

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Health	(2) MEETING DATE 8/21/2012	(3) CONTACT/PHONE Jeff Hamm / 781-4719	
(4) SUBJECT Request to approve amendments to the existing agreements with Arroyo Grande Community Hospital and French Hospital Medical Center extending the term of their existing contracts by one year, to provide hospital services to County Medical Services Program patients.			
(5) RECOMMENDED ACTION It is recommended that the Board approve and sign amendments to the existing agreements with Arroyo Grande Community Hospital and French Hospital Medical Center extending the term of their existing contracts by one year, to provide hospital services to County Medical Services Program patients and jail inmates.			
(6) FUNDING SOURCE(S) Realignment & General Fund	(7) CURRENT YEAR FINANCIAL IMPACT \$655,913	(8) ANNUAL FINANCIAL IMPACT \$655,913	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date <u>7/26/2011</u>	
(17) ADMINISTRATIVE OFFICE REVIEW  Reviewed by Leslie Brown			
(18) SUPERVISOR DISTRICT(S) All Districts -			

# County of San Luis Obispo



TO: Board of Supervisors  
FROM: Jeff Hamm, Health Agency Director  
Penny Borenstein, MD, MPH, Health Officer  
DATE: 8/21/2012  
SUBJECT: Request to approve amendments to the existing agreements with Arroyo Grande Community Hospital and French Hospital Medical Center extending the term of their existing contracts by one year, to provide hospital services to County Medical Services Program patients.

## **RECOMMENDATION**

It is recommended that the Board approve and sign amendments to the existing agreements with Arroyo Grande Community Hospital and French Hospital Medical Center extending the term of their existing contracts by one year, to provide hospital services to County Medical Services Program patients and jail inmates.

## **DISCUSSION**

The County has an obligation, through California Welfare and Institutions Code Section 17000 et seq, to ensure the availability of medically necessary health care for County residents who meet Medically Indigent Adult eligibility criteria. This obligation is met through administration of the County Medical Services Program (CMSP). Since 1983, the County has maintained agreements with the four hospitals located in the County to provide emergency, ancillary and in-patient services. These agreements allow the County to fulfill its statutory obligation to CMSP patients, and also facilitate the delivery of medically necessary hospital services to individuals in the custody of the County Sheriff through its Law Enforcement Medical Care (LEMC) program.

Near the beginning of FY 2011-12, the County executed one-year renewal agreements with both Arroyo Grande Community Hospital and French Hospital Medical Center. Those renewal agreements included minor increases in the rates paid by the County for hospital services. Leading into FY 12-13, the two hospital CEOs agreed to one year extensions at current terms.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

County Counsel has reviewed and approved the agreements as to form and legal effect.

## **FINANCIAL CONSIDERATIONS**

The recommended amendment to the existing agreements extends their terms one additional year, to June 30, 2013, with no compensation schedule or other changes.

CMSP and LEMC payments to the two hospitals combined were \$681,707 in FY 2011-12, and are budgeted at \$655,913 for FY 2012-13. Current year payments to Arroyo Grande Community Hospital are expected to be approximately \$311,863, and payments to French Hospital Medical Center are expected to be approximately \$344,050.

Both CMSP and the LEMC program are funded by a combination of State Health Realignment funds and General Fund contribution.

## **RESULTS**

Maintaining agreements with each of the four hospitals in the County helps assure patient access to hospital-based care for residents and inmates for whom the County is legally responsible. Ensuring that the County meets those obligations contributes to the County's efforts to achieve a "Healthy Community."

## **ATTACHMENTS**

1. First Amendment to Agreement with Arroyo Grande Community Hospital
2. First Amendment to Agreement with French Hospital Medical Center