

# Agenda Report

**TO:** CITY COUNCIL

**DATE:** OCTOBER 24, 2005

**THROUGH:** FINANCE COMMITTEE

**FROM:** CITY MANAGER

**SUBJECT: APPROVAL OF HEALTHY COMMUNITIES ACCESS PROGRAM GRANT FROM THE HEALTH RESOURCES AND SERVICES ADMINISTRATION IN THE AMOUNT OF \$979,947 FOR THE PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006**

**RECOMMENDATION:**

It is recommended that the City Council:

1. Approve the acceptance of a \$979,947 grant from the Health Resources and Services Administration (HRSA) for the period September 1, 2005 through August 31, 2006.
2. Approve a journal voucher increasing the FY 2006 estimated revenues and appropriations in the Public Health Department Administration Division budget by \$816,623 from \$11,316,004 to \$12,132,627 to account for ten months of funding through the HRSA grant.
3. Approve the addition of 1.00 FTE Program Coordinator III, 1.00 FTE Nurse Practitioner, 1.00 FTE Community Services Representative III and 0.50 FTE Information Technology Technician II as approved by HRSA in the grant award, thereby increasing the Public Health Department's total full time equivalents from 103.40 FTEs to 106.90 FTEs.
4. Authorize a contract, without competitive bidding pursuant to City Charter Section 1002(F) contracts for professional or unique services, in the amount of \$106,931 with Young and Healthy Pasadena for development, implementation and staffing of a warm line and find that the proposed contract is exempt from the Competitive Selection process of Competitive Bidding and Purchasing Ordinance, pursuant to P.M.C. Section 4.08.049(B), contracts for which the City's best interests are served.

## **EXECUTIVE SUMMARY**

A notice of grant award from the Health Resources and Services Administration was received by the Pasadena Public Health Department on September 28, 2005 for the two-year project period of September 1, 2005 through August 31, 2007. Funding in the amount of \$979,947 was awarded for the first year of this two-year project. The approved project is the Pasadena Healthcare Link, which will improve coordination of healthcare services and referrals, establish medical homes for the uninsured, and present a seamless system of care to the uninsured in the greater Pasadena area. Additional staffing and numerous subcontracts will be required to fulfill the proposed scope of work and properly undertake this project.

## **BACKGROUND**

The Healthy Communities Access Program (HCAP) is funded by the Health Resources and Services Administration (HRSA). The purpose of HCAP grants is to assist communities and consortia of health care providers to develop or strengthen integrated community health care delivery systems that coordinate health care services for individuals who are uninsured or underinsured. The City applied for this grant in 2001 and in 2003, but was not successful in receiving an award. In 2005, this very competitive grant application process attracted over 100 applicants; Pasadena was one of only 32 grants awarded.

This year, only applicants that represented a consortium were acceptable to HCAP, and an applying consortium was required to include these four entities:

- A public health department;
- A federally qualified health center;
- A hospital with a low-income utilization rate greater than 25%; and
- A public or private sector health care provider or an organization that has traditionally served the medically uninsured and underserved.

The Public Health Department submitted this two-year grant application, building on concepts and feedback from the earlier unsuccessful proposals. The application was submitted on behalf of the Pasadena Health Consortium, which includes:

- Pasadena Public Health Department (required)
- Community Health Alliance of Pasadena, a federally qualified health center (required)
- Huntington Memorial Hospital, a nonprofit hospital (required)
- Young & Healthy Pasadena, a community nonprofit that links children to specialty care and health insurance enrollment (required)
- URDC Bill More Community Health Clinic, a primary healthcare provider for women and children

- Pacific Clinics, a mental health service provider for adults, children and families
- Planned Parenthood of Pasadena, reproductive health service provider
- Pasadena Unified School District, ambulatory care provider for school-aged children at five California Healthy Start centers, two highschool clinics and a primary care clinic for children at the main PUSD administration site
- Community advocates, representing neighborhood organizations and grassroots groups such as Center for Children and Family Services, NATHA, Sycamores, D'Veal, Pasadena Senior Center, Hospice of Pasadena, Body and Soul Coalition, Madison Neighborhood Partners

A proposed Memorandum of Agreement between the four required entities and 19 letters of support were submitted with the application.

### **Description of Funded Activities**

The project approved by HRSA is the Pasadena Healthcare Link, which will better coordinate healthcare services and referrals, establish medical homes for the uninsured, and present a seamless system of care to the uninsured in the greater Pasadena area. The framework for the Pasadena Healthcare Link (PHL) project is a central coordinating office located at the Pasadena Public Health Department (PPHD) with coordinated telephone, fax and computer links to participating provider sites through a commonly trained group of care managers on staff at the respective provider locations. The proposed activities of the PHL project are:

1. Coordinate a linked, integrated provider network among Consortium members with common referral protocols, common intake system, uniform fee structure, system-wide quality of care protocols and care managers at each key provider site;
2. Develop and implement a community health record and pilot an electronic medical record;
3. Implement a centralized call center that offers medical advice and appointment scheduling to callers and links community residents to appropriate care, medical homes and other resources within the linked provider network;
4. Support the empowerment of uninsured and newly insured consumers through education to help them navigate the healthcare system;
5. Conduct targeted public outreach and marketing to increase awareness about the Pasadena Healthcare Link services;
6. Facilitate specialty care referrals for the high-risk diabetic population.
7. Establish and administer a Consortium Care Fund to pay for medical services for the uninsured and under-insured.

### **Additional Staffing and Subcontracts**

In order to undertake these activities, 3.50 FTEs must be hired by the Public Health Department, as follows:

- 1.00 FTE Program Coordinator III to manage and coordinate project activities
- 1.00 FTE Nurse Practitioner to staff call center and interface with Care Managers
- 1.00 FTE Community Services Representative III to follow ensure follow-up for callers

0.50 FTE Information Technology Technician II to act as liaison for contract vendors

In addition, a total of nine subcontracts will be executed so that members of the Consortium, consultants and vendors can be reimbursed for the work they must perform. Staff requests an exemption from competitive bidding for a contract with Young and Healthy Pasadena, in the amount of \$106,931, for development, implementation and staffing of a warm line that will refer callers to nurse triage and/or community services, as appropriate. Young and Healthy Pasadena is the sole source provider for the scope of work that must be performed for the HCAP grant. Other subcontracts will be required for evaluation consulting, after hours nurse triage services and marketing strategy consulting. Staff will implement the competitive selection process for these subcontracts and RFPs will be issued within the next two months.

One significant contract is for the electronic practice management system, which includes scheduling, patient information for the community health record and billing. The Oregon Community Health Information Network (OCHIN, a non-profit technical services organization whose mission is to provide technology solutions to community health centers, and health departments serving the uninsured and under-insured) has received HCAP grants in the past to design, implement and support this technology in community clinics and public health departments in the state of Oregon. Most recently, the County of Santa Cruz and its affiliated federally qualified health centers have been awarded initial and continuing HCAP grants to adopt this same technology utilizing OCHIN.

During the past two years, both CHAP and PPHD have been researching and observing available practice management systems in order to select and implement a common upgraded management information system that could easily be linked so that patients might move easily between the two sites. OCHIN is the sole source provider able to supply the complement of coordinated products necessary to meet the management information system needs identified in the HCAP grant application. Total costs for services and software provided by OCHIN will be close to \$500,000 over the two year grant period. However, CHAP and PPHD will each have contracts with OCHIN and the cost to PPHD in the first grant year will not exceed \$75,000. In addition to HCAP funding for OCHIN, CHAP has received a \$50,000 grant and PPHD has set aside \$180,000 in Information Technology capital project funds.

#### **Match Requirements and Future Funding**

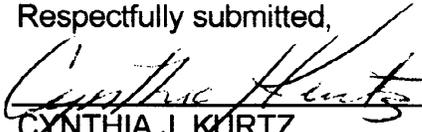
The total project budget for the first grant year is \$1,145,569 of which \$979,947 is the grant award and \$166,622 is in-kind or matching funding. A total of \$51,414 of the in-kind funding will be provided by PPHD through health services realignment dollars, a portion of which has been set aside in the capital project budget for the first grant year. The \$115,208 balance of in-kind funding is being provided by other Consortium members. PPHD will absorb the cost of the non-capital in-kind match funds through salary savings.

The granting agency restricted second year funding requests to 70% of the total award for the first year. Second year funding support in the amount of \$693,891 is recommended by HRSA in the notice of grant award and is subject to the availability of Federal funds next year and satisfactory project performance in the first year. Anticipated Consortium in-kind or matching funds for the second year are \$656,309.

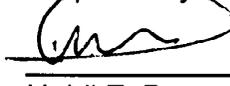
**FISCAL IMPACT:**

As a result of this action, appropriations and estimated revenues in the Public Health Department's FY 2006 adopted budget will be adjusted for a net increase of \$816,623 from \$11,316,004 to \$12,132,627.

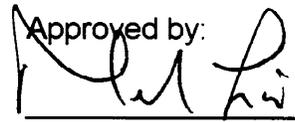
Respectfully submitted,

  
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