

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

DEPT: Health Services Agency *no*

BOARD AGENDA # \*B-15

Urgent  Routine

AGENDA DATE September 13, 2011

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval to Accept an Update on the Health Services Agency Oncology Clinic Services Arrangements to Continue the Provision of Oncology Services; and Approval to Cancel Public Hearing Previously Scheduled for the Reduction and/or Elimination of the Direct Provision of Oncology Services on September 20, 2011 at 6:40 p.m.

STAFF RECOMMENDATIONS:

1. Approval to accept an update on the Health Services Agency Oncology clinic services arrangements to continue the provision of Oncology services.
2. Approval to cancel the Public Hearing previously scheduled for the reduction and/or elimination of the direct provision of Oncology services on September 20, 2011 at 6:40 p.m.

FISCAL IMPACT:

The approved preliminary budget for Fiscal Year 2011-2012 for the Health Services Agency (Agency) is \$88 million, of which \$46 million is attributable to the Clinic and Ancillary division budget, and \$12.5 million is attributable to the Medically Indigent Adult program budget. Revenues related to the Clinic division of the Agency consist of reimbursement from various payor sources such as Medi-Cal, Medicare, the Medically Indigent Adult (MIA) program, patient payments, grant funds and the County General Fund.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2011-531

On motion of Supervisor Chiesa, Seconded by Supervisor Withrow

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withrow, DeMartini, and Chairman Monteith

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.

Approval to Accept an Update on the Health Services Agency Oncology Clinic Services Arrangements to Continue the Provision of Oncology Services; and Approval to Cancel Public Hearing Previously Scheduled for the Reduction and/or Elimination of the Direct Provision of Oncology Services on September 20, 2011 at 6:40 p.m.

Page 2

**FISCAL IMPACT (Continued):**

The Oncology clinic is one of the services provided as part of the Specialty clinics in the HSA's Clinic and Ancillary division.

For Fiscal Year 2010/2011 the Oncology clinic's pre-audit financial result including allocated overhead was a net loss of approximately \$676,000, while the forecasted net loss for Fiscal Year 2011/2012 is \$855,000. The financial impact of the Oncology clinic however is not limited to only its cost center's financial performance. There is cost avoidance incorporated into the Medically Indigent Adult (MIA) program budget based upon the direct provision of these medical services with integrated initiatives related to drug manufacturer programs and early identification of potential medical condition-related Medi-Cal eligibility. The MIA program is a mandate on the County under the Welfare and Institutions Code Section 17000. It is estimated that the present cost avoidance to the MIA program budget annually is in excess of \$1million, offsetting the clinical operation's financial loss.

**DISCUSSION:**

Oncology services have been provided since 2003 through a Personal Services Contracted employee relationship with a board certified Oncologist physician. That contract was to expire on June 30, 2011 and without reaching agreement on a longer term extension, the contract was extended by mutual agreement for three months, through September 30, 2011. The contracted Oncologist has conveyed his intention to establish a private practice in the community following the expiration of the contract.

Since reporting the circumstances on August 30, 2011, staff identified and secured alternative arrangements which are anticipated to avoid interruption in access to patient care within the County oncology clinic. An agreement has been executed with Valley Cancer Medical Group, under which the partner physicians will provide professional services within the County clinic as an Independent Contractor, beginning October 1, 2011. This arrangement will be similar to other community Specialists who maintain a private practice as well as provide services within the County Specialty clinics. The Agency is finalizing scheduling details and working on staffing requirements intended to maintain essentially the same level of current capacity, although the demand by patients may be less, as some patients will likely follow the current Oncologist to his private practice.

As a result of this new agreement with Valley Cancer Medical Group, the Public Hearing requested by the Agency and scheduled by the Board of Supervisors to occur on September 20, 2011 is no longer necessary. That hearing had been scheduled to consider the reduction and/or elimination of the direct provision of oncology services specifically to comply with California Health and Safety Code section 1442.5.

Approval to Accept an Update on the Health Services Agency Oncology Clinic Services Arrangements to Continue the Provision of Oncology Services; and Approval to Cancel Public Hearing Previously Scheduled for the Reduction and/or Elimination of the Direct Provision of Oncology Services on September 20, 2011 at 6:40 p.m.

Page 3

The Agency is in the process of notifying patients, referring providers, and contracted health plans of the new arrangements.

As long-established private practice physicians in the community, the two oncologists who make up the Valley Cancer Medical Group are already credentialed by the two Health Plans associated with Medi-Cal and are participating providers with State Medi-Cal and the Medicare program, and as such the implementation efforts required to assure the respective fee for service reimbursements are expected to be accomplished by the October 1, 2011 start date.

**POLICY ISSUE:**

Approval of this item supports the Board of Supervisors' priorities of A Healthy Community and Efficient Delivery of Public Services by responding to changing circumstances and securing services to meet patient need, and which meet the County's Medically Indigent Adult program requirements.

**STAFFING IMPACT:**

There are presently five full-time filled positions budgeted in the Oncology clinic, although three resignations have been submitted. The Agency is working on staffing arrangements and may need to secure temporary staffing in order to support the new Independent Contractor physicians and avoid an interruption in services, while recruitment activities ensue to fill the expected full-time vacancies.

**DEPARTMENT CONTACT:**

Mary Ann Lee, Managing Director, 209-558-7163.