

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

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| (1) DEPARTMENT Behavioral Health | (2) MEETING DATE 7/16/2013 | (3) CONTACT/PHONE Jeff Hamm, Health Agency Director, 781-4719 | |
| (4) SUBJECT Request to approve amendments to existing agreements (Clerk's File) with Arroyo Grande Community Hospital, French Hospital Medical Center, Sierra Vista Regional Medical Center and Twin Cities Community Hospital to provide hospital services to County Medical Services Program patients, to extend the term of the agreements through December 31, 2013. | | | |
| (5) RECOMMENDED ACTION It is recommended that the Board approve and direct the Chairperson to sign amendments to existing agreements with Arroyo Grande Community Hospital, French Hospital Medical Center, Sierra Vista Regional Medical Center and Twin Cities Community Hospital 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 \$1,115,000.00 | (8) ANNUAL FINANCIAL IMPACT \$1,115,000.00 | (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: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A | |
| (14) LOCATION MAP No | (15) BUSINESS IMPACT STATEMENT? No | (16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>12-6-11</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, 781-4719

DATE: 7/16/2013

SUBJECT: Request to approve amendments to existing agreements (Clerk's File) with Arroyo Grande Community Hospital, French Hospital Medical Center, Sierra Vista Regional Medical Center and Twin Cities Community Hospital to provide hospital services to County Medical Services Program patients, to extend the term of the agreements through December 31, 2013.

RECOMMENDATION

It is recommended that the Board approve and direct the Chairperson to sign amendments to existing agreements with Arroyo Grande Community Hospital, French Hospital Medical Center, Sierra Vista Regional Medical Center and Twin Cities Community Hospital 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 contracts with the four hospitals located in the County to provide emergency, ancillary and in-patient services. These contracts 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 the Health Agency's Law Enforcement Medical Care (LEMC) program.

The existing agreements with all four hospitals expired on July 1, 2013. Each of the four have agreed to extend the current agreements, with no change in any other terms, through December 31, 2013. The six month extensions will ensure that CMSP enrolled individuals continue to have access to necessary hospital services through the end of the current calendar year, at which point the Medi-Cal expansion component of federal health care reform is expected to be implemented. The Medi-Cal expansion will significantly reduce the number of individuals who will be eligible for and enrolled in CMSP. In fact, staff expects that, starting in January 2014, the County will be left with such a small residual population eligible for CMSP that the Health Agency will close its current CMSP program and contract with a third party. At this point, CenCal Health is the organization that appears most qualified to provide the services, which will include contracting with providers, including the County's four hospitals. Staff will return to the Board late this summer or early fall with a comprehensive set of recommended actions related to the State's expansion of Medi-Cal.

OTHER AGENCY INVOLVEMENT/IMPACT

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

FINANCIAL CONSIDERATIONS

The recommended amendments include no changes in financial terms. The County will continue to pay all four hospitals a per diem rate of \$1,385. The adopted 2013-14 budget includes the appropriation necessary to cover that expense of these services through the six months covered by the recommended extension of the terms of all four agreements. The CMSP budget includes \$1.05 million to cover the anticipated number of days, emergency room visits, and other ancillary

services for CMSP enrollees, and the LEMC budget includes \$110,000 to cover the costs of the same services for jail inmates.

RESULTS

The recommended amendments extending the terms of the agreements with all four hospitals will allow continued access to hospital based medical services by CMSP patients until the period that most of them will become eligible for Medi-Cal. In fiscal year 2012-13, approximately 3,200 people were enrolled at one point or another in CMSP, and approximately 650 or those received hospital based services. Access to medically necessary hospital services helps achieve the program's mission of ensuring proper access to health care for all medically indigent adults, and helps achieve the County's vision of a safe and healthy community.

ATTACHMENTS

1. Clerks Filed Statement for FY 2013-14 for Four Hospital Agreement Amendments