

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA #: B-10

AGENDA DATE: February 28, 2017

SUBJECT:

Approval to Select and Award a Professional Services Agreement to Pacific Health Consulting Group of San Anselmo, California, for the Comprehensive Health Services Agency Strategic Business and Facility Plan, and Related Actions

BOARD ACTION AS FOLLOWS:

No. 2017-93

On motion of Supervisor Withrow, Seconded by Supervisor DeMartini
and approved by the following vote,

Ayes: Supervisors: Olsen, Withrow, Monteith, DeMartini, and Chairman Chiesa

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

ATTEST: 
ELIZABETH A. KING, Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Chief Executive Office
Urgent Routine

BOARD AGENDA #: B-10

AGENDA DATE: February 28, 2017

CEO CONCURRENCE:



4/5 Vote Required: Yes No

SUBJECT:

Approval to Select and Award a Professional Services Agreement to Pacific Health Consulting Group of San Anselmo, California, for the Comprehensive Health Services Agency Strategic Business and Facility Plan, and Related Actions

STAFF RECOMMENDATIONS:

1. Approve the award of a Professional Services Agreement for development of a comprehensive Health Services Agency Strategic Business and Facility Plan to Pacific Health Consulting Group of San Anselmo, California in the amount of \$306,450.75.
2. Authorize the Project Manager to issue a Notice to Proceed to Pacific Health Consulting Group to initiate the Comprehensive Health Services Agency Strategic Business and Facility Plan work, contingent upon receipt of an executed Agreement and the required Certificates of Insurance.
3. Authorize the Project Manager to negotiate and sign change orders up to \$25,000, consistent with the County's Change Order Policy, subject to the Health Services Agency budget for this work.

DISCUSSION:

On March 22, 2016, the Stanislaus County Board of Supervisors approved the staff recommendation to issue a Request for Qualifications/Proposals (RFQ/RFP) for a Comprehensive Strategic Vision, Business and Facility Plan for the Health Services Agency (HSA).

The County has had a proud 100 plus year history of serving the healthcare needs of the underserved in Stanislaus County, in the past through a County hospital, and over the past two decades, through a series of outpatient clinics. The County HSA provides health care services for those in need.

The Agency is essentially comprised of two service divisions, the Public Health division and the Clinic System, with an Administrative division supporting the Agency's needs.

The Public Health division fulfills County responsibilities under the federally-required Ten Essential Services. The Public Health division recently completed a three-year Strategic Plan in the fall of 2015 as part of the prerequisite work to begin and support their application process to achieve Public Health Accreditation as approved by the Board of Supervisors on December 8, 2015.

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The Clinic System is deliberately a safety net provider system and is comprised of six Federally Qualified Health Center Look-Alike (FQHC-LA) clinics throughout Modesto, Ceres, Hughson and Turlock, offering primary care and Obstetrics and after hours urgent care services to the underserved community.

This FQHC-LA designation was achieved in 2007 after receiving Board of Supervisors approval to apply for this designation on September 13, 2005. This designation required the County to create a Community Health Center Board with specific delegated responsibilities. Approximately 90 percent of the patients served by HSA are covered under one of the two Medi-Cal health plans available to patients in Stanislaus County. Although not part of the FQHC-LA designation, the HSA also operates a Specialty Clinic offering multiple specialties, and a physical rehabilitation clinic, which together serve approximately 14,000 patients annually.

The business model of the FQHC-LA clinics is anchored in a Family Medicine Residency program, such that the physician medical staffing is through a decade long contractual arrangement with the Scenic Faculty Medical Group (SFMG).

The specialty clinics are staffed by community physicians who, although they have their own private practices in the community, have a passion to train the resident physician, which now includes both Family Medicine and Orthopedic residents. The Valley Consortium for Medical Education (VCME) is a non-profit corporation between the County, Doctors Medical Center and Memorial Hospital for the purpose of operating the Physician Training Program in Stanislaus County.

The federal implementation of the Affordable Health Care Act (ACA) has had a significant impact on the healthcare delivery environment – the virtual elimination of the Medically Indigent Adult and a new fiscal arrangement between the State and the Counties as a result, which has been financially beneficial to the County to contain costs.

The future of Health Care is uncertain and strategic visioning and business planning is needed.

The Comprehensive Health Services Agency Strategic Business and Facility Plan

The proposed Comprehensive Health Services Agency Strategic Business and Facility Plan will first focus on a business strategy for the HSA. The scope includes a thorough review of County health system service delivery data, assessments and reports; conducting an "environmental scan" of the local health community services; utilizing successful national or statewide processes demonstrated through best practices implementation to create health care delivery models for patients and clients which integrate multiple service types and methods which will increase the health outcomes of those we serve; identifying organizational approaches to health and human services programs, strategic directions, potential for integration and investments; and interviews with key internal and external stakeholders, and with other comparable California health departments. These analyses will consider how mandated services are delivered; which non-mandated programs are most effective and beneficial to achieve greater access to services and result in a more healthy community. Fiscal analysis and projections will be instrumental in this effort.

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Overall, the outcome of this assessment will be to create a roadmap to the future role, scope of service and goals of county healthcare services, which will include delivery of care, clinical operations, physician Residency training, public health programming including Emergency Medical Services (EMS) needs and structure, and the contracted relationship with Doctors Medical Center and other community healthcare stakeholders.

This critical assessment will also inform a long range facility master planning process. Once the strategic plan has been documented, discussion about Health Services Agency goals and priorities will transition into facilities needs and plans.

The plan will become a guide to specific facility needs to meet the business objectives. County staff has negotiated a contract provision with Pacific Health Consulting Group (recommended Consultant) that will enable the County to seek additional assistance in facilitating the strategic planning process elsewhere in the organization, utilizing the same staff and at the same rates. This optional work could include Behavioral Health and Recovery Services. County staff will return to the Board of Supervisors for further authority for additional work if recommended.

At the time the Board of Supervisors authorized the issuance of the RFQ/RFP for this work, the aging facilities at County Center II (Scenic Drive in Modesto) were continuing to deteriorate. It is important to address the aging structures at the former County Hospital still used for some clinical programs, administration, and support functions of the Agency, including the Central Business Office, the Technology functions and more. The aged buildings frequently require repair, such as the elevators, chiller and boilers, leaking pipes, and failed generator and power systems. The facilities have experienced a series of water damage incidents requiring relocation of staff to temporary locations and resulting in disruption of services. Potential security deficiencies exist due to layout and numerous access points to and within the buildings and there are concerns regarding accessibility.

A major water leak in May, 2016 caused by a failed hot water recirculation line in the former Hospital's Central Unit top floor flooded several floors of the building below, causing significant water damage and closing the entire building during the clean-up. The ongoing closure of the Central Unit required immediate relocation of clinical and immediate client services functions within the Scenic Drive (County Center II) campus, and those moves required that other Health Services Agency functions not directly serving clients be relocated offsite.

California Children's Services (CCS), Child Health and Disability Prevention (CHDP) and Emergency Preparedness (EP) relocated to County Center III Building 1 (adjacent to the County Learning Institute at 921 Oakdale Road). While the CCS and CHDP programs were displaced from the closed former hospital's Central Unit, the EP program had occupied a portion of Building 2 (a wing of the former hospital). Creating vacant space through the move of EP enabled the HSA Finance unit to relocate to that space. The Community Services Agency (CSA) Eligibility staff, which occupied a portion of the water damaged space in the Central Unit temporarily relocated to other CSA facilities, but to meet continued geographic customer needs, was relocated back the HSA Scenic campus within the space vacated by the HSA Finance unit in the 1030 Scenic Drive building.

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The complicated office relocations were necessary to maintain those services best co-located on the Scenic Drive campus, while shifting other services to temporary space off-site. Staff remain concerned that the buildings have exceeded their useful life, particularly the old Hospital building and its adjacent wings. An insurance claim is still being settled and many of the staff and programs continue to occupy temporary locations. Furthermore, re-occupancy of the damaged space would not resolve the inefficient layout, security or accessibility issues without major, costly reconstruction.

The development of a comprehensive Facilities Plan for the Health Services Agency will provide a strategy for development of space resources to efficiently meet the needs of the public and the organization considering the availability of existing facilities and resources; to properly manage property assets more effectively; and to align properties to meet the projected Health Services Agency long-range business goals.

Consultant Selection

The RFQ/RFP for expert consultants to assist the County in creating the Plan was issued on August 26, 2016. County Health Services Agency and Chief Executive Office staff conducted a mandatory pre-proposal meeting on September 23, 2016 that was attended in person or by video conference by seven (7) firms. Four proposals were received by the deadline on October 7, 2016:

- Germaine Solutions
- Health Management Associates
- Pacific Health Consulting Group
- Wipfli - HFS Consultants

A review team comprised of County representatives from Health Services Agency and Chief Executive Office reviewed each of the proposals based on the published criteria including the Consultant's qualifications and experience, proposed approach to the project, performance criteria and history, and the depth of the firm's resources. Specifically, the RFQ/RFP sought experts with relevant strategic and operational experience working with governmental and private healthcare delivery systems that would lead to the development of a strategic vision, business plan and related facility Master Plan.

The result of the written proposal review was to interview the top ranked three firms: Health Management Associates; Pacific Health Consulting Group; and Wipfli - HFS Consultants. The fourth firm, Germaine, scored significantly lower than the top three firms and was thanked and excused from further consideration.

The County Team interviewed the top three respondents on November 30, 2016 and on December 5, 2016. A follow-up video interview with Pacific Health Consulting Group and verification of the consultant's references solidified the Review Team's recommendation to engage Pacific Health Consulting Group.

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This firm has decades of solid, verifiable and successful experience and expertise working with central valley healthcare entities and state wide agencies and has the internal team expertise the County team believes will be instrumental and best qualified for this important planning effort. This group has been successful in many similar efforts throughout the State and is very well regarded for their knowledge, professionalism, talent and engagement—with excellent references. Pacific Health Consulting Group’s knowledge base is broad from solid understanding of statutory requirements, various delivery approaches and best practices in the public health care arena and beyond.

On February 22, 2017, the Board of Supervisors Health Executive Committee, comprised of Supervisors Withrow and DeMartini, reviewed these recommendations in detail and acted to support this recommendation to the Board of Supervisors.

The Founder and Partner in the Pacific Health Consulting Group, Bobbie Wunsch, will be present at the February 28, 2017 Board of Supervisors meeting.

POLICY ISSUE:

Approval of the award of the Comprehensive Health Services Agency Strategic Business and Facility Plan project contract to Pacific Health Consulting Group will result in a long-range view of County health programs and the facilities needed to support those programs.

FISCAL IMPACT:

The final approved budget for Fiscal Year (FY) 2016-2017 for the Health Services Agency/Administration Fund was approximately \$7.5 million. Funds are available in the current year approved HSA budget for the cost of the recommended agreement with Pacific Health Consulting Group in the amount of \$306,450.75. All costs related to the Health Services Agency/Administration Fund are allocated out to other HSA Divisions; hence, there is no impact to the County General Fund.

Cost of recommended action:	\$ 306,451
Source(s) of Funding:	
HSA Appropriations	306,451
Funding Total:	\$ 306,451
Net Cost to County General Fund	\$ -

Fiscal Year:	16/17
Budget Adjustment/Appropriations needed:	No

Fund Balance as of N/A

Approval to Select and Award a Professional Services Agreement to Pacific Health Consulting Group of San Anselmo, California, for the Comprehensive Health Services Agency Strategic Business and Facility Plan, and Related Actions

BOARD OF SUPERVISORS' PRIORITY:

The recommended actions are consistent with the Board of Supervisors' priorities of a providing a Healthy Community and Efficient Delivery of Public Services by supporting the effort for a Comprehensive Strategic Vision, Business and Facility Plan for County Health Responsibilities and Programs.

STAFFING IMPACT:

Staff from the Chief Executive Office, supported by the Health Services Agency will manage and support the proposed Comprehensive Strategic Vision, Business and Facility Plan for County Health Responsibilities and Programs. The study's findings and implementation recommendations will be presented to the Board of Supervisors during 2017.

CONTACT PERSON:

Patricia Hill Thomas, Chief Operations Officer, Telephone (209)-525-6333

Mary Ann Lee, Health Services Agency Director, Telephone (209)-558-7163

ATTACHMENT(S):

1. Professional Services Agreement

ATTACHMENTS AVAILABLE
FROM CLERK

Stanislaus County Board of Supervisors

February 28, 2017

Approval to Select and Award a Professional Services Agreement to Pacific Health Consulting Group of San Anselmo, California, for the Comprehensive Health Services Agency Strategic Business and Facility Plan, and Related Actions

Comprehensive Health Services Agency Strategic Business and Facility Plan

Patricia Hill Thomas

Chief Operations Officer
Stanislaus County

Comprehensive Health Services Agency Strategic Business and Facility Plan

- March 22, 2016, the Stanislaus County Board of Supervisors approved seeking experts through a Request for Qualifications for a Comprehensive Strategic Vision, Business and Facility Plan for the Health Services Agency.
- Stanislaus County has had a proud 100+ year history of serving the healthcare needs of the underserved in the County.
- Services were originally provided by a County Hospital, and now through outpatient clinics serving those in need.
- Public Health functions are largely mandated.

Comprehensive Health Services Agency Strategic Business and Facility Plan

- The Agency provides mandated services for all residents of the County while providing non-mandated services to an estimated 60,000 individuals annually throughout the County, primarily through direct healthcare services and nutrition services.
- Direct patient care is provided through the clinics and a series of partnerships with physician groups, hospitals and VCME (residency consortium.)

Comprehensive Health Services Agency Strategic Business and Facility Plan

- The Federally Qualified Health Center (Look-Alike) structure provides enhanced reimbursement for primary care services.
- Closure of the County Hospital-Inpatient Agreement with Doctors Medical Center expires on November 30, 2017.
- Public Health programs are largely mandated, some office based, some in the field, and includes a Public Health laboratory.
- Currently, the funding is a complex arrangement of State, Federal and other grant and contract funding, and health plan patient service fees.

Comprehensive Health Services Agency Strategic Business and Facility Plan

- The County's General Fund contributes \$5.8 million annually to the Agency, of which \$2.9 million is mandated health realignment match.
- The Affordable Care Act and the State's implementation has had a controlling effect on the County's fiscal exposure for indigent care.
- A Strategic Vision and Business Plan is needed for the future.

Comprehensive Health Services Agency Strategic Business and Facility Plan

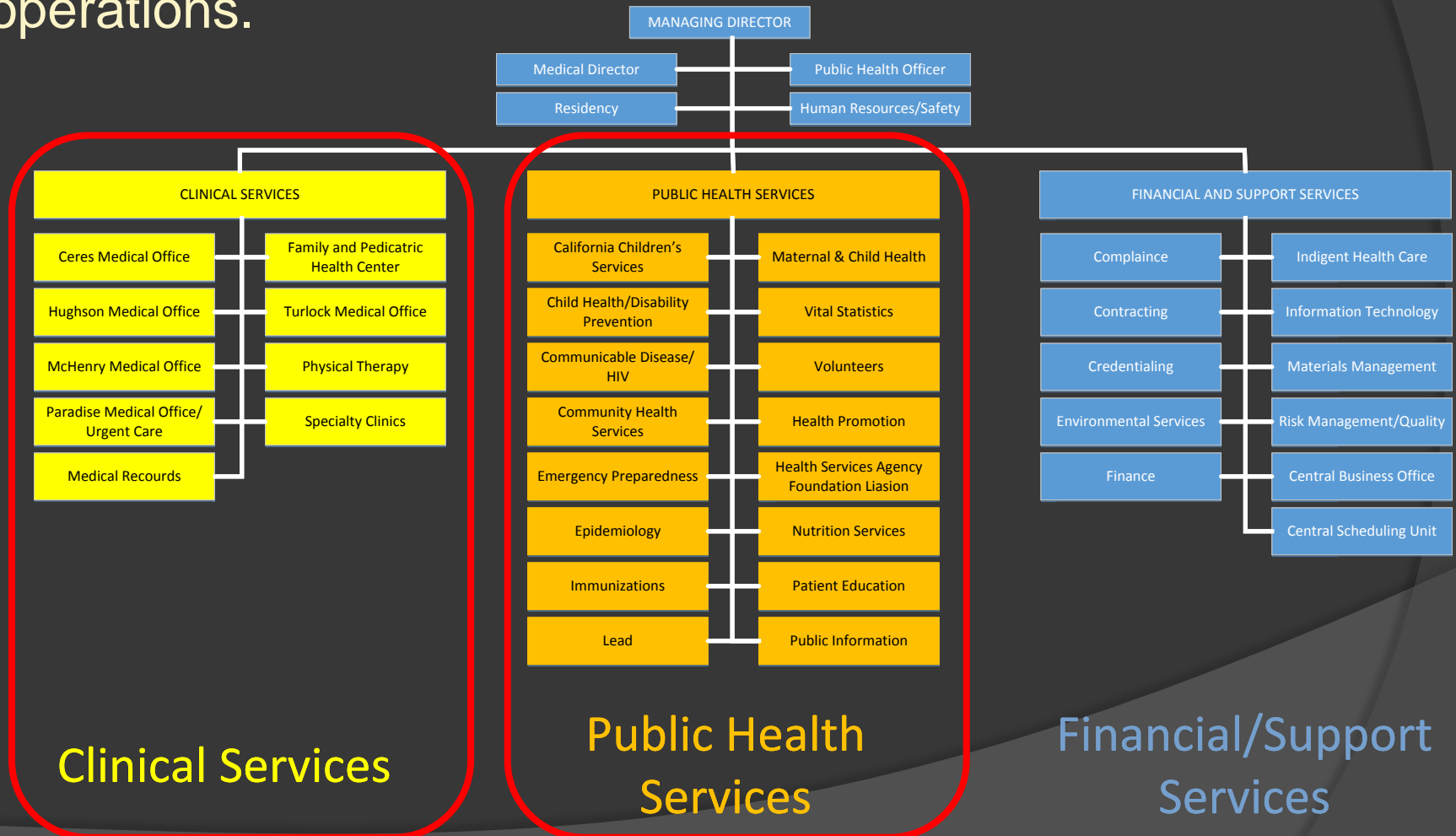
Mary Ann Lee

Managing Director

Stanislaus County Health Services Agency

Comprehensive Health Services Agency Strategic Business and Facility Plan

The Health Services Agency is essentially comprised of two divisions with an Administrative division to support their operations.



Comprehensive Health Services Agency Strategic Business and Facility Plan

Health Services Agency Expenditures and Revenues

Fiscal Year 2016-2017

Annual Revenue

Patient Service Revenue	\$ 37.9 million
State, Federal, Grant, Other Revenue	\$ 37.6 million
County Mandated Match	\$ 2.9 million
County Non-Mandated Contribution	\$ 2.8 million
Total Annual Revenue	\$81.2 million

Annual Expenditures

Salaries and Benefits	\$ 46.0 million
Services and Supplies	\$ 22.0 million*
Other Charges	\$ 11.5 million
Buildings/Equipment	\$ 1.7 million
Total Annual Expenditures	\$81.2 million

* Includes \$ 1.3 million for Residency Program – VCME.

Public Health

- Fulfills County responsibilities to meet Federal and State requirements – the Essential Services:
 - California Children's Services
 - Child Health/Disability Prevention
 - Communicable Disease/HIV
 - Community Health Services
 - Emergency Preparedness
 - Epidemiology
 - Immunizations
 - Lead Poisoning Prevention
 - Vital Statistics
 - Health Promotion
 - Nutrition Services
 - Patient Education
 - Public Information
 - Maternal and Child Health
- Recently completed a three year Strategic Plan to support application for Public Health Accreditation.

Clinic System – Primary Care

- Safety net provider system comprised of six Federally Qualified Health Center Look-Alike (FQHC-LA) clinics:

Modesto	Family and Pediatric Health Center
	McHenry Medical Office
Ceres	Ceres Medical Office
Hughson	Hughson Medical Office
Turlock	Turlock Medical Office
West Modesto	Paradise Medical Office/Urgent Care
- Clinics provide primary care and obstetrics (OB) to the underserved community.

Clinic System

- FQHC-LA designation for the Primary Care clinics was achieved in 2007 and created the Community Health Center Board.
 - 90% of the patients served by Health Services Agency are covered under one of the two Medi-Cal health plans available to patients in Stanislaus County.
- Specialty clinics (physical therapy, orthopedics, etc.) relocated to 1524 McHenry Avenue on February 21, 2017.
- The Family Medicine Residency Program supports physician medical staffing through a decades long arrangement with Scenic Faculty Medical Group (SFMG.)

Clinic System

- The Valley Consortium for Medical Education (VCME) is a non-profit Corporation between the County, Doctor's Medical Center and Memorial Medical Center to provide the physician training program locally.

Affordable Care Act (ACA) Impact

- ACA virtually eliminated the Medically Indigent Adult program by creating a new fiscal arrangement between the State and counties, benefitting Stanislaus County by containing costs.

The future of Health Care is uncertain and strategic visioning and business planning is needed.

Strategic Business and Facility Plan

Will first focus on a business strategy for the Health Services Agency:

- Review of the service delivery data, assessments, and reports.
- Analysis of the expiring Inpatient Services Agreement.
- An “environmental scan” for best practices among health community services and organizational approaches
- Interview of key internal and external stakeholders.
- Development of health care delivery and program models.
- Fiscal analysis and projections.

Strategic Business and Facility Plan

- Comprehensive Health Services Agency Strategic Business Plan will provide a “roadmap” to the future role, scope and goals for County Health Services and Inform the Facility Master Plan
- The Facility Master Plan will also provide a strategic outline to address future facility needs and address the existing, aging infrastructure occupied by Health Services Agency for some clinical program, administration and support services
- Together the Business and Facility Plan will provide a future fiscal course of action for the basis of County Health Services

Strategic Business and Facility Plan

- Health Services Agency occupies about 243,500 square feet of space in 21 facilities County-wide.
- Approximately 92,600 square feet are in leased facilities – mostly for clinic and Women, Infants and Children program spaces.
- The Central Unit of the former hospital at Scenic Drive is mostly vacated (76,600 sq. ft.)
- A portion of the former SCOE Media Center owned by the County in County Center III was occupied by Health Services Agency following the June 2016 flood emergency.

The Consultant Selection Process

- Request for Qualifications/ Proposals was issued on August 26, 2016.
- Seven Firms attended Mandatory Pre-Proposal Conference-Four Proposals Received by Oct. 7, 2016
- Proposals were evaluated based on the published criteria, including relevant strategic and operational experience, government and private healthcare delivery experience, and successful experience in the development of sustainable strategic vision and business strategy and facilities planning.

The Consultant Selection Process

- Top Three Firms Invited to Interview and Follow-up Process and Pacific Health Consulting Group ranked #1 by the County team
- Extensive Background and Reference Checks Results in the Recommendation to select Pacific Health Consulting Group to their extensive, positive expertise in central valley healthcare systems , State Wide experience, knowledge, talent and approach to this important effort
- Cost of the work is \$306,451 and Funded in the Health Services Agency Budget

The Consultant Selection Process

- These recommendations were reviewed in detail with the Board of Supervisor's Health Executive Committee on February 22, 2017.
- The Committee comprised of Supervisors Withrow and DeMartini acted to support these recommendations to the Board of Supervisors.

Comprehensive Health Services Agency Strategic Business and Facility Plan

Bobbie Wunsch

Founder and Partner
Pacific Health Consulting Group

Comprehensive Health Services Agency Strategic Business and Facility Plan

Staff Recommendations:

1. Approve the award of a Professional Services Agreement for development of a comprehensive Health Services Agency Strategic Business Strategy and Facility Plan to Pacific Health Consulting Group of San Anselmo, California in the amount of \$306,450.76.
2. Authorize the Project Manager to issue a Notice to Proceed to Pacific Health Consulting Group to initiate the Comprehensive Health Services Agency Strategic Business and Facility Plan work, contingent upon receipt of an executed Agreement and the required Certificates of Insurance.

Staff Recommendations:

3. Authorize the Project Manager to negotiate and sign change orders up to \$25,000, consistent with the County's Change Order Policy, subject to the Health Services Agency budget for this work.

Stanislaus County Board of Supervisors

February 28, 2017

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