

Attachment C
COUNTY OF SACRAMENTO
CALIFORNIA

For the Agenda of
June 18, 2014

To: Board of Supervisors

From: Department of Health and Human Services

Subject: Beilenson Hearing For Proposed Reductions In The County Medically Indigent Services Program For 2014-15

Supervisorial
District: All

Contact: Sherri Z. Heller, Director, Health & Human Services (875-2002)
Sandy Damiano, Deputy Director, Primary Health Services (876-7179)

Overview

Pursuant to Health and Safety Code Section 1442.5, the Sacramento County Board of Supervisors must conduct a public hearing on the elimination of and/or reductions in the level of medical services provided by the County for the County's medically indigent. The Board of Supervisors will consider the impact on the health care needs of the County's medically indigent and will accept public testimony, both oral and written.

Recommendations

Conduct a public hearing on the elimination of and/or or reductions in the level of medical services provided by the County for the County's medically indigent.

Measures/Evaluation

Fiscal Impact

The hearing will consider all the proposed elimination or reduction of positions and operating costs associated with the County's indigent health program. The total proposed reduction is \$5,040,237 in General Fund cost.

BACKGROUND

The federal Affordable Care Act (ACA) became effective January 1, 2014. Under that Act, most low income, childless adults, who previously relied on county indigent healthcare programs, became eligible for Medi-Cal coverage or are able to purchase individual health insurance coverage through the State's Health Benefits Exchange. Prior to January 1, 2012, the County was responsible for providing healthcare to approximately 25,000 people – approximately 11,000 in the Low Income Health Program (LIHP) and 14,000 in the County Medically Indigent Services Program (CMISP). Since the implementation of the ACA, all LIHP and most CMISP beneficiaries have been transitioned to Medi-Cal. As of April 1, there were a total of 42 people on CMISP and the Department of Human Assistance estimates that that population could rise to as much as 700, mostly with a Share of Cost.

At the same time, the State reduced the amount of Public Health Realignment funding provided to counties, effective January 1, 2014. Without the ACA, the County would have received approximately \$43 million in Public Health Realignment in FY 2013-14; with the implementation of the ACA mid-way through FY 2013-14, the County will receive approximately \$34.8 million. In FY 2014-15 we expect to receive approximately \$13.4 million from this source.

All of this has major implications for the Department of Health and Human Services (DHHS) and Health Medical Treatment Payments budgets. DHHS has prepared budget reductions to meet the reduced need for services in Primary Health Services and the reduction of Public Health Realignment.

DISCUSSION

This Beilenson Hearing has been scheduled, as part of Budget Hearings, to address the impact of these reductions on indigent healthcare. DHHS has prepared the attached Beilenson Notice of proposed budget reductions and/or eliminations. The Board will consider all the items contained on the attached list and may approve the proposed reductions and/or eliminations, in whole or in part, to eliminate and/or reduce the estimated shortfall of available resources. The proposed elimination or reduction of positions and operating costs associated with the County's indigent health program do not result in a reduction of services but a Public Hearing was deemed appropriate for purposes of transparency and public testimony.

MEASURES/EVALUATION

Not applicable.

FINANCIAL ANALYSIS

The hearing will consider all the proposed elimination or reduction of positions and operating costs associated with the County's indigent health program. The total proposed reduction is \$5,040,237 in General Fund cost.

Respectfully submitted,

APPROVED:
BRADLEY J. HUDSON
County Executive

SHERRI Z. HELLER, Director
Department of Health and Human Services

By: _____
Paul G. Lake
Chief Deputy County Executive

Attachments: Notice of Public Hearing (Beilenson Notice)

May 27, 2014

NOTICE OF PUBLIC HEARING

The Sacramento County Board of Supervisors will conduct a PUBLIC HEARING pursuant to Health and Safety Code Section 1442.5, on the elimination of and/or reductions in the level of medical services provided by the County. The hearing will be held at the following time and place:

June 18, at 9:30 AM
Board of Supervisors Chambers
700 H Street
Sacramento, California 95814

At the hearing, the Sacramento County Board of Supervisors will consider the impact on the health care needs of the County's medically indigent. Public testimony, both oral and written, will be accepted at this hearing.

The Sacramento County Department of Health and Human Services (DHHS) has prepared the attached list of proposed budget reductions and/or eliminations. The level of reductions and/or eliminations that the County will be required to make depends upon the amount of the county's funding for fiscal year 2014/2015. The hearing will consider all the items contained on the attached list. The Board of Supervisors may approve the proposed reductions and/or eliminations, in whole or in part, in order to eliminate and/or reduce the estimated shortfall of available resources.

The list includes the elimination or reduction of positions and operating costs associated with the County's indigent health program. These items do not result in a reduction of services but a Public Hearing was deemed appropriate for purposes of transparency and public testimony.

Further information is available by telephoning the DHHS at 916-875-5701.

**Sacramento County
Department of Health and Human Services**

**BEILENSON NOTICE
FISCAL YEAR 2014/15
PRIMARY CARE CLINIC**

LOCATION

Primary Care Clinic
4600 Broadway,
Sacramento, CA 95820
(916) 874-9670

NATURE OF CHANGE

Reduce the County Medically Indigent Services Program (CMISP) Primary Care Clinic for the medically indigent.

STAFF REDUCTIONS

As part of the Fiscal Year 2014-15 base budget, Clinic services deleted the following vacant positions:

- 1.0 FTE Health Program Coordinator
- 2.0 FTE Medical Assistant Lv. 2
- 1.0 FTE Medical Transcriber Lv. 2
- 0.5 FTE Nurse Practitioner
- 3.5 FTE Office Assistant Lv. 2
- 1.0 FTE Physician 2
- 4.0 FTE Physician 3

In addition, Clinic services transferred the following to other programs:

- 1.0 FTE Administrative Services Officer I
- 1.0 FTE Registered Nurse Lv. 2

The proposed reductions will eliminate the following:

- 1.0 FTE Clerical Supervisor 2
- 1.0 FTE Human Services Program Planner, Range B (vacant)
- 7.5 FTE Medical Assistant Lv. 2
- 9.0 FTE Office Assistant Lv. 2 (2.0 vacant)
- 0.5 FTE Physician 3
- 1.0 FTE Senior Mental Health Counselor (vacant)

In addition, the following staff will be transferred to other programs:

- 1.0 FTE office Assistant Lv. 2
- 1.0 FTE Senior Office Assistant

CONTRACT / OPERATING REDUCTIONS

- Elimination of the UCD Transforming Education and Community Health (TEACH) residency program (\$112,118) – This includes partial funding of \$112,118 for a clinical faculty preceptor. In addition to this faculty, there are several other faculty physicians who share preceptor duties, approximately six residents, 3 subspecialty faculty and several medical students. This program has provided primary care and limited specialty services to medically indigent patients. This program has been offered in collaboration with Sacramento County since 2005. It aims to reduce health disparities and increase the number of primary care physicians in medically underserved communities. County employees such as Medical Assistants, Office Assistants and administrative support would have to be added for this program to continue operating. This program has had longstanding service to CMISP beneficiaries and has recently begun to serve as part of the managed care Integrated Behavioral Health Medical Home.
- Reduce contracted service levels to CARES (\$150,000) - providing primary care services to HIV/AIDS who qualify for CMISP. This is based on actual expenditures.
- Will reduce funding for after-hours medical advice line FONEMED contract (\$85,000)
- Other operational reductions, such as extra help and registry services, totaling \$288,143

PATIENT SERVICES AFFECTED

The proposed elimination of positions, contracts and operating expenses does not result in a reduction of services to CMISP enrollees. These reductions are consistent with a decrease in service volume due to transitions that started with early Medicaid expansion under the Low Income Health Program (LIHP).

EXPECTED ANNUAL SAVINGS

General Fund \$2,159,653

**Sacramento County
Department of Health and Human Services**

**BEILENSON NOTICE
FISCAL YEAR 2014/15
DENTAL CLINIC**

LOCATION

Dental Clinic
4600 Broadway, Suite 2100
Sacramento, CA 95820
(916) 874-9670

NATURE OF CHANGE

Change the hours of operation for the County Medically Indigent Services Program (CMISP) Dental Clinic. The days of operation remain Monday – Friday.

Current Hours:	8:00 AM – 5:00 PM
Proposed Hours:	8:00 AM - NOON

STAFF REDUCTIONS

None

CONTRACT / OPERATING REDUCTIONS

Operating reductions for on-call and extra help, totaling \$189,319 are proposed for this program.

PATIENT SERVICES AFFECTED

The proposed change in hours of operation does not result in a reduction of services to CMISP enrollees. These reductions are consistent with a decrease in service volume due to transitions that started with early Medicaid expansion under the Low Income Health Program (LIHP).

EXPECTED ANNUAL SAVINGS

General Fund \$189,319

**Sacramento County
Department of Health and Human Services**

**BEILENSON NOTICE
FISCAL YEAR 2014/15
PHARMACY**

LOCATION

County Pharmacy
4600 Broadway, Suite 1500
Sacramento, CA
(916) 874-9220

NATURE OF CHANGE

Reduce the County Medically Indigent Services Program (CMISP) Pharmacy for the medically indigent.

STAFF REDUCTIONS

As part of the Fiscal Year 2014-15 base budget, Pharmacy transferred the following to other programs:

1.0 FTE Medical Assistant Lv. 2
1.0 FTE Stock Clerk

The proposed reductions will eliminate the following:

4.3 FTE Pharmacist
3.6 FTE Pharmacy Assistant
7.0 FTE Pharmacy Technician
1.0 FTE Senior Account Clerk

CONTRACT / OPERATING REDUCTIONS

The reductions will eliminate a zero dollar agreement with the North State College of Pharmacy. This is a teaching agreement with the County Pharmacy for provision of three faculty and 4 -5 interns. Faculty and staff provide chronic diabetes management program. It will be modified and provided by county staff.

PATIENT SERVICES AFFECTED

The proposed elimination of positions, contracts and operating expenses does not result in a reduction of services to CMISP enrollees. These reductions are consistent with a decrease in service volume due to transitions that started with early Medicaid expansion under the Low Income Health Program (LIHP).

EXPECTED ANNUAL SAVINGS

General Fund \$1,588,009

**Sacramento County
Department of Health and Human Services**

**BEILENSON NOTICE
FISCAL YEAR 2014/15
CASE MANAGEMENT**

LOCATION

CMISP Case Management
9616 Micron, Ste. 670
Sacramento, CA 95728
(916) 875-9843

NATURE OF CHANGE

Reduce the County Medically Indigent Services Program (CMISP) Case Management for the medically indigent.

STAFF REDUCTIONS

As part of the Fiscal Year 2014-15 base budget, CMISP Case Management deleted the following vacant positions:

1.0 FTE Account Clerk 2
4.0 FTE Claims Assistant Specialist
1.0 FTE Health Program Coordinator
3.8* FTE Medical Case Management Nurse
1.0 FTE Senior Office Assistant

The proposed reductions will eliminate the following:

1.0 FTE Administrative Services Officer 1
2.0 FTE Claims Assistant Specialist (1.0 vacant)
1.0 FTE Clerical Supervisor 1
3.3 FTE Medical Case Management Nurse (1.0 vacant)
0.5 FTE Medical Director
1.0 FTE Office Assistant Lv. 2
1.0 FTE Secretary (vacant)

* In addition, 2.0 FTE Medical Case Management Nurse positions were to be transferred out of the program as part of the base Fiscal Year 2014-15 budget. The additional proposed reductions in the target program eliminates their means of receiving these two positions, thus these positions are also impacted.

CONTRACT / OPERATING REDUCTIONS

None.

PATIENT SERVICES AFFECTED

The proposed elimination of positions, contracts and operating expenses does not result in a reduction of services to CMISP enrollees. These reductions are consistent with a decrease in service volume due to transitions that started with early Medicaid expansion under the Low Income Health Program (LIHP).

EXPECTED ANNUAL SAVINGS

General Fund \$964,837

**Sacramento County
Department of Health and Human Services**

<p style="text-align: center;">BEILENSON NOTICE FISCAL YEAR 2014/15 STAKEHOLDER COMMUNICATION</p>
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NATURE OF CHANGE

The County Medi-Cal Managed Care Advisory Committee will be eliminated. The Medi-Cal Managed Care Advisory Committee provides local stakeholder input and advisement to the State Department of Health Care Services and to the Geographic Managed Care Health Plans. The committee is comprised of key stakeholders representing the following: advocates, clinics, health plans, hospital systems, pharmacy, physicians, physician groups, Public Health Advisory Board, and government representatives (State, County Board, DHHS, and DHA). The Welfare & Institutions Code 14089.07 establishes this committee as permissible, but not mandatory.

Other planning functions such as the Healthcare for the Homeless Co-Applicant Board and compliance activities will need to be absorbed.

STAFF REDUCTIONS

1.0 Human Services Program Planner (\$138,419)

CONTRACT / OPERATING REDUCTIONS

N/A

PATIENT SERVICES AFFECTED

This does not directly impact services. This forum is utilized to bring all health care stakeholders involved in Medi-Cal Managed Care to the table in order to improve service delivery, enhance communication and ultimately influence outcomes.

As of April 1, 2014, there are 300,218 Medi-Cal Managed Care beneficiaries in Sacramento County. That number is expected to grow significantly due to the Affordable Care Act (ACA) and shifts into managed care.

EXPECTED ANNUAL SAVINGS

General Fund \$138,419

**Sacramento County
Department of Health and Human Services**

<p>BEILENSON NOTICE FISCAL YEAR 2014/15 MENTAL HEALTH TREATMENT CENTER</p>

LOCATION:

Mental Health Treatment Center
2150 Stockton Boulevard
Sacramento, CA 95817
(916) 875-1000

NATURE OF CHANGE:

Inability to utilize the Walgreen's purchase agreement for after-hour prescriptions for patients discharged from the MHTC who are uninsured.

STAFF REDUCTIONS:

Not applicable.

CONTRACT / OPERATING REDUCTIONS:

Elimination of contract usage

PATIENT SERVICES AFFECTED

No patients are expected to be impacted due to changes in business processes. All patients will receive appropriate medication.

EXPECTED ANNUAL SAVINGS:

No savings. Mitigation plan is under preparation which will result in an increase in staffing costs at the MHTC to address this need. Plan will ensure no disruptions in continuity of care upon discharge. The Department estimates additional costs of \$47,000 to implement the plan.