Federally Qualified Health Center Look-Alike (FQHC-LA) designation; and

Whereas, Applicant operates a comprehensive and integrated ambulatory care system; and

Whereas, annually Applicant and Co-Applicant expect to meet the healthcare needs of approximately 80,000 medically underserved and uninsured persons; and

Whereas, Applicant has the infrastructure and services necessary for the efficient and effective functioning of primary care services at proposed FQHC-LA designated clinics; and

Whereas, the mission of the Applicant and Co-Applicant in creating this Affiliation is to provide access to and the provision of quality healthcare to persons and families who are underserved by private healthcare providers because they lack healthcare insurance, are underinsured, or who qualify for federal, state or local government sponsored healthcare programs; and

Whereas, the Stanislaus County Community Health Center Board (SCCHC-Board) desires to obtain needed infrastructure services from the Applicant in furtherance of its mission stated herein above;

Now, therefore, the parties execute an Affiliation Agreement stipulating both parties' delegation of authorities, responsibilities, and relationship.

I. Delegation of Authority.

- A. Shared Responsibility and Authority. The Applicant and Co-Applicant shall together be responsible for ensuring the provision of services to the medically underserved and uninsured who reside in the Health Center's service area.

In meeting this objective, the shared responsibilities and authorities shall include the following:

1. To cooperate in communicating and/or resolving issues arising in the provision of healthcare services at health centers;

2. To maintain complete and accurate records concerning financial, program, and property management acquisition and disposition in accordance with Federal laws and regulations concerning access to such records and to provide to the SCCHC-Board access to inspect and copy all such records;
3. To provide indemnification to the other party for acts and omissions;
4. To enforce all confidentiality laws and regulations, including compliance with all HIPAA requirements; and
5. To allow the Applicant and the Co-Applicant every opportunity possible to fulfill their roles as described below.

B. Responsibility and Authority of Applicant.

1. The Applicant shall provide the services of a Chief Financial Officer to the FQHC-LA, whose position as such shall be at the pleasure of the SCCHC-Board;
2. The Applicant, as a public entity, shall provide non-provider support staff and mid-level clinical provider staff to the FQHC-LA clinics. Applicant shall assure that staffing is appropriate for the cultural and linguistic needs of the Health Centers. Staff provided under this arrangement shall be under the purview of the Applicant for all personnel matters such as: personnel policies and procedures, selection and dismissal procedures, salary and benefit scales, employee grievance procedures, and equal employment opportunity practices;
3. The Applicant shall develop management and control systems that are in accordance with sound financial management procedures, including the provision for an annual financial audit of FQHC-LA operations, establishment of systems for eligibility determinations, billing and collection policies and procedure, including partial payment schedules;
4. The Chief Medical Officer of the FQHC-LA shall serve the FQHC-LA and fulfill the required job responsibilities;
5. The Applicant shall retain authority to establish general, fiscal and personnel policies for the Health Centers; and
6. The Applicant shall retain authority over the facilities at which the FQHC-LA services are provided. Applicant will work with Co-Applicant to ensure Co-Applicant's physical locations objectives are properly achieved.

C. Responsibility and Authority of Co-Applicant.

1. Governance. The SCCHC-Board shall have the responsibilities established by county ordinance as set forth in the by-laws adopted by the SCCHC-Board;
2. Operations. The SCCHC-Board shall approve the selection and dismissal of the FQHC-LA Executive Director who shall be an employee of Stanislaus County and shall serve at the pleasure of the SCCHC-Board.

- The FQHC-LA Executive Director may, in addition, have responsibilities for non-FQHC-LA operations under the sole direction of Applicant; and
3. The SCCHC-Board, through the FQHC-LA Executive Director, shall establish and maintain collaborative relationships with other healthcare providers in the service area.

II. Support Services Provided by Applicant.

Support services provided to FQHC-LA.

The Applicant will provide the support and infrastructure services including Clinical and non-clinical staff in the FQHC-LA, Chief Medical Officer, Chief Financial Officer, Health Center staffing, Accounting, Auditing and Billing, Central Scheduling, Housekeeping, Volunteer services, Purchasing, Information Technology, Security, Payroll and Human Resources, Building Maintenance, Medical Records and Transcription, Legal, Credentialing and Risk Management, Courier Services and Administrative services. The Applicant will provide the Executive Director subject to the approval and dismissal authority of Co-Applicant. For budget and accounting purposes, shared services will be subject to Applicant's policies regarding cost allocation methodology, and will be reported monthly to Co-Applicant.

III. Clinical Services Available to Co-Applicant.

Due to the integrated nature of the County's health care delivery system, many of the clinical health care services available either directly or under contract to the FQHC-LA can be provided through an affiliation agreement between the FQHC-LA and the Applicant.

A. The Applicant will make available the following services to clients of the FQHC-LA upon proper referral:

1. Specialty Medical Care will include multiple specialties which generally include Orthopedics, Urology, ENT, Podiatry, Neurology, Neurosurgery, General Surgery, OB Endocrinology, Dermatology, HIV, Oncology, and Gastroenterology.
2. Ancillary services to include physical therapy, occupational therapy, audiology, wound care, WIC, health education, and outpatient pharmacy.
3. Mental health services to include mental health treatment/counseling and substance abuse treatment/counseling, and/or consultation.
4. Miscellaneous services shall include, but not be limited to directly observed TB therapy and translation services.

B. In making the above services available to Co-Applicant clients, the Applicant provides the following assurances.

1. Credentialing. Providers or services made available to clients of the FQHC-LA shall be properly credentialed and approved by the customary payors for these services, i.e., Medi-Cal, Medicare, and Medi-Cal Managed Care health plans.
2. Referral. Applicant agrees to accept referred FQHC-LA patients for evaluation and/or treatment in accordance with community and professional standards using mutually agreeable referral protocols.
3. Compensation. Applicant agrees to accept referred patients consistent with County policies and to accept payment from the patient's guarantor.
4. Services, staff, and independent contractors of affiliate shall maintain current, unrestricted state licensure to practice, where required, and shall not be or have been excluded from participation in the Medicare and/or Medicaid program.


IV. Term.

The term of this Affiliation Agreement shall be continuous until terminated by either party without cause by giving the other party 60 days prior written notice of the intent to terminate. This Agreement may also be amended upon mutual consent of both parties.

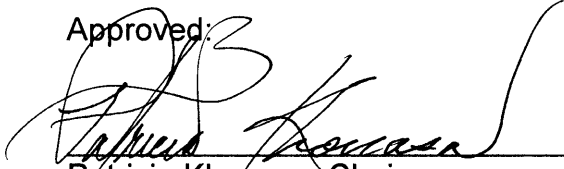
This Affiliation Agreement states the mutual understanding, delegation of authority, services provided directly to and expensed to the FQHC-LA by Applicant, and the terms and conditions relative to referral of FQHC-LA patients for additional services provided by Applicant.

Dated this 24<sup>th</sup> day of June, 2008.

Approved:

  
 Richard W. Robinson  
 Chief Executive Officer  
 Stanislaus County

Approved:

  
 Patricia Khanasa, Chairperson  
 Stanislaus County Community Health  
 Center Board

Approved as to Form:  
 John Doering, County Counsel

By   
 Dean Wright, Deputy County Counsel