

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

DEPT: Health Services Agency *msj*

BOARD AGENDA # \*B-4

Urgent  Routine

AGENDA DATE July 16, 2013

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

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

STAFF RECOMMENDATIONS:

1. Approve the submission by the Health Services Agency (HSA) of the Federally Qualified Health Center Look-Alike Recertification Application.
2. Authorize the Managing Director to sign required documents as part of the Federally Qualified Health Center Look-Alike Recertification Application.

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FISCAL IMPACT:

The annual net impact of the Federally Qualified Health Center Look-Alike designation is over \$9 million in enhanced per visit revenue and prescription drug discounts. The approved Proposed budget for Fiscal Year 2013-2014 for the Clinic and Ancillary Division of the HSA is approximately \$42 million and assumes the continued Federally Qualified Health Center Look-Alike designation. The designation was effective on September 20, 2007, renewed on September 20, 2012 and is applicable to the primary care clinics of the HSA, designated as the "Stanislaus County Community Health Centers".

BOARD ACTION AS FOLLOWS:

No. 2013-350

On motion of Supervisor De Martini, Seconded by Supervisor Withrow

and approved by the following vote,

Ayes: Supervisors: O'Brien, Withrow, De Martini and Chairman Chiesa

Noes: Supervisors: None

Excused or Absent: Supervisors: Monteith

Abstaining: Supervisor: None

1) X Approved as recommended

2) \_\_\_\_\_ Denied

3) \_\_\_\_\_ Approved as amended

4) \_\_\_\_\_ Other:

MOTION:

*Christine Ferraro*

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

**STAFF RECOMMENDATIONS (Continued):**

3. Authorize the Managing Director to submit future annual recertification applications through the current five-year renewal period that ends September 2017.

**DISCUSSION:**

The Federally Qualified Health Center Look-Alike (FQHC-LA) designation was originally awarded effective September 20, 2007. On an annual basis, this designation contributes over \$9 million dollars to the Stanislaus County Community Health Centers (Health Services Agency primary care clinics).

While numerous detailed requirements exist, the core expectations of the designation center around community need, governance, financial, operational and clinical systems and management. As a Look-Alike designation, the clinics are required to meet all the federal Public Health Service Act section 330 requirements.

FQHC-LA entities are assigned a designation period of five years for which the FQHC-LA designation is valid. As a means of ensuring continued compliance, the federal government requires an annual recertification application. Each year since the original designation, the Health Services Agency, after receiving approval by both the Community Health Center Board and the Board of Supervisors, has submitted the required recertification application, and received confirmation from the federal government of the continued designation.

As the original designation period was from September 20, 2007 through September 19, 2012, the Health Services Agency prepared the full Renewal Application to seek the continued designation for the five year period of September 20, 2012 through September 19, 2017. On May 22, 2012, the Board of Supervisors authorized the submission of the Five-Year Renewal application. The HSA submitted the application in June of 2012, and the federal government provided confirmation of the continued Five Year designation on March 13, 2013.

The annual recertification application is due on July 20, 2013. The HSA is seeking approval to submit the recertification application. As referenced in the Fiscal Year 2013-2014 Adopted Proposed Budget, the continued FQHC-LA designation and the corresponding revenue and expenses were assumed and are essential to the clinic system's financial sustainability. Additionally, the Department is requesting authority to submit future annual recertification applications, through the period of the current Five Year designation, September 2017. The HSA will return to the Board of Supervisors in advance of each Five-Year Renewal Application to seek authority to submit.

Support for the FQHC program appears stable at the federal level, evidenced by funding opportunities for FQHC expansion to increase safety net capacity for the anticipated newly insured under the Affordable Care Act. Analysis on the impact of the

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Affordable Care Act on the Health Services Agency's budget and operations is underway, and the Department will return to the Board with recommendations on implementation strategies and impacts at a future Board meeting; however, financial impacts to the clinic system are anticipated to be positive.

**POLICY ISSUE:**

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 priorities.

**STAFFING IMPACT:**

There is no direct staffing impact based on the result of this recommendation.

**DEPARTMENT CONTACT:**

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