



SAN LUIS OBISPO COUNTY HEALTH AGENCY

PUBLIC HEALTH DEPARTMENT

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Jeff Hamm
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Public Health Administrator

TO: Board of Supervisors

FROM: Jeff Hamm, Health Agency Director *Jeff Hamm*
Gregory Thomas, M.D., Health Officer/Public Health Administrator *Gregory Thomas*

DATE: July 18, 2006

SUBJECT: Request to: 1) adopt the attached resolution amending the position allocation list for Fund Center 160—Public Health (California Children's Services Program) by adding 1.0 FTE Patient Service Representative and 1.0 FTE Physical/Occupational Therapist II, and 2) approve a corresponding budget adjustment in the amount of \$84,425 from unanticipated revenue (4/5's vote required)

Recommendation

It is recommended that the Board 1) adopt the attached resolution amending the position allocation list for Fund Center 160—Public Health (California Children's Services Program) by adding 1.0 FTE Patient Service Representative and 1.0 FTE Physical/Occupational Therapist II, and 2) approve a corresponding budget adjustment in the amount of \$84,425 from unanticipated revenue (4/5's vote required).

Discussion

The California Children's Services (CCS) program identifies children, from birth through 20 years old, with chronic and disabling medical conditions, which if left untreated are debilitating or fatal. Eligible medical conditions include but are not limited to birth defects, chronic illness, genetic diseases and injuries resulting from accidents or violence. Once identified, CCS provides intensive medical case management and coordinates care to ensure that all participating children obtain necessary, specialized medical treatment and equipment to optimize their health and welfare. Families are low-income and must qualify financially by State criteria. Early and appropriate intervention and treatment provided through CCS improves the outcome for the child, lessens the long-term impact on the family and reduces costs to the County.

California Health and Safety Code and Title 22 of the California Code of Regulations mandate that all children with an eligible condition receive medically necessary therapy services. If

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caseloads remain at current and projected levels through the upcoming fiscal year, at current staffing levels the County's CCS program will not be able to adequately manage the cases and directly provide those medically necessary therapy services. Since state regulations mandate that any eligible child receive the prescribed therapy, we will be required to "vendor out" the services to hospitals and other private providers. In those cases the County will be required to pay the balance of the cost over what the State would have paid if the services had been provided by County PT/OT staff, which ends up being much more than 50% of the cost of the private therapy services. The cost of meeting these mandated service levels in this fashion would greatly exceed the cost of providing the services directly through the addition of the two staff positions recommended.

Over the past five years (since FY 2001-02), caseload has grown over 10%, from 975 to 1075 cases, and is expected to exceed 1100 in FY 2006-07. Not only is the number of eligible children increasing, but so is the complexity of the caseload. Premature newborns are surviving at lower birth weights, with increased PT/OT needs, and other children are increasingly surviving catastrophic injuries due to improvements in pediatric critical care. The program has also experienced a substantial increase in work associated with a new authorization system implemented by the State Children's Medical Services Branch. The system change requires that additional documentation be obtained before service authorizations are issued, and results in an increased amount of documentation generated by the program. All aspects of the program have mandated timelines dictated by the State.

The State Children's Medical Services Plan establishes staffing standards for County CCS Programs. The premise of the staffing standards is that FTE's of administrative and treatment staff equates to program capacity. The CCS County Staffing Standards Profile, issued by the State in April of 2005 for our program, was based on those staffing standards. For Patient Service Representative (PSR) positions, our caseload justifies having between three and four Patient Services Representative positions. We currently employ one (1) full-time Patient Service Representative in CCS. We are requesting an additional full-time position, which would bring our total to 2.0 FTE's. The Health Agency's Public Health Department employs two other Patient Services Representatives, one each in the Child Health and Disability Prevention Program and the AIDS Program.

In August of 2005, the State Therapy Consultant for the Children's Medical Services Branch of the State Department of Health Services conducted a caseload review of our program and determined a caseload of 224 children in the program at any given point in time, requiring an average of 153 hours/week of prescribed therapy. The state staffing analysis referenced above indicates that, based on that caseload, our CCS program should be staffed at 7.50 FTE of staff therapist positions. The State's staffing model is based on a couple of key factors. The first is that 75% of a therapist's time in any given workweek is for providing hands-on therapy—the remaining 25% is for support activities such as patient care documentation, case conferencing, transportation and administrative workload. The second factor is that productive time is substantially less than paid time over a full year, given the existence of paid leave time for holidays, vacation and sick leave. Together, these factors result in the conclusion embedded in

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the State staffing standards that a full-time therapist is available in any given week to provide just over 20 hours of hands-on therapy.

After the 0.25 FTE increase included in the 2006-07 budget, our CCS Program includes the equivalent of 5.50 FTE staff therapists to provide the prescribed physical and occupational therapy daily to the children—a shortfall of 2.0 FTE. At this time, staff is requesting the addition of one full-time Physical/Occupational Therapist II position, which would bring our total to 6.50 FTE's. The 6.5 FTE's will increase our capacity for treatment per week from approximately 112 hours/week to approximately 133 hours/week. While this is still short of the 153 hours of prescribed therapy/week that existed at the time the State evaluated our caseload, staff intends to recruit and fill these two new positions ASAP, and to continue to evaluate our staffing situation to determine the best mix of positions and other possible ways we might further increase our capacity.

Each of these two positions was requested in the Health Agency – Public Health Department's requested 2006-07 budget. It was not made clear during the budget development process, however, that the consequence of failing to add these positions would be that the County would be required to provide the services in a much more costly manner. This issue is addressed further in the Financial Considerations section of this memo.

Other Agency Involvement/Impact

No other agencies are involved in this action. The additional positions will bring the County's program closer to the staffing levels recommended by the State.

Financial Considerations

First year salary and benefit expense (10 months) plus the cost of a PC for the Patient Services Representative position is \$46,014, of which, \$43,484 is funded by the state, leaving a net local cost of \$2,530. For the Physical/Occupational Therapist II position, the first year cost will be \$72,802, of which \$40,941 is state-funded, resulting in a net local cost of \$31,861. Total first year expense will be \$118,816, with offsetting revenue of \$84,425, leaving a net local cost \$34,391. However, Health Agency management staff will do everything they can to ensure that this net local cost is met within the existing amount of General Fund support allocated to the Health Agency for 2006-07. Consequently, the requested budget adjustment is in balance, with both expense and revenue increasing by \$84,425, resulting in no increase in General Fund support. Staff will look for other ways throughout the Agency to decrease costs or increase revenues, or some combination of the two, to come up with the local share of cost.

The recommendation to add staff positions to this program is the most cost effective method of meeting the service level mandates of this program. The alternative to providing the services directly is to purchase the service from private vendors. Just last month, two new patients were evaluated at the Oceano Medical Therapy Unit. One hospital quoted \$200/hour. Note that for services provided by private providers, the State pays 50% of what it would have cost if

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provided by a staff therapist, which is approx. \$26/hour. The balance, approx. \$174/hr, remains a liability to the County.

The County's share of the annual cost of the State standard of 20 hours per week of hands-on therapy provided by a staff therapist (1.0 FTE) is approximately \$45,000. The cost of purchasing 20 hours per week of the same level of therapy services from private providers for a year would be approximately \$175,000. The cost of purchasing these mandated services is considerably more than providing it directly with staff therapists.

Results

The short-term financial results of the recommended action will be to provide the state-mandated therapy services to CCS-eligible children in the most cost-effective fashion possible.

In the broader term, ensuring that the CCS Program is appropriately staffed allows essential case management and treatment services to be provided in the most efficient and effective manner to all eligible children who require them. Without these services, eligible children with chronic or disabling medical conditions will not receive medically necessary services, and their lives will be adversely affected to a significant degree. The California Children's Services Program improves the medical condition of these children, helping the County achieve its desired result of a Healthy Community.

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IN THE BOARD OF SUPERVISORS
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

_____ day _____, 2006

PRESENT: Supervisors

ABSENT:

RESOLUTION NO. _____

RESOLUTION AMENDING THE POSITION ALLOCATION LIST
RESOLUTION FOR FISCAL YEAR 2006-07

The following resolution is hereby offered and read:

WHEREAS, Chapter 2.48, Section 160 of the San Luis Obispo County Code provides that the number of positions and the classifications of said positions allowed within each department shall be established by resolution of the Board of Supervisors; and

WHEREAS, the Board of Supervisors has allowed certain positions through adoption of the County budget for Fiscal Year 2006-07; and

WHEREAS, the position being allocated by this resolution has been reviewed by the Personnel Department and is consistent with job specifications and classifications as provided by the Civil Service Commission, and

WHEREAS, the County Administrator has met with the Personnel Department staff and concurs with the recommended changes.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of San Luis Obispo, State of California, the position allocation for Cost Center 160 Public Health, be amended as follows:

<u>Job</u>	<u>Class Title</u>	<u>From</u>	<u>To</u>
08571	Physical or Occupational Therapist I		
08572	or Physical or Occupational Therapist II	4.00	5.00
08571	Physical or Occupational Therapist I- ¼ Time		
08572	or Physical or Occupational Therapist II- ¼ Time	.50	.50
08538	Patient Services Representative	3.00	4.00

Upon motion of Supervisor _____, seconded by Supervisor _____, and on the following roll call vote, to-wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

The foregoing resolution is hereby adopted:

Chairperson of the Board of Supervisors

ATTEST:

Clerk of the Board of Supervisors

BY: _____ Deputy Clerk

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