

**CHAP Medical and Dental Health Center  
Report to Pasadena City Council  
June 2003**

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The mission of the Community Health Alliance of Pasadena (known as CHAP) is

*“...to create and maintain a community-based, public and private alliance to provide high quality, accessible and culturally sensitive health care and related services in an environment of care and mutual respect...”*

The CHAP Board of Directors and Advisory Council embrace these founding principles and use them to guide the oversight of the direct service programs provided by the CHAP Medical and Dental Health Center. This broad vision of community, professional and stakeholder collaboration has brought high-quality primary health care services to Northwest Pasadena.

**I. Description of CHAP Medical and Dental Health Service Area**

The Community Health Alliance of Pasadena (CHAP) Medical and Dental Health Center is located at 1855 North Fair Oaks Avenue in District One. The CHAP target service area coincides with the Pasadena Unified School District (PUSD) and includes the cities of Pasadena, Sierra Madre and Altadena. City of Pasadena residents comprise over 67% of all patient activity. CHAP services are not limited to residents of this area; under the Public-Private Partnership contract with Los Angeles County and State funded programs such as MediCal and the Immunization Program, CHAP serves eligible residents who reside outside the target service area.

The CHAP target service area has several unique characteristics:

- A. According to the Los Angeles County Office of Urban Research, Population Estimation and Projection System (1998), 27.3% of the service area residents are uninsured (53,578 uninsured residents out of 196,255 service area population) – more than one-quarter of all residents.

	<b>Number of Insured</b>	<b>Percentage of Insured</b>	<b>Number Not Insured</b>	<b>Percentage Not Insured</b>
<b>Target Area Population: 196,255</b>	142,677	72.7%	53,578	27.3%
<b>Source:</b> Los Angeles County Office of Urban Research, Population Estimation and Projection System (2000)				

In 2003, United Way of Greater Los Angeles reported that 42% of households in Pasadena, and 23% of households in Altadena earn less than \$35,000 per year. This group of low-income, uninsured residents constitutes the target population for CHAP Medical and Dental Health Center.<sup>1</sup>

Zip Code/City-Area	<100% FPL	100%-199% FPL	≥200% FPL	Total
Altadena	3,718	4,487	27,392	35,597
Pasadena	22,305	28,314	95,693	146,312
Sierra Madre	389	719	9,314	10,422
<b>Service Area Total</b>	<b>26,412</b>	<b>33,520</b>	<b>132,399</b>	<b>192,331</b>

Source: United Way of Greater Los Angeles, Los Angeles Zip Code Databook 2003

**B.** There are significant health disparities among Pasadena residents when compared with Los Angeles County. Barriers to health care access caused by lack of health insurance and limited access to care have broad negative impacts on the community.

Chronic disease indicators

- In 2000, the age-adjusted death rate for coronary heart disease was 215.0 per 100,000 for the service area population (compared to the national target of 166.0<sup>2</sup>) and 384.8 for the African American population within the service area.
- In 1999, diabetes in the target population was 8.3%, compared to 6.7% for residents countywide.
- The hypertension rate measured in 1999 was higher for the target population (27.9%) than the County population (19.1%).

The chronic diseases causing these disparities comprise the major portion of CHAP’s primary care practice. This volume of activity has required CHAP’s vigilance in disease management and constant review on all fronts to ensure that its treatment algorithms reflect current thought and practice in similar urban populations. CHAP participates in the local Integrated Service Delivery Initiative through the Community Clinic Association of Los Angeles County. Diabetes, hypertension and pediatric asthma have been addressed to date through this collaborative.

Cancer Rate

African Americans residing in the target service area exhibit a significant deviation from the County indicator for this factor (259 compared with 153.2/100,000 population). CHAP’s service quality management program includes a review of cancer screening for all established patients according to defined schedules. Patient education includes enhanced awareness of the disproportionate impact on this group.

Asthma in children and adults.

The rate for this increasingly serious condition is higher in the target area (10.9%) than in the County (9.4%). The target population’s proximity to the forested foothill area, presence of major freeways, and general poor air quality in the San Gabriel Valley contributes to the rising impact of this disease. CHAP participates in the Community-Wide Asthma Task Force, which supports proper use of inhalers and other medications, equipment, and patient/parent education.

<sup>1</sup> Discrepancies in population totals are a result of differences between reports that include unincorporated County areas and zip code census reports.

<sup>2</sup> *Healthy People 2010*

### Infant Mortality

In the year 2002, Hispanic babies in the area showed higher numbers in this indicator, 55 compared with 41/1,000 live births. In other years, African American babies have also shown significant Infant Mortality. CHAP offers prenatal and postpartum education focusing on accident and injury prevention in this population.

### Low birth weight (LBW)

Recent data show that 100 out of 1,000 African American babies in the service area are LBW compared with 70 out of 1,000 babies of all races. Through continued, high quality pre-natal care and education, and participation in the local Black Infant Health Project, CHAP supports mothers at risk for this disparity.

### Immunization rates

The immunization rate was worse in the target area (65.9%) than in the County at large (78.1%). CHAP participates in a State-funded immunization project monitored by the Pasadena Public Health Department that focuses on the toddler immunization completeness and monitors missed opportunities for vaccinations. These internal tracking indicators are reviewed as part of the Center's service quality management program.

These significant health disparities clearly demonstrate the need for CHAP services to continue and expand. Monitoring the health status of patients so that preventable diseases and conditions do not evolve into chronic conditions (or escalate into emergency room visits) is one of CHAP's highest priorities.

C. A portion of the CHAP target service area is a federally recognized **Health Profession Shortage Area (HPSA)**, meaning that the physician ratio for the low-income population exceeds 1:3,000. The 1:3000 ratio is the threshold for a Special Population Group designation. In fact when all socio-demographic circumstances are considered, the primary care physician to population ratio is 1:21,850.

INDICATOR	MSSA78.hhh	CRITERIA
Population	82,823	
# Population < 200% FPL	37,801	
% Population < 200% FPL	45.76%	> 30%
Primary Care Physicians	1.73 FTE	
Population to Physician Ratio	1:21,850	1:3,000
<b>Source:</b> MSSA78.hhh HPSA Application-Pasadena North Central (Low Income Special Population Group-May 12,2001)		

Inability to access primary care due to lack of insurance coverage, untreated chronic disease, and reliance on hospital emergency rooms for episodic care are all reflected in the absence of primary care physicians able to provide ongoing care for residents.

## **II. CHAP Medical and Dental Health Center Service Delivery Model**

Location: In response to community advocacy and subsequent community based leadership, CHAP was formed in 1995, and began providing medical services in 1998. The CHAP Dental Clinic was opened in June 2001. The clinic is located in northwest Pasadena to provide access to the most underserved residents of the service area (1855 North Fair Oaks Avenue). The majority of patient visits are from residents of the zip code where the health center is located—91103.

Hours: The health center is open for primary medical services six days a week: Monday through Thursday from 8:00 a.m. to 8:00 p.m., Friday from 8:00 a.m. to 12:00 p.m., and Saturday from 9:00 a.m. to 3:00 p.m. The dental service is open five days per week: Monday and Wednesday from 8:00 a.m. to 4:30 p.m., Tuesday and Thursday from 10:00 a.m. to 6:30 p.m. Friday and Saturday dental service alternate and run from 8:30 a.m. to 3:00 p.m. After-hours patient needs for both services are handled by an answering service to the on-call center professional(s).

Availability of services regardless of ability to pay: Services are available to all seeking care. Clients are brought into a private area for assessment of insurance status, financial screening, and eligibility for sponsored programs. The clinic maintains an approved fee schedule based on usual and customary charges of the local health care market and costs experience. The discount program is used when no other payer can be determined for that visit and is based on household income and family size. It assesses full fee above 200% of Federal Poverty Level (FPL), sliding discounts between 100% to 200% of FPL and a set minimum fee for those below 100% of FPL.

Mix of services: CHAP offers a comprehensive mix of primary care services that addresses all lifecycles on-site. With a target population of uninsured adults and children, screening and intervention are essential elements in the services offered by CHAP. The following is a description of services offered to health center patients presenting at different life cycles and targeted programs for identified service population needs:

- Pediatric (0-11 years) Physical exams are provided according to guidelines established by the recognized national standard. Well baby/child care includes appropriate lab testing, vision, hearing, dental screening and psycho-social assessment. Referrals to basic oral health care are made as needed.
  - Adolescent (12-19 years) Again, physical exams are provided according to accepted guidelines. Medical visits include behavioral assessment: school performance; depression; injury risk; tobacco/alcohol/other substance abuse; sexual history and activity; and dating violence. Health care staff also discuss STD/HIV prevention; and contraception as needed. Referrals to oral health/orthodontia are made as needed.
  - Adult (20-64 years) Physical exams are provided according to nationally accepted standards (HEDIS) and accepted well adult care guidelines, and include appropriate lab testing, radiology, vision, hearing, chronic disease assessment. Lifestyle management and targeted health education are provided as needed.
  - Geriatric (Over 65 years) Again, physical exams provided according to nationally accepted standards (HEDIS) and accepted well adult care guidelines, and include chronic disease assessment with appropriate lab testing and radiology. Lifestyle management and targeted health education are provided as needed. Additional assessments include daily living skills; nutrition; mental status; physical and social environment; and urinary incontinence.
  - Peri-natal Medical assessments check for pre-existing, current and developing problems in pregnancy. The behavioral/environmental assessment includes educational, socioeconomic, and marital status; tobacco/alcohol/other drug abuse; toxic exposure; occupational hazards; and domestic violence. A postpartum visit is scheduled within 8 weeks to assess medical and family issues. The newborn follow-up visit includes a physical exam; behavioral assessment; metabolic screen; immunization; anticipatory guidance and observation of parent-infant interaction.
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### For all life cycles

Immediate or urgent care is provided on a walk-in or appointment basis within 48 hours of call, and frequently is the first introduction to CHAP services. If the presenting problem cannot be handled that day, referrals to other local facilities are made. Staff physicians or mid-level practitioners provide all of these preventative and regular health care services. To the extent possible, the patient is scheduled with the same staff provider on return visits.

Required community health center ancillary services are provide on-site: diagnostic lab and radiology; communicable disease screening; vision and hearing testing, arrangements for emergency medical and dental, and dispensing of medications. Striving for effective chronic disease management has led CHAP to obtain a dispensing permit through the California Board of Pharmacy to provide medications to patients on site. Case management services assist our clients in gaining access to other health and social services, referrals to other providers, transportation, interpretive services for languages not available on staff, and education about access and appropriate use of services.

Continuum of care: In conjunction with primary care, the health center maintains relationships with local hospitals for referral of patients requiring a specialized level of care. Clinicians on staff have privileges at these hospitals and manage the care of these patients. The County of Los Angeles requires that the indigent patients seen under the 1115 Waiver program be referred to their own hospitals and specialize care centers. CHAP has a close relationship with these hospitals and specialty care centers. Patients who are hospitalized are directed to follow-up with their primary caregiver. CHAP also receives hospital admitting and discharge summary reports.

Clinical staff: The medical and dental directors provide the necessary leadership and management for all center clinicians and represent them on the management team. These clinical directors also act as ambassadors of CHAP to local community physicians, provider organizations and payers in the marketplace. Currently, the medical director and the dental director are retained to consult with the provider staff. All of the professionals performing the above stated services are primary care specialists. They include Board-certified Family Practice physicians, Pediatricians, Internal Medicine physicians and Family Practice Nurse Practitioners. The dentists employed are also general practice professionals with experience in community health center settings. All providers have current State licenses and have been credentialed according to the center's approved policies. As appropriate and necessary for maintenance of quality service and licensure, continuing professional education is supported for staff professionals.

Collaboration: CHAP, in addition to its role as a direct medical and dental services provider, is a member of a larger collaborative of providers at the Pasadena Community Health Center<sup>3</sup>, working toward the common goal of increasing access to healthcare services for medically indigent clients in the greater Pasadena area, the San Gabriel Valley and the County at large. As envisioned by the original community stakeholders who advocated for CHAP, the presence of these providers in one location offers the community a "one-stop" health information and service hub. Of note are the two organizations that support substance abuse intervention, mental health counseling and perinatal services on site for CHAP patients:

1. Pacific Clinics Family Service Center providing behavioral health services for children, adults and families.

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<sup>3</sup> 1845-1855 North Fair Oaks Avenue

2. Pasadena Public Health Department offering perinatal care, Black Infant Health Programs, immunizations for children and adults, HIV/AIDS education, testing treatment services, tuberculosis control, STI screening and treatment, environmental health and other core public health functions.

As collaborators, we meet regularly to discuss strategies for service integration and have been successful in conducting joint marketing and outreach to neighborhood groups and local special populations (seniors, school age children and youth, pregnant women, etc.).

Beyond the greater Pasadena area, the CHAP Medical and Dental Health Center is one of a few remaining County-funded clinics under contract to serve medically uninsured patients in the West San Gabriel Valley. CHAP serves as the gateway to a medical home that includes on-site, contracted and referral services leading to specialty care provided through charitable programs or publicly-funded clinics. CHAP becomes a key resource in the challenge to reduce health disparities among the target population, which faces significant barriers to care.

The CHAP Board of Directors is committed to sustaining the community health center model for the service area and target population. The Board is composed of a consumer majority, who are bona fide users of CHAP services; the remainder of the Board is representative of the community, with skills and expertise beneficial to the organization. CHAP performs periodic needs assessments, surveying patients and the greater community about their concerns and the health care issues that they face. Patient satisfaction surveys are performed at least twice a year and the results incorporated into the agency's total quality management program.

CHAP has an Advisory Council comprised of retired Board members, prospective Board members; representatives from community agencies, philanthropic foundations, schools and other stakeholder groups. They review the healthcare environment, service data and community assessment information and craft a plan of services and programs that will meet the stated needs and marketplace demands. With further refinement and input from the interdisciplinary management team and staff, plans are submitted to the Board of Directors for review and final approval.

### **III. The Current Healthcare Environment and CHAP's Role**

Lack of Insurance California has the fourth largest medically uninsured rate in the nation, and children in California have a higher uninsured rate than the nation's rate as a whole. As evidenced by sheer numbers, California's uninsured population of 7.5 million is larger than that of many other state total populations. Los Angeles County faces an even more daunting challenge, as its uninsured rate is almost double the State's rate. Ethnic and racial disparities in coverage are reflected in generally higher uninsured rates among Latinos as compared to non-Latino whites (36% versus 13%).<sup>4</sup>

County of Los Angeles Public-Private Partnership (PPP) The County sought and received two (2) large infusions of cash through Federal Medicaid 1115 Waivers to address the tremendous unmet health care needs of the uninsured population within its boundaries. Since its inception as a primary care services on January 26, 1998, CHAP has been a provider of health care to uninsured patients under the County's Public Private Partnership (PPP) Program that is a significant feature of the Waiver agreement. In the Waiver Round I and currently in Round II (which will end in June

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<sup>4</sup> The State of Health Insurance in Los Angeles: Recent Trends , Future Prospects, UCLA Center for Health Policy Research, March 2001.

2005), CHAP has experienced tremendous growth in service to the target population; annual clinic reports show that the total visit count has tripled during the Waiver annual periods to a contracted visit total of more than 8,000 patients each year.

Medi-Cal, Healthy Families and Other Health Plans Since the mid-1990's, the State of California has focused on enrolling eligible Californians into managed care (either Medi-Cal or Healthy Families depending on income level). CHAP has already established a managed care contract with the County of Los Angeles' Health Maintenance Organization (HMO), and we are in negotiations to expand our managed care capacity through joining *Health Care LA - IPA (Independent Physicians Association)*. Eligible patients will be able to choose CHAP as a convenient source of primary care, with linkages to local specialists and hospitals as needed.

#### **IV. CHAP's Immediate Financial Picture and Projections**

Although CHAP has enjoyed a degree of success in building its assets and growing services for the community, the previous and current fiscal years (FY 2002 and 2003) are not in line with the that trend. The state and national budget situations have caused more people to seek our services and they have less money with which to pay for services.

Attached is **Appendix 1: Revenue Scenarios for FY 2004**. The table describes three possible funding scenarios for CHAP. In all scenarios, the Los Angeles County Public Private Partnership (PPP) Program has been included as a certainty. However, this major resource may be the most vulnerable funding stream in FY 2005 due to the effect that various legal challenges are having on the County's reorganization of services to address the anticipated budget shortfalls in coming years.

Also, in all the scenarios, the amount that would need to be raised from foundations and corporations varies greatly. As the amount of committed support decreases, efforts to raise funds from these sources will need to be increased. CHAP will continue to approach the foundation and corporate sectors for support. These include long-time partners like Huntington Memorial Hospital and Kaiser Permanente, as well as, the Pasadena Foundation, The California Wellness Foundation, the Tides Foundation, and others.

##### Scenario 1 Revenues

- Revenue from Los Angeles County Department of Health Services Public Private Partnership intact @ \$1.06 million
- California Community Foundation grant effective throughout the year
- State-funded Immunization Project grant effective throughout the year
- X-ray vendor purchase orders with the Pasadena Public Health Department maintained at FY 2003 level
- **Early Access to Primary Care (EAPC)** reduced by 15% from existing grant level (subject to final state budget negotiation)
- Fee-for-service program revenues decreased by 29% from FY 2003 due to lower projected patient volume (MediCal, MediCare, State Family Planning, **Child Health Disability Prevention**)
- Patient cash fees decreased by 50% from FY 2003 due to lower projected patient volume
- Limited Board, foundation and corporate fundraising success

Scenarios 2 and 3 include the potential award of federal funding under the **Federally Qualified Health Center (FQHC)** program as a source of revenue. This unique resource is available only to

community clinics for expansion of services to uninsured people. CHAP applied for this funding in April 2003, and grant notifications will be made in August 2003. Achieving FQHC status is ideal for CHAP's future stability and maintenance of growth. It includes a feature that allows CHAP to be fully reimbursed for services to MediCal/DentiCal and low-income Medicare patients using our services.

#### Scenario 2 Revenues

- Revenue from Los Angeles County Department of Health Services **Public Private Partnership** intact @ \$1.06 million
- California Community Foundation grant effective throughout the year
- State-funded Immunization Project grant effective throughout the year
- **Early Access to Primary Care (EAPC)** maintained at existing grant level
- Federal 330 grant funding awarded (**Federally Qualified Health Center**)
- X-ray vendor purchase orders with the Pasadena Public Health Department maintained at FY 2003 level
- Fee-for-service program revenues decreased by 3% from FY 2003 due to lower projected patient volume (MediCal, Medicare, State Family Planning, **Child Health Disability Prevention**)
- Patient cash fees decreased by 25% from FY 2003 due to lower projected patient volume
- Limited service contract initiation or expansion (United American Indian Involvement, Pasadena and County CDBG)
- Modest Board, corporate and foundation fundraising success

#### Scenario 3 Revenues

Scenario 3 shows revenues at their maximum. This includes all currently committed contracts (such as PPP) and a significant volume of patients that have insurance coverage (and/or cash resources).

- LAC DHS PPP intact @ \$1.06 million
- California Community Foundation grant effective throughout the year
- State-funded Immunization Project grant effective throughout the year
- EAPC maintained at existing grant level
- Federal 330 grant funding awarded (FQHC)
- X-ray vendor purchase orders with the Pasadena Public Health Department maintained at FY 2003 level
- Fee-for-service program revenues increased by 21% from FY 2003 due to higher projected patient volume (MediCal, Medicare, State Family Planning, **Child Health Disability Prevention**)
- Patient cash fees remain the same as projected FY 2003
- Significant service contract initiation or expansion (United American Indian Involvement, Pasadena and County CDBG)
- Excellent Board, corporate and foundation fundraising success

Also attached is **Appendix 2: Expenses Based on Revenue Scenarios for FY 2004**. This table details the major expense categories for CHAP and our projected patient visit productivity based on funding scenarios. The productivity necessarily drops as the budget decreases, since the major expenses for the center reside in the Salaries/Benefits and Operating Expenses categories. Some of CHAP's contracts require the patient receive all ancillary services related to patient care,

i.e., laboratory, x-ray, and medications, under an all-inclusive rate. Many times the reimbursement rate does not cover the cost of the visit.

**Table 4: FY 2004 Visits Based on Revenue Scenarios Presented** (below) details the medical and dental activity commensurate with each scenario.

<b>Table 4: FY 2004 Visits Based on Revenue Scenarios Presented</b>				
	<b>FY 2003</b>	<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>
<b>Medical Visits</b>		<b>7,258</b>	<b>13,468</b>	<b>17,202</b>
<b>Dental Visits</b>		<b>2,089</b>	<b>3,178</b>	<b>3,467</b>
<b>TOTAL</b>	<b>17,141</b>	<b>9,347</b>	<b>16,646</b>	<b>20,669</b>

Scenario 1 reflects a major reduction in the levels of service, decreasing them to the level of CHAP's initial activity in 1998. Scenario 2 reflects the impact of proposed State service cutbacks and other factors causing the productivity to drop because professional staff time is reduced. The Scenario 3 shows the continued expansion of CHAP services in the coming fiscal year.

**Summary**

Over the last five years, CHAP has evolved from an episodic, urgent care clinic into a Community Health Center emphasizing the value of establishing a "medical home" at CHAP. The service delivery strategy is inclusive of all aspects of primary health and basic oral care, addresses all stages of the lifecycle directly or via subcontract, and incorporates preventive care and patient education. CHAP also collaborates with mental health and substance abuse service providers to meet the needs of patients who require this intervention. The patient services have grown each year—from 6,000 in 1998 to over 17,000 projected for 2003.

Escalating health care costs, reductions in County and State programs, and increasing numbers of uninsured patients needing care all contribute to an uncertain financial future for CHAP. Under the leadership of the Board of Directors and executive team, CHAP is continuously searching for ways to remain viable. CHAP's ability to sustain its services over the next six-to-nine months will depend on success in obtaining **Federally Qualified Health Center (FQHC)** status and funding, as well as in a substantial fundraising campaign that garners support from foundations, corporations, and individual donors.