

Agenda Report

TO: PASADENA CITY COUNCIL
THROUGH: FINANCE COMMITTEE

DATE: FEBRUARY 26, 2007

FROM: CYNTHIA J. KURTZ, CITY MANAGER

SUBJECT: APPROVAL OF GAP FUNDING FOR PASADENA HEALTHCARE LINK

RECOMMENDATIONS:

It is recommended that the City Council:

- 1) Approve a gap-funding plan through August 31, 2007 for the Pasadena Healthcare Link Project in the total amount of \$407,265 with \$245,212 coming from city revenue sources, \$87,500 from the Consortium Partners and \$74,553 from grants.
- 2) Approve a journal voucher recognizing and appropriating \$100,000 from the General Fund unappropriated fund balance and \$63,475 from the Health Fund unappropriated fund balance to the Healthcare Link Project. The balance of the city's contribution will be included in the recommended fiscal year 2008 budget.

BACKGROUND:

The Pasadena Healthcare Link (PHL) aims to improve access to healthcare for the residents of greater Pasadena. The core service of PHL is a network of Care Managers, located at 6 partner sites, who link callers to much needed medical and dental appointments, refer them to other necessary services, enroll eligible clients in insurance programs, and follow-up to ensure callers received service. The other distinguishing component of PHL is a 24/7 nurse advice line which offers medical evaluations and recommendations to callers, which are followed up on by Care Managers.

Funding for PHL was awarded under the Healthy Communities Access Program (HCAP) of the federal Health Resource Services Administration for a two-year period (September 2005 through August 2007). HCAP was subsequently eliminated from the federal budget; however, unspent funds were carried over through February 2007; six months short of the original funding period.

The total cost for continuing the program through the original grant date of August 31, 2007 is \$407,265. Funding for the gap is recommended to be comprised of:

\$87,500 from Consortium Partners to fund half of the cost of Care Managers
\$74,553 from Grants pledged/awarded
\$150,000 from the General Fund
\$ 95,212 from the Health Fund

This one-time funding will help PHL bridge a gap in funding that is anticipated to extend through August 2007. By then, other resources are expected to be identified and secured, or PHL will be operationally restructured based on available funding. The PHL Consortium has been focusing efforts on securing funding to sustain the project since the project began in September 2005. Under the HCAP funding model, projects are intended to become self-supporting within two to four years. When the second year of HRSA funding was eliminated some of the grant funds were reallocated for a consultant to research potential funding sources, assess PHL's fundability as compared to other grant recipients and suggest fund seeking approaches with the best likelihood of success.

To date, small pockets of funding have been identified. PHL will benefit from grant funding of \$25,000 received by the Community Health Alliance of Pasadena (CHAP) to offset costs of the nurse advice line beginning September 2007. In addition, the nurse advice line vendor has granted 4 months of service at no cost (a value of \$29,544) while utilization continues to grow. The Pasadena Public Health Department (PPHD) has secured a 2 ½ year outreach, enrollment, retention, and utilization grant that will provide partial support in the amount of \$45,006 for City personnel during the gap (March – June \$34,178 and July – August \$10,828).

The Consortium is actively exploring other grant opportunities. Members of the Consortium are applying for five grants totaling \$125,000 to partially support the salaries of Care Managers (the deadline for these applications is March 1). In addition, the Consortium has been invited to meet with a major funder to discuss the project. This meeting is anticipated to occur before the end of February.

The PHL sustainability plan includes a variety of fundraising models, in addition to traditional grants, that are being researched and assessed for proposal and/or implementation before the end of August, 2007:

- Business Sponsorship – following the capital campaign model, City policy makers and business leaders would approach local businesses and solicit sponsorship of the call center to promote a healthy Pasadena.
- PHL Membership “AAA model” – healthcare and related agencies will be invited to pay a membership fee for participation in the Consortium. In return, agencies would have a voice in the planning process and benefit from marketing exposure. Business memberships could be marketed to local businesses that do not offer health insurance to their employees, such as restaurants, and other service industries. Membership fees would be based on the number of employees;

individual participants would be charged a nominal membership fee per person/family. Multiple levels of membership could be offered.

- Fundraiser with a theme – a nonprofit partner would lead an event that offers designer items donated and sold at a large discount to the public. Proceeds would be split between the nonprofit and PHL program. This approach increases visibility of PHL while bringing in needed funds.

The Consortium is considering alternate operating structures for PHL in the event that sustainability funding is not sufficient to fund the current model. Tracking usage patterns, calculating cost savings, gathering qualitative and anecdotal information from callers and documenting enrollment in medical homes and insurance programs will provide the data and information necessary to modify PHL, if necessary. Changes to PHL would require intensive outreach and marketing. While cost savings to PPHD might be realized as the result of modifying PHL, fixed costs of internal services and lease would not be eliminated (\$23,440 annually).

With only five months of activity, the benefits of PHL to the community, especially medical providers and residents, is evident:

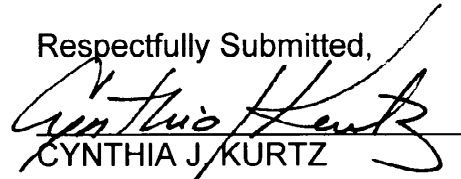
1. Increased call center activity from 30 calls to as much as 247 per month since the center opening on August 15, 2006. Nearly 1000 to date and usage continues to climb.
2. 60% of all calls from the 91103 zip code.
3. Strengthened relationships among service providers. The primary strength of the Pasadena Healthcare Link (PHL) has been its capacity to strengthen and forge sustainable relationships and communication among care providers in the community. Care managers at each agency indicated that the program has increased the efficiency and effectiveness with which they are able to serve clients due to their direct relationship with care managers at other community organizations. Care managers also reported that information is being shared with other non-PHL staff at these agencies. The value that care managers place on their ability to maintain a personal relationship with other service provider staff as well as their willingness and practice of sharing information with other staff members at their agency is an important indicator of network sustainability.
4. Improved Client Data Collection and Tracking.
5. Improved client service efficiency and Reduced Unnecessary ER Usage; significantly decreased wait time for scheduled appointments at referral locations.
6. Clients grateful for receiving prompt service, experiencing significantly reduced wait time for appointments, not having to visit multiple locations or travel far distances for service, not being turned away for services, increased confidence in accessing services, having an increased sense of security being able to contact a person immediately for information, and not having to utilize the emergency room for services. Moreover, clients are referring friends and family members.
7. Provision of a nurse medical advice hotline is a Pasadena first.

8. Referrals made to other non-health related social service providers.
9. 685 patients established in medical homes through PHL.

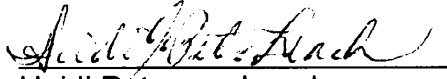
FISCAL IMPACT

Sufficient funds to provide the recommended gap funding are available in the General Fund and the Health Fund.

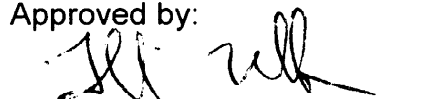
Respectfully Submitted,


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