

Agenda Report

9-16-2002

TO: CITY COUNCIL

THROUGH: PUBLIC SAFETY COMMITTEE

FROM: CYNTHIA J. KURTZ

SUBJECT: Provision of legislative support to assist the Community Health Alliance of Pasadena (CHAP) in obtaining designation as a Federally Qualified Health Center.

RECOMMENDATION

It is recommended that the City Council approve the dedication of legislative support services in Washington D.C. to assist CHAP in obtaining designation as a Federally Qualified Health Center (FQHC).

BACKGROUND

Community Health Alliance of Pasadena (CHAP) is currently working to obtain designation as a Federally Qualified Health Center (FQHC) in order to ensure future funding. During this process, the City's legislative advocate in Washington D.C. can maintain important contacts with elected officials and program staff on behalf of CHAP.

Congress created the Federally Qualified Health Centers (FQHC) provision of the Medicaid program in 1989. FQHCs are public or not for profit, consumer-directed health care corporations which provide high quality, cost-effective and comprehensive primary and preventive care to medically underserved and uninsured people. In order to qualify, Federally Qualified Health Centers must meet the following criteria:

- Serve a federally designated health professional shortage area, medically underserved area, or medically underserved population;
- Provide services to all patients regardless of insurance status;
- Use a sliding fee scale for uninsured patients based on income status;

- Operate as a nonprofit corporation governed by a board of directors, of which Health Center users constitute a majority.

Qualifying providers must meet rigorous federal standards related to quality of care and services as well as cost, in order to qualify to receive cost-based reimbursement under Medicaid and Medicare law and operating grants under Section 330 of the Public Health Service Act. In addition, Health Centers are required to bill third party payers for patients who have coverage. This helps offset the cost of the organization's operations, allowing direct federal grant dollars to cover care for the uninsured

The CHAP application submitted in April was met favorably, but was deemed insufficient, with recommendation that specific areas of the application be addressed. CHAP is currently working to remedy these shortcomings before resubmitting its application in the next round due in November.

In the meantime, Community Health Alliance of Pasadena is attempting to secure designation as a "FQHC Look-Alike." A "Look-Alike" center meets the same basic qualifications as regular FQHCs: they are public or not-for-profit, furnish services to anyone regardless of ability to pay, and have consumer boards made up of a majority of patients (at least 51% must be consumers of center services). These centers do not receive Public Health Service grants, but receive the same cost-based reimbursement as other FQHCs.

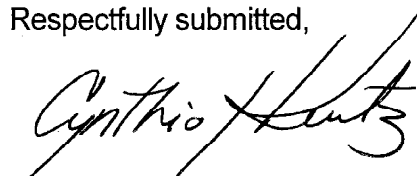
The Community Health Alliance of Pasadena will use the requested monies to expand access to new patients establishing CHAP as their primary care provider or "medical home." The number of medical providers on staff will be increased from 3.0 FTE to 8.45 FTE at full capacity. This will bring the clinic minimum service capacity to 28,182 per year and will provide 48,689 total encounters over the two-year implementation project.

Community Health Alliance of Pasadena was founded in 1995 and is a 501(c)(3) non-profit organization. As a state-licensed community clinic it offers a wide range of health services for adults and children, including physical examinations, immunizations, screening for diseases, walk-in care for acute and episodic care, and dental care. Community Health Alliance of Pasadena's patient care has grown steadily since opening in January 1998 and now includes over 12,600 unduplicated clients.

FISCAL IMPACT

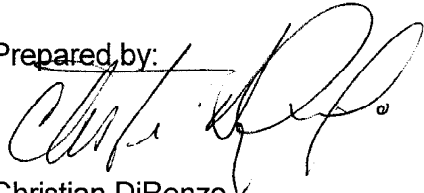
If qualified, CHAP will receive \$1.3 million over the first two years and will continue to receive federal assistance beyond the initial funding period. Use of the City's legislative advocate to support this project will not result in additional costs to the City.

Respectfully submitted,



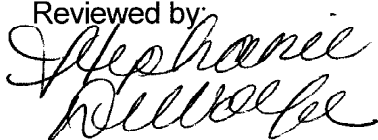
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