

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

DEPT: Health Services Agency

BOARD AGENDA #: \*B-10

AGENDA DATE: September 19, 2017

**SUBJECT:**

Approval for the Health Services Agency to Submit the Renewal Application for the Federally Qualified Health Center Look-Alike Designation to the Federal Health Resources and Services Administration for a Three Year Period Ending December 31, 2020

**BOARD ACTION AS FOLLOWS:**

**No.**

2017-498

On motion of Supervisor Withrow, Seconded by Supervisor Monteith  
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: PAM VILLARREAL, Assistant Clerk

File No.

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

DEPT Health Services Agency  
Urgent  Routine

BOARD AGENDA #: \*B-10

AGENDA DATE: September 19, 2017

CEO  
CONCURRENCE: phx

4/5 Vote Required: Yes  No

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**SUBJECT:**

Approval for the Health Services Agency to Submit the Renewal Application for the Federally Qualified Health Center Look-Alike Designation to the Federal Health Resources and Services Administration for a Three Year Period Ending December 31, 2020

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**STAFF RECOMMENDATIONS:**

1. Approve the submission of the Health Services Agency renewal application for the Federally Qualified Health Center Look-Alike Designation to the Federal Health Resources and Services Administration for a three year period ending December 31, 2020.
2. Authorize the Managing Director or designee to sign required documents as part of the Federally Qualified Health Center Look-Alike Renewal Designation Application.
3. Authorize the Managing Director or designee to submit future annual recertification applications through the current three-year renewal period that ends December 31, 2020.

**DISCUSSION:**

The Federally Qualified Health Center Look-Alike (FQHC-LA) designation was originally awarded effective September 20, 2007. The Board of Supervisors approved submission of the first FQHC-LA renewal designation application on May 22, 2012. The renewal was approved for a five year period ending on December 31, 2017. On an annual basis, this designation contributes over \$9 million dollars to the Stanislaus County Community Health Centers (Health Services Agency primary care clinics) and 340B discounted drug pricing program.

While numerous detailed requirements exist, the core expectations of the designation center around community need, governance, financial, operational and clinical systems and management. As a Look-Alike designation, the clinics are required to meet all the federal Public Health Service Act Section 330 requirements and receive enhanced funds per Medi-Cal/Medicare visit reimbursement. The Look-Alike designation, however, does not provide additional federal "330 grants" to further offset expenses. The Health Services Agency (HSA) FQHC-LA clinics in Stanislaus County are: Ceres Medical Office; Hughson Medical Office; McHenry Medical Office; Paradise Medical Office/Urgent Care Center; Family and Pediatric Health Center; and Turlock Medical Office.

Approval for the Health Services Agency to Submit the Renewal Application for the Federally Qualified Health Center Look-Alike Designation to the Federal Health Resources and Services Administration for a Three Year Period Ending December 31, 2020

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FQHC-LA entities are now assigned a designation period of three years (instead of five) for which the FQHC-LA designation is valid. As a means of ensuring continued compliance, the federal government requires an annual recertification application.

The renewal designation application is due on October 3, 2017 (See Attachment A: Summary of the FQHC-LA Application). Note: The date was changed by the Health Resources and Services Administration so it does not match the date forecasted in the May 22, 2012 Board Order. The HSA is seeking approval to submit the renewal designation application. The continued FQHC-LA designation and the corresponding revenue and expenses were assumed in the Adopted Proposed Budget for 2017-2018. Additionally, HSA is requesting authority to submit future annual recertification applications, through the period of the renewal designation of December 31, 2020. The annual recertification is supplemental to the three year renewal designation. HSA will return to the Board of Supervisors in advance of each multi-year renewal designation application to seek authority prior to submission.

**POLICY ISSUE:**

For public entities to receive the FQHC-LA designation, the elected governing body must delegate certain authorities to a local "Community Health Center Board". Both the authorities and the board composition are federally prescribed. Under this FQHC model, the County is the Applicant and the Community Health Center Board is the Co-Applicant. The Board of Supervisors acknowledged this requirement in 2006 when it established Chapter 9.90 in the Stanislaus County Code. Approval of this staff recommendation does not change existing policy.

**FISCAL IMPACT:**

The annual net impact of the FQHC-LA designation is over \$9 million in enhanced per visit revenue and 340B prescription drug discounts. The Adopted Proposed Budget for Fiscal Year 2017-2018 for Clinic and Ancillary Division of the HSA totals approximately \$47 million and assumes the continued qualification for the FQHC-LA designation. The designation was originally effective on September 20, 2007, renewed on September 20, 2012, and is applicable to the primary care clinics of the HSA, designated as the "Stanislaus County Community Health Centers".

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<b>Cost of recommended action:</b>		\$ 9,000,000
<b>Source(s) of Funding:</b>		
Division Revenue resulting from FQHC designation	\$ 9,000,000	
<b>Funding Total:</b>		\$ 9,000,000
<b>Net Cost to County General Fund</b>		<u>\$ -</u>

**Fiscal Year:**

2017-2018
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**Budget Adjustment/Appropriations needed:**

No
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**Estimated Fund Balance as of June 30, 2017** \$ 12,453,632

**BOARD OF SUPERVISORS' PRIORITY:**

This recommendation supports the Board of Supervisor's priorities of A Healthy Community, Effective Partnerships and Efficient Delivery of Public Services, as the FQHC-LA designation is the single largest contributing factor to the Agency's ability to financially support the County's clinic system, and supports the Community Health Center Board's priorities.

**STAFFING IMPACT:**

There is no direct staffing impact based on the result of this recommendation. Existing staff will prepare and submit the application to renew the FQHC-LA designation.

**CONTACT PERSON:**

Rebecca Nanyonjo-Kemp, DrPH, HSA Chief Deputy Director. Telephone: 209-558-8045

**ATTACHMENT(S):**

- A) Summary: Federally Qualified Health Center Look-Alike Application for Renewal of Designation Summary

## Attachment A

### Summary of the Federally Qualified Health Center Look-Alike Application (FQHC-LA) for Renewal of Designation

The renewal application to be submitted by the Health Services Agency for the Stanislaus County Community Health Centers is due by October 3, 2017, (ninety (90) days in advance of the expiration of the current designation period (December 31, 2017). The purpose of the renewal application is to demonstrate to the federal Health Resources and Services Administration (HRSA) that the primary care clinic operation continues to meet the requirements of section 330 of the Public Health Service Act.

The actual application is an electronic submission of a voluminous set of template forms in HRSA's "Electronic Handbook". In some cases documents are to be uploaded to support particular forms and other requirements, such as the Community Health Center Board (CHCB) Bylaws and key contracts such as the Professional Services Agreement with Scenic Faculty Medical Group (SFMG). All contracts follow the County policy regarding Board of Supervisor approval including the contract with SFMG.

The following are the key requirement categories of the Federally Qualified Health Center Look-Alike designation for a public entity model.

**Governance** – the federal regulations allow for a public model that preserves much of the "user" majority and other board composition requirements and authorities, while recognizing a public board's obligation to retain particular authorities such as appropriations, labor, fee setting and general county policies. The current County ordinance, the CHCB composition, delegated authorities and on-going operation continues to meet the federal requirements which will be demonstrated through a combination of electronic forms and uploaded documents such as CHCB meeting minutes.

**Community Need** – the applicant must demonstrate a community need by a significant population of underserved and medically vulnerable residents. This is demonstrated through a service area/site map indicating federally designated areas as Medically Underserved Areas and Medically Underserved Populations, through payor data illustrating that over 80% of the clinic system patients are underinsured or uninsured, and through other demographic information of the clinics' patient population including rate/ethnicity, gender, zip code origin, and poverty statistics.

**Financial and Infrastructure Capabilities** – the applicant must demonstrate the infrastructure, policies, leadership, and staffing appropriate to manage the organization in an efficient, effective and compliant manner. Additionally, the submission requires evidence through a variety of required forms and documents, of appropriate business

planning and medical oversight to demonstrate a commitment to quality improvement in operations and clinical performance measures. The clinics' Electronic Medical Record is part of the clinic infrastructure essential to this demonstration. A demonstration of emergency preparedness plans and community collaboration is also required. While the FQHC-LA designation provides for enhanced reimbursement for patients covered by Medi-Cal and Medicare, the designation also requires the clinics to extend a sliding fee schedule to uninsured patients whose income is at or below 200% of the Federal Poverty Level. The current fee scheduled applied to such patients as follows:

Federal Poverty Guidelines - Income	0-100%	101% - 150%	151% - 200%	201% and up
Monthly Income Example Family Size = 3	\$1,702 or less	\$1,703 - \$2,552	\$2,553 - \$3,403	over \$3,403
Amount Due per visit	\$42.00	\$63.00	\$84.00	\$140

Comprehensive Primary Care Services provided – the submission will include the same scope of services provided currently. A table is attached which represents the summary of scope and hours approved by the Community Health Center Board, as required by the FQHC-LA governance requirements. The six primary care locations included in the FQHC-LA designation, currently and intended for this renewal application are as follows:

Ceres Medical Office, 3109 Whitmore Avenue, Ceres

Hughson Medical Office, 2412 3<sup>rd</sup> Street, Hughson

McHenry Medical Office, 1209 Woodrow Ave., Ste. B-10, Modesto

Paradise Medical Office/Urgent Care Center, 401 Paradise Road, Modesto

Family and Pediatrics Health Center, 830 Scenic Drive, Ste. A, Modesto

Turlock Medical Office, 800 Delbon Ave., Ste. A, Turlock

**STANISLAUS COUNTY HEALTH SERVICES AGENCY – PRIMARY CARE CLINICS/COMMUNITY HEALTH CENTERS – May 3, 2017**

CLINIC	ADDRESS	HOURS	SERVICES	ROOMS
Ceres Medical Office (CMO)	3109 Whitmore Ave Ceres	Monday: 8:00am-5:00pm Tuesday: 8:00am-5:00pm Wednesday: 8:00am-5:00pm Thursday: 8:00am-5:00pm Friday: 8:00am-5:00pm Saturday: Closed Sunday: Closed	Comprehensive Primary Care Low Risk OB Perinatal Education/Counseling (CPSP) Family Planning Well Child Care (CHDP) Cancer Detection Program (CDS) Immunizations HIV Clinic Integrated Behavioral Health Medical Education of Family Medicine Residents **Preventative Dental – pending  1/1/16 CHC Board approved adding preventative dental services conditional upon affordable Tenant Improvement (TI) costs, Board of Supervisor approval of lease renewal with amortized TI costs, and HRSA approval of the scope change.	12 Exam 2 Procedure 2 Counseling
Family & Pediatrics Health Center (FPHC)	830 Scenic Drive Suite A Modesto	Monday: 8:00am-5:00pm Tuesday: 8:00am-5:00pm Wednesday: 8:00am-5:00pm Thursday: 8:00am-5:00pm Friday: 8:00am-5:00pm Saturday: Closed Sunday: Closed (During Winter, clinic is open until 6:00pm Monday through Thursday to the extent demand exists.)	Comprehensive Primary Care Low Risk OB Perinatal Education/Counseling (CPSP) Family Planning Well Child Care (CHDP) Cancer Detection Program (CDS) Immunizations Integrated Behavioral Health Medical Education of Family Medicine Residents	23 Exam 1 Procedure 1 Counseling
McHenry Medical Office (MMO)	1209 Woodrow Suite B-10 Modesto	Monday: 8:00am-7:00pm Tuesday: 8:00am-5:00pm Wednesday: 8:00am-5:00pm Thursday: 8:00am-6:30pm Friday: 8:00am-5:00pm Saturday: Closed Sunday: Closed	Comprehensive Primary Care Low & High Risk OB Perinatal Education/Counseling (CPSP) Family Planning, Colposcopy, Sterilization Well Child Care (CHDP) Cancer Detection Program (CDS) Teen Clinic (*Thursday afternoons) Immunizations Integrated Behavioral Health Medical Education of Family Medicine Residents	23 Exam 2 Procedure 5 Counseling

**STANISLAUS COUNTY HEALTH SERVICES AGENCY – PRIMARY CARE CLINICS/COMMUNITY HEALTH CENTERS – May 3, 2017**

<b>CLINIC</b>	<b>ADDRESS</b>	<b>HOURS</b>	<b>SERVICES</b>	<b>ROOMS</b>
Paradise Medical Office (PMO)	401E. Paradise Rd Suite E Modesto	Monday: 8:00am-5:00pm Tuesday: 8:00am-5:00pm Wednesday: 8:00am-5:00pm Thursday: 8:00am-5:00pm Friday: 8:00am-5:00pm Saturday: Closed Sunday: Closed	Comprehensive Primary Care Low Risk OB Perinatal Education/Counseling (CPSP) Family Planning, Colposcopy Well Child Care (CHDP) Cancer Detection Program (CDP) Immunizations, Geriatric Consult Clinic Integrated Behavioral Health Medical Education of Family Medicine Residents	41 Exam 2 Procedure 3 Counseling
Turlock Medical Office (TMO)	800 Delbon Ave Suite A Turlock	Monday: 8:00am-5:00pm Tuesday: 8:00am-5:00pm Wednesday: 8:00am-5:00pm Thursday: 8:00am-5:00pm Friday: 8:00am-5:00pm Saturday: Closed Sunday: Closed	Comprehensive Primary Care Low Risk OB Perinatal Education/Counseling (CPSP) Family Planning Well Child Care (CHDP) Cancer Detection Program (CDP) Immunizations Integrated Behavioral Health Colposcopy	11 Exam 2 Procedure 2 Counseling
Hughson Medical Office (HMO)	2412 3 <sup>rd</sup> Street Hughson	Monday: 8:00am-5:00pm Tuesday: 8:00am-5:00pm Wednesday: 8:00am-5:00pm Thursday: 8:00am-5:00pm Friday: 8:00am-5:00pm Saturday: Closed Sunday: Closed	Comprehensive Primary Care Low Risk OB Perinatal Education/Counseling (CPSP) Family Planning Colposcopy Well Child Care (CHDP) Cancer Detection Program (CDP) Immunizations Integrated Behavioral Health	12 Exam
Urgent Care Center (UCC)	401 Paradise Road Suite E Modesto	Monday: 5:30pm-9:30pm Tuesday: 5:30pm-9:30pm Wednesday: 5:30pm-9:30pm Thursday: 5:30pm-9:30pm Friday: 5:30pm-9:30pm Saturday: 10:00am – 6:00pm Sunday: 10:00am – 6:00pm	Non Emergency Episodic Care	8 Exam 1 Procedure

This schedule is subject to holiday closures.