

**SAN LUIS OBISPO COUNTY
HEALTH COMMISSION**

Minutes of Meeting

Monday, August 11, 2008 (Board of Supervisors Chambers)

Members Present: Pam Heatherington (Vice-Chair), Jesse Arnold, Penny Chamousis, Ed Guereña, David Odell, Susan Warren, Dawn Williams

Members Absent: Lynn Enns, Chair (excused), Robert Thielscher (excused)

Staff Present: Jeff Hamm, Health Agency Director; Jean White (Recorder)

Speakers: Robert Freeman (CenCal Health); Fred Vernacchia, MD (SLO Medical Association); Kathleen Karle (CMSP)

Agenda Item	Discussion	Action	Who/When
1. Call to Order	Meeting called to order by Vice-Chair Heatherington at 6:02 p.m. Chair Enns absent tonight. Vice-Chair Heatherington introduced new commissioners Jesse Arnold (Consumer) and Dawn Williams (Consumer), who talked briefly about their areas of healthcare concerns.	<i>Call to order Introduction of new Commissioners</i>	<i>Vice-Chair Heatherington</i>
2. Approval of Minutes	Minutes of June 9, 2008 were approved as written. Minutes of July 14, 2008 were approved with two corrections: #8: Pesticide Use Task Force Update: Commissioner Heatherington clarified that the November 2008 agenda will only include updates from local regulatory authorities on pesticide activities (and not the Farm Bureau as was stated). Speakers have all RSPV'd. #9: Proposed Agenda Items Topic for 08/09 - Commissioner Arnold clarified that he will invite Dr. Clint Slaughter to speak on cancer prevention at the March 2009 meeting. (Dr. Slaughter has since confirmed.) He believes Chair Enns plans to invite a representative from the Cancer Society to report on local data.	<i>June minutes approved as written. July minutes approved with corrections.</i>	<i>Odell/Chamousis/All</i>
3. Public Comment	Patty Nolan, California Valley , provided photos that were taken in the past two days of a dust cloud caused by commercial sheep grazing in California Valley. She stated that the Community Services District (CSD) is illegally contracting out for these sheep to graze on private property. Her concern is the Valley Fever in the dust. She noted that every year, 3,000-6,000 sheep are placed in California Valley between March-October and during this time there is an increase in health problems. She stated that in the past 30 days, 5 people have died in California Valley. She is concerned that this is a very high percentage for such a small community and that all of these deaths have occurred in the elderly, who had compromised immune systems. She believes Valley Fever was a contributing factor. Commissioner Arnold and Commissioner Heatherington asked about fencing around private property and if Planning and Public Health have been notified. Ms. Nolan replied that residents are expected to fence in their own property. She has spoken with Planning and the Public Health Department. Planning was unable to help because the contract is through CSD. PH will review number of deaths and suggested she could speak during public comment at the Health Commission, as they have been addressing Valley Fever.		
4. CenCal Health	Robert Freeman, Deputy CEO, CenCal Health presented a Power Point overview of CenCal Health's operation of the MediCal program in San Luis Obispo County. CenCal Health began operations in 1983 as the Santa Barbara Regional Health Authority. They began administering the MediCal program in San Luis Obispo County on March 1, 2008.		

	<p>Mr. Freeman talked about the differences between a County Organized Health System (COHS) and Commercial Plans. CenCal Health is a COHS. MediCal recipients in SLO County are automatically inscribed into their program. All physician care, hospitalist care, pharmacy, and skilled nursing services are covered. Mr. Freeman showed slides listing the programs and services that are covered; their Board of Directors; and their member services. He talked about the CenCal Health Provider network that includes 325 physicians, all four hospitals, and all of the pharmacies and skilled nursing facilities in SLO. CenCal Health has increased reimbursements above State Medi-Cal rates by 25% to hospitals and physicians in SLO County and has expanded access to specialists.</p> <p>Mr. Freeman presented a slide on how their dollars are spent, showing most of the money going to Skilled Nursing Facilities and Inpatient hospital. They expect State revenue to MediCal will be decreased by about 5%, but CenCal Health plans to keep reimbursement levels to their providers the same by absorbing revenue reduction by spending down the plan's reserves to the minimum required by the State. He showed a graph of the timeline in terms of maintaining current payments to MediCal providers. Mr. Freeman provided copies of their annual report.</p> <p><u>Commissioner Questions/Comments:</u> Commissioner Odell asked about their total budget (<i>250 million</i>); and if the 325 physicians that have signed up in SLO includes CHC physicians (<i>yes</i>). Commissioner Arnold asked for definition of some of the acronyms.</p>		
<p>5. View on Access to Care in San Luis Obispo County</p>	<p>Fred Vernacchia, M.D., San Luis Obispo County Medical Association, provided an update and answered questions about access to primary and specialty care in San Luis Obispo County. Dr. Vernacchia explained that SLO County is still short about 48 primary care physicians for the size of the population. SLO County has lost some of their primary care resources to the prison system, because the pay is higher than in private practice. Although SLO County has gained a few specialists, there are still challenges with specialty care, especially with emergency room coverage. The population in SLO County has increased 4% from 2000-2007 and ER visits have gone up 29%.</p> <p>Dr. Vernacchia presented a chart showing how Medicare payments are decreasing, while practice costs are increasing. The biggest problem is with the formula (Sustainable Growth Ratio (SGR)). In 2001, Medicare decreased payments by 5%. Since then, Medicare payments have only increased by a ½ to 1 percent each year, while practice costs have gone up 2-3%. The chart showed the gap growing and that physicians are behind by about 20%. Third party payors follow the payment fee scales set by Medicare.</p> <p>Dr. Vernacchia talked about the challenges retaining physicians in San Luis Obispo with the high cost of living and low reimbursements. He talked about the Medicare Advantage Plan (payments that Medicare pays to private insurance companies that will provide HMO coverage), paying more on HMO plans for taking care of Medicare patients than some fee</p>		

for service people are getting. Dr. Vernacchia explained medical loss ratio and medical cost ratio and that although the State of California requires insurance companies to have at least a minimum of an 80% medical loss ratio, Blue Cross has a medical loss ratio of approx 76-78%, meaning a high percentage of money is not going to patient care, but rather to provide bottom line profits. Dr. Vernacchia suggested this is hard to fix, especially when insurance profits are going up, but a place to start would be by eliminating for-profit corporations in healthcare.

Commissioner Questions/Comments:

Commissioner Arnold asked if the County Medical Association has taken an official stand on single payor healthcare. *(Dr. Vernacchia noted the difference between a single payor system and universal care. He believes many of the physicians are interested in universal care, but have had problems with the Medicare single payor system).*

Commissioner Chamousis commented that she knows of a couple of physician groups that have said “no” to Blue Cross. *(Dr. Vernacchia explained that this would probably be limited to large groups of specialty care, and would be difficult to do countywide.)*

Commissioner Odell asked about the CHAMP (Children’s Health and Medicare Protection) bill that would have taken SCHIP money and redistributed it to those counties that had a rural designation. *(Dr. Vernacchia explained that the bill failed because it would have required taking money away from the Medicare Advantage Plan.)*

Commissioner Guerena asked Dr. Vernacchia his opinion on having one designated trauma center. *(Dr. Vernacchia explained that the Medical Association has discussed the trauma situation in SLO County. He noted the importance of going from a plan to a system to a designation. A plan is needed first to address the best ways to provide the best emergency coverage to patients in the County, ensuring trauma patients will get to the right place, the first time, in the most efficient way.)*

Commissioner Guerena asked how close they were to a plan. *(There is a lot of discussion and collaboration going on. The Medical Association is working as a vehicle for that between the groups of physicians that run the emergency rooms. There is a great spirit of cooperation among physicians, all with a goal to protect the patients.)*

Commissioner Guerena asked if physicians are moving away from MediCal and Medicare and if there is move toward a “concierge” physician service. *(Dr. Vernacchia answered not necessarily “concierge,” but the number of physicians that continue to bill Blue Cross or Blue Shield directly may begin to decrease.)*

Commissioner Warren asked if there is a “gerontologist” in SLO County. *(There is a physician that recently moved to SLO from Bakersfield that does a large amount of gerontology.)*

Commissioner Arnold asked about eliminating for-profits. *(Dr. Vernacchia explained that non-profit insurance companies keep their medical loss ratio higher, putting a higher proportion of the premium into healthcare. He gave an example that Blue Cross puts about 78% dollars toward healthcare; Kaiser puts about 92% into healthcare. The average person stays with their health plan for two years; the average person stays with Kaiser for*

	<p><i>10 years. Kaiser has one of the best preventative healthcare plans of any health insurer.)</i> Commissioner Guerena referenced a website, <i>opensecrets.org</i>, a resource for tracking money in US politics and its effect on elections and public policy. Commissioner Warren referred to an issue in the ERs a few years back with people “cycling through the ERs” when there was a problem with substance abuse (overdose or detoxification). She asked if ER physicians were still seeing this as an issue. (<i>Dr. Vernacchia would have to refer to Dr. Christensen or Dr. Hale.</i>)</p>		
<p>6. County Medical Services Program (CMSP) – Overview of Program</p>	<p>Kathleen Karle, Program Manager, Health Systems Division of the Health Agency, provided a Power Point overview of the County Medical Services Program (CMSP), which was established in 1983 as a program to address W&I code § 17000. This program serves indigent adults, ages 21 through 64, who do not qualify for other government-funded programs. The CMSP program is for people that have a medical need. Undocumented persons cannot be certified in the CMSP program in SLO County, but are referred to CHC, where they will be put on a sliding fee scale for primary and pharmacy care. Ms. Karle provided a slide showing income and asset guidelines. CMSP contracts with CHC to provide all primary medical care, pharmacy and lab services for CMSP patients. CMSP pays Medicare rates. She talked about verification requirements. People are given 21 days to turn in verifications. People do not need a denial letter from MediCal to apply for CMSP. The CMSP office is located at the Health Campus, hours are 8:30-4:00. Phone 781-4839.</p> <p>Ms. Karle talked more about the CMSP caseload and factors affecting caseloads. Aggressive case management and assisting clients to become eligible for MediCal reduces CMSP caseload. Utilization nurses discovered a clause in MediCal regulations this year that allows for expedited approval in MediCal when a client is critically ill and the services they require cannot be provided in their county of residence. Substance dependent individuals are no longer automatically eligible for MediCal/SSI, unless they prove they are permanently disabled. Another thing that has reduced their caseload is that CHC has a healthcare for the homeless program that is funded by federal grants. HIV+ and cancer patients are remaining eligible for CMSP longer due to medical treatment advances, where previously they became disabled and MediCal eligible.</p> <p><u>Commissioner Questions/Comments:</u> Commissioner Odell asked about the amount of their budget. (<i>Their total budget is approximately 3.5 million dollars -- \$523,000 GF; rest from realignment \$\$s.</i>) Commissioner Guerena asked about number of patient contacts per year and if they typically spend 3.5 million dollars per year. (<i>Ms. Karle answered that on an average day about 40 people walk in. Monthly, they see 600-800 people; many are repeat customers. 20-25% of people start the process, but never come in again. Their budget has decreased this year because of the clause they found in MediCal . They normally receive about ½ million dollars in GF Support and were able to “give that back,” which helped keep the general fund contribution to the Health Agency from being higher.</i>) Commissioner Guerena asked if they pay for substance abuse recovery programs. (<i>CMSP</i></p>	<p>Handout: <i>Copy of Power Point Presentation</i></p>	

<p>7. Health Agency Director Report</p>	<p><i>does not pay for substance abuse programs; they only deal with the medical aspects of it.)</i></p> <p>Jeff Hamm, Health Agency Director, provided a brief update on the following:</p> <p><u>State Budget</u>: Continue to wait for final resolution on the state budget. Prop 1A exemption passed in 2004 by California voters precludes the state from taking local revenues from cities and counties to help out the State budget problems, but would allow them to transfer up to a certain percent of the property tax revenues from cities/counties. This would have to be repaid in 3 years, but could amount to 6-7 million dollars for SLO County. Legislation rejected the governor's proposal for reduced Medi-Cal rates for MH services, but rates will probably remain level from last year to this year, which means the Health Agency will be about ½ million dollars under their projected Medi-Cal reimbursement revenues. MH was just notified that they will receive another \$600,000 from MHSA (Prop 63) for technology improvements, but Prop 63 money is only for new services.</p> <p><u>Tobacco Retail Licensing Ordinance</u>: Introduced the ordinance last Tuesday at the Board and it will be brought back to tomorrow's board meeting to be set for public hearing on August 26th. Ordinance will strengthen local law enforcement's ability to enforce the existing law that precludes tobacco retailers from selling tobacco products to minors. This will place an incentive on the owners by consequences of suspending their license. This will also provide a revenue source through a fee on businesses who apply for a license to fund ongoing compliance and education. Three cities already have an ordinance in place. Ordinance would require 3 compliance checks per year.</p> <p><u>Trauma Center Designation</u>: Jeff agreed with Dr. Vernacchia about the need to develop a plan for designing a system. He talked about some of the difficulties and complications that are part of the plan process, noting that everyone involved has the same vision of the best possible system. The EMS Agency is a function of the Health Agency. The Board of Supervisors approved the existing Trauma System Plan in 2004. It will take months on the development of the project plan. There is a Trauma System Plan subcommittee, with representatives from the hospitals, ER groups, and Medical Association, who are meeting regularly. Commissioner Chamousis asked about criteria for determining whether an emergency trauma system makes sense. Jeff noted that they hired a consultant who produced a report that concluded we are close to meeting the requirements for Level 3 Trauma Center, being careful to address areas of concern.</p> <p><u>Animal Services</u>: An option that is being considered is to bring Animal Services back as a division of the Public Health Department of the Health Agency. Another alternative would be a free-standing department. The Administrative Office has been working with stakeholders and interested parties for many months. No determination has been made at this point.</p> <p><u>New Health Officer/Public Health Administrator</u>: Dr. Penny Borenstein will start on September 2nd. Her contract is signed and will be going to the Board on August 26th.</p>		
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	<p><u>Other:</u> Commissioner Heatherington expressed concern about the California Valley complaint. <i>Jeff will gather additional information and forward a brief summary to the commissioners.</i></p> <p>Commissioner Warren questioned increase in number of Hep C – Chronic cases reported on the PH bulletin. 31-40 cases per month Jan-Apr. May jumped to 145, June to 255. Total for 2007 was 356, total to date for 2008 is 550. Jeff will follow up.</p>		
8. Health Commissioner Updates	<p>Chair Update: Chair Enns absent tonight; no report. Commissioner Heatherington: No report. Commissioner Guerena: No report. Commissioner Warren: Reported that Deputy Reid from the Sheriff’s Office spoke at the Drug & Alcohol Advisory Board about the “Re-Entry Facility” and the programs that could be offered. Seven counties were selected; SLO was 8th on the list, but a couple of counties may not meet the requirements. They will know by 9/18 if SLO County will be included. Commissioner Odell: No report. Commissioner Chamousis: Unable to attend the Adult Services Policy Council meeting this month, but will report from the minutes at the next meeting. Commissioner Williams: Attended the Children’s Service Network meeting; they are in the process of setting goals and priorities. Their focus for advocacy will be homelessness, gang activities, teen programs, and mental illness. For action, their focus will be substance abuse and truancy/drop out rates. Commissioner Williams will not be able to attend their next meeting, but will report from the minutes. Commissioner Arnold: Attended his first meeting of the HIV Care Consortium. Met the participants and learned more about the AIDS Support Network, the Syringe Exchange Program, HIV Prevention and Care. The AIDS Support Network has 35 new clients, with a total of 140 people in the program. Commissioner Arnold will be unable to attend the next meeting because of a conflict with the regular meeting of the Health Commission (changed to the 3rd Monday in October due to a holiday).</p>		
9. Committee Reports	<p><u>Legislative Committee:</u> No report. <u>Community Education:</u> No report. <u>Budget:</u> No report. <u>Nominating Committee:</u> Commissioner Odell reported that there are currently two vacancies on the commission. The Nominating Committee will meet this month and bring forward a recommendation on filling the vacancies at the next meeting.</p>		
10. Prospective Future Items	<p><u>September 2008:</u> Child Abuse Prevention / Drug & Alcohol Recovery – Commissioner Warren</p>		
11. Adjournment	Motion to adjourn at 8:10 p.m.	Meeting adjourned	