

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

DEPT: Health Services Agency

BOARD AGENDA: 6.1
AGENDA DATE: April 16, 2024

SUBJECT:

Public Hearing to Consider Elimination of the County Provided Primary Care Services and Physician Training Support at Paradise Medical Office, and the Specialty and Physical Rehabilitation Services and Some Obstetric Services at the McHenry Medical Office

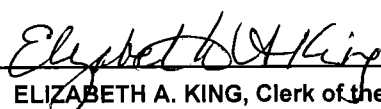
BOARD ACTION AS FOLLOWS:

RESOLUTION NO. 2024-0162

On motion of Supervisor Withrow Seconded by Supervisor B. Condit
and approved by the following vote,
Ayes: Supervisors: B. Condit, Chiesa, Withrow, C. Condit, and Chairman Grewal
Noes: Supervisors: None
Excused or Absent: Supervisors: None
Abstaining: Supervisor: None

- 1) X 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: Health Services Agency

BOARD AGENDA:6.1
AGENDA DATE: April 16, 2024

CONSENT ☐

CEO CONCURRENCE: YES

4/5 Vote Required: No

SUBJECT:

Public Hearing to Consider Elimination of the County Provided Primary Care Services and Physician Training Support at Paradise Medical Office, and the Specialty and Physical Rehabilitation Services and Some Obstetric Services at the McHenry Medical Office

STAFF RECOMMENDATION:

1. Conduct a public hearing pursuant to Section 1442.5 of the Health and Safety Code to consider:
 - a. The elimination of the direct provision of clinical services and operational support of physician residency training by the County Health Services Agency (HSA) at the Paradise Medical Office on, about or before June 30, 2024;
 - b. The elimination of the direct provision of Obstetrician provided obstetrical and gynecological services by the County HSA at the McHenry Medical Office on, about or before June 30, 2024; and
 - c. The elimination of the direct provision of clinical services by the County HSA at the Specialty and Physical Rehabilitation clinics on, about or before June 30, 2024, including Orthopedics, Sports Medicine, Neurosurgery, General Surgery, Diabetic Management, Physical Therapy, Occupational Therapy and Wound Care services.
2. Authorize the Health Services Agency Managing Director or her designee to fulfill the operational activities associated with the implementation of the above recommendations.

DISCUSSION

Historical Background

Stanislaus County has a proud 100-plus year history of addressing the health needs of the County, which has included directly providing healthcare services for the County's underserved population. The HSA serves as the local Public Health Department, and in some cases provides services that go beyond what is required under state law. This has included providing healthcare services in the ambulatory outpatient setting, primarily connected to physician residency training since the 1970s.

Historically, HSA clinic healthcare services acted as a critical primary and specialty care access point for the underserved. The physician residency program became the largest single workforce capacity mechanism for the community's need for Family Medicine physicians, as approximately one-third of the graduating residents stayed to practice in the area. The county's role as a healthcare provider was also driven by its Medically Indigent Adult (MIA) program obligations under Welfare & Institutions Code section 17000, under which the county has a responsibility to provide or arrange for the provision of healthcare for the medically indigent. Although directly operating clinic services was not mandated, the provision of those services fulfilled the non-hospital portion of the indigent services mandate. That obligation remains in State Code, but California's implementation of the federal Affordable Care Act (ACA) and the passage of AB 85 (2013), essentially shifted responsibility for the indigent population to the Medi-Cal program and eliminated the funding source for the county's MIA program. With established Medi-Cal eligibility, the indigent population gained access to the network of Medi-Cal providers, rather than only the HSA clinics.

Growth of the local safety net health care delivery system, most significantly through Federally Qualified Health Centers (FQHCs) such as Golden Valley Health Centers (GVHC) and Livingston Community Health (LCH), has also reduced the community's reliance on the County HSA clinics for outpatient healthcare services. Twenty years ago, 67% of Medi-Cal and indigent enrollees sought primary care through the HSA, including physician residency provided services. The comparative figure was only 8% in the 2022/2023 Fiscal Year. Alternative access has expanded further following the January 1, 2024, addition of Kaiser Permanente as a Medi-Cal Managed Care health plan and healthcare provider in Stanislaus County.

Physician Capacity and Other Workforce Issues Related to the HSA Clinics' Physician Residency Business Model

The Family Medicine Residency program currently sponsored by the Valley Consortium for Medical Education (VCME) has traditionally been the only residency program operating locally. The County originally served as the local sponsoring organization for the program until 2010, when that role was transitioned to VCME, a non-profit 501(c)3 with initially three and more recently four participating organizations. GVHC is the newest member as of March of 2022, joining Doctors Medical Center, Memorial Medical Center, and Stanislaus County. HSA bears part of the financial burden of VCME shortfalls, historically contributing between \$600,000 - \$1.5 million annually.

Funding for residency programs is primarily through Hospitals' Medicare cost reporting, and more recently to a modest degree through Teaching Health Center funding for eligible FQHCs. Notably, two local health systems have been working to develop additional programs, which would potentially compete for future medical school graduates. In addition, the Accreditation Council for Graduate Medical Education (ACGME), which is the accrediting body for all U.S. Physician residency programs, is increasing the required complement and dedicated time of "core faculty" beginning July 1, 2024. This will add pressure on existing physician capacity for patient care services and increase the cost to the VCME, unless other offsets can be made.

Based upon the long-established Physician Residency business model used by the HSA clinic system, physicians (other than resident physicians) have only in rare

circumstances been employed as County employees. Instead, physician staffing for the HSA primary care clinics (except urgent care) has long been through an exclusive contractual relationship with the Scenic Faculty Medical Group (SFMG). SFMG physicians provide healthcare services to HSA clinic patients while also serving as the primary faculty for resident physicians in training.

For decades, the SFMG and the HSA clinics could be described as an integrated operation. SFMG Family Medicine faculty both taught at and exclusively practiced in the HSA clinics. Over the course of the last decade, the growing shortage of and competition for primary care physicians (and other healthcare personnel) has led many faculty group members to leave for other opportunities both in and outside the local area. The resulting reduction in physician availability, coupled with expanded patient access to alternative service providers like GVHC and LCH, resulted in excess facility capacity that drove the Board of Supervisor's policy decision to consolidate some clinics on July 16, 2019 (Res. No. 2019-0464). During that clinic consolidation planning effort, many SFMG members chose to continue practicing at the locations absorbed by LCH. Further, during and since the COVID-19 pandemic, additional SFMG physicians have reduced capacity or departed from the HSA clinics. This has impacted both residency-connected and non-teaching patient care services.

While SFMG has been an integral partner over decades in the delivery of patient care and teaching services, it has now become the norm for SFMG physicians to allocate only one to five half-day clinics per week to the non-teaching clinic services schedule. Patients, including Community Health Center Board members, have shared discontent with limited appointment availability - often weeks or months out - with their selected physician. The HSA primary care sites no longer accept new Family Medicine patients due to difficulties with scheduling availability and related supportive activities. Physicians have varied reasons for pursuing other opportunities including desires to pursue other interests such as providing substance use disorder services, scheduling and scope of practice preferences that are not supported by HSA, and work-life balance concerns. Regardless of the reasons, however, the long-term "integrated" partnership-model operation has faltered, with increasing inefficiencies, compliance/standards of care vulnerabilities and patient inconveniences.

The HSA clinic site most impacted by the lack of primary care physician time is the Paradise Medical Office (PMO). This site essentially has two co-located operations, the Family Medicine Residency program and a non-teaching primary care clinic, both offering primary care services to the underserved community. The PMO site serves as the primary teaching site for the Family Medicine Residency program, with patients being seen by Resident physicians supervised by SFMG faculty physicians. The lack of adequate physician presence is a significant obstacle to the consistent delivery of quality and responsive services to patients. For instance, in the non-teaching clinic operation at PMO, SFMG physicians have been available to see patients only one half day per week, resulting in services being provided almost exclusively through midlevel providers.

VCME has acted to address these physician capacity issues, given the physician residency program requirement for faculty to serve as role models in practice settings that approximate future work environments. During 2023, VCME sought to address the physician capacity issue by leveraging accreditation requirement changes to shift

resources and address shortages. It also engaged in discussions with GVHC, a VCME member organization, regarding teaching interests and opportunities, an issue discussed in more length in the section “VCME and GVHC Contemplation of Alternative Teaching Sites” below.

The workforce shortage issue has not been limited to physicians. The full-time staff vacancy rate of the HSA Clinic division remains higher than the Public Health and Administrative divisions of the HSA. While there has been some improvement, competition for limited healthcare resources has continued to challenge the County HSA clinics, in particular because positions in the clinic operations often require the same skills, licensure, etc., as what’s needed throughout the entire local healthcare community.

In particular, midlevel providers (Nurse Practitioners and Physician Assistants) are instrumental in extending care capacity for our patient population, but these providers look to the oversight and mentorship of physicians – an operational element made more difficult by declining physician capacity. During the pandemic and since, HSA has sought to augment waning physician staffing by contractually arranging through its urgent care provider staffing vendor “Medex,” for additional midlevel providers, and staff also launched a continuous recruitment for Nurse Practitioners in early 2023. Those efforts have not, however, generated improved midlevel staffing.

Capacity Issues for Primary Care Clinics

Overall, the HSA presently has approximately 27,000 Medi-Cal managed care patients assigned to its three primary care sites by the Medi-Cal health plans, of which approximately 20,000 have received services in the past year. Based on recent analysis benchmarking industry standards, the physician and midlevel provider volume currently available in the HSA primary care clinics only has the capacity for approximately 14,000 patients. The workforce capacity challenges coupled with misaligned patient assignment is contributing to the operational challenges of the current clinic system.

Capacity Issues for Specialty Care and Physical Rehabilitation

Specialty care and Physical Rehabilitation clinics have also been impacted by the ongoing staffing issues with contracted physicians and therapists. The physician staffing for these services has long been fully or almost fully reliant on active and retired community physicians (not SFMG) who contribute limited hours, like shifts, to provide outpatient care to the Medi-Cal population. Often those Specialists either did not accept Medi-Cal patients in their private practice or have only a limited capacity in their business model for those patients. Consequently, patients requiring specialty care follow-up often required an additional referral to another specialist. Physician capacity at these clinics has decreased in recent years for at least three reasons: (1) the VCME Orthopedic Residency Program’s teaching clinics have been absorbed into at least one of the private practices of the Orthopedic faculty, (2) the local shortage of Specialists has increased demand on physicians in their own private practices, and (3) retirements or deaths. Arranging access to primary and specialty providers is the responsibility of the Medi-Cal managed care health plans, and those plans have networks of specialist providers locally and due to short supply or specialization, beyond the region.

VCME and GVHC Contemplation of Alternative Teaching Sites

As noted previously, VCME’s recognition of the current physician capacity issues at the

Paradise Medical Office led to discussions in 2023 with GVHC regarding teaching interest and opportunities. Those discussions resulted in VCME's application to ACGME for GVHC to operate a second primary teaching site in Modesto, with the intent of placing all incoming first-year resident physicians at that location and moving some or all of the second-year resident physicians there from HSA's Paradise Medical Office site, with teaching oversight at the second site provided by GVHC teaching-eligible physicians. The ACGME communicated application approval to VCME for this change on February 15, 2024.

There were significant downsides to this approach. It is true that if GVHC were to operate a new Modesto location as a second teaching site, it would add needed physician capacity for the overall program. It would also, however, reduce the Paradise Medical Office's already limited-service capacity by approximately another 50 percent. Moreover, while a second teaching site creates flexibility for VCME in its assignment of clinic sites for residents and ultimately for program expansion, it would likely interrupt patient care services at the Paradise Medical Office location – a medical home base for many patients.

VCME's collaborative efforts with GVHC also, however, revealed the potential for a second alternative: to effectively reassign the existing site of the residency program to GVHC clinics. This would reduce the residency program's dependence on just one faculty medical group, and assignment to the GVHC network of clinics (over 10 in Stanislaus County alone) would give resident physicians broader experience and stronger support, including from GVHC's two incumbent physicians who have each contributed many years to teaching in the current program, and have held program leadership positions.

County staff had extensive discussions with VCME and GVHC to assess these options. These discussions were informed by the considerable problems discussed previously. VCME holds the authority to determine where residency teaching occurs and by which physicians and it intends for GVHC to assume a significant role beginning July 1, 2024. VCME has expressed support for the transition of the Paradise Medical Office primary teaching site to GVHC rather than the launch of a second primary teaching site. For its part, GVHC expressed interest in adding that location to its network of clinics.

VCME and GVHC determined that such a transition would result in the least disruption to both patients and the physician learners. County staff's extensive assessment of the situation and related options led to the same tentative conclusion. Both VCME and GVHC leadership support the transfer of the primary teaching site to GVHC, instead of starting a secondary site and essentially splitting the program operations.

Additional Challenges and Opportunities

The HSA is now faced with the critical challenge of preparing for a role in the State of California's efforts to innovate and transform the Medi-Cal healthcare system, such as the California Advancing and Innovating Medi-Cal (CalAIM) initiative.

CalAIM presents an important example of the challenges HSA faces. CalAIM is a multiyear plan to transform California's Medi-Cal program, to address determinants of health, and to build capacity and facilitate integration between supportive social services and health services. CalAIM will create challenges for the County, but it has also created or enabled many potential new opportunities. For HSA to take full advantage of

these opportunities, the Department will need to fully assess existing operations, staffing needs, resources, and priorities.

These reforms and mandates will require improvements in the integration of Medi-Cal managed care plan services and systems of care within County Departments. HSA staff in coordination with the Chief Executive Office led efforts to thoroughly assess these emerging opportunities and the potential impact and role of the clinic system. The County secured the healthcare consulting services of Health Management Associates (HMA)— a healthcare consulting firm with expertise in the public healthcare and Medi-Cal sector that has assisted HSA for many years. HMA has assisted HSA by providing general regulatory consulting and assistance with the Intergovernmental Transfer federal funding process, the westside healthcare access expansion project and more recently, the CalAIM initiative.

A direct tie-in also exists between CalAIM and the staff recommendation herein. Within a CalAIM related Board Agenda Item of February 14, 2023 (Res. No. 2023-0069), the Board of Supervisors authorized HMA to conduct work associated with the implementation of the CalAIM initiative and related clinic assessment and technical support. HMA assessed the HSA clinics services and organization alternatives through stakeholder key informant interviews including clinic management, contracted providers, physician residency program leadership and Public Health leadership, as well as analysis of operational and financial data and information, HMA's key findings were as follows:

The importance of HSA's role in the physician residency program has waned and a continued role is not advised without significant improvement in joint planning and alignment of goals and objectives.

Aspects of the care delivery and clinic management are in significant need of attention including workforce capacity, care team composition, quality systems and programming, and behavioral health integration.

Existing technology architecture and data systems need upgrading and better support to meet CalAIM requirements. Significant readiness efforts are required to determine appropriate roles and build capacity to implement CalAIM enabled capabilities and opportunities. Efforts needed include staff training and change management competency and engagement, analysis of Enhanced Care Management (ECM), technology upgrades, and a standardized approach to care plan management.

Based on the current challenges and opportunities, staff have developed a strategy to refocus HSA's role and resources to better meet community need while preserving access to care for patients and protecting the Family Medicine physician residency program.

Summary of Overall Recommendations

1. Relinquishment of Current Role with VCME in Providing Services through the Paradise Medical Office and related changes

HSA and Chief Executive Office staff have considered the current circumstances, market conditions, County mandates, and future opportunities. HSA and the Chief Executive Office recommend that the clinic system focus on the provision of strategic primary care services that align with the implementation of the new

Medi-Cal reforms, such as CalAIM, by relinquishing its role with the Family Medicine Physician residency program and in the provision of residency related services such as the Primary Care Paradise Medical Office services, High-Risk Obstetrical services, Specialty and Physical Rehabilitation services.

The following table illustrates the clinic sites and services currently operated by the County HSA, and sets forth the actions proposed by HSA and the CEO:

Site & Type of Services	Assigned Patients (Approximate Annual Patient Counts)	Proposed Action
Family & Pediatric Health Center Primary Care (FQHC-LA) including Pediatrics	9,000	Maintain and improve Family Medicine, Pediatric and Refugee health services
McHenry Medical Office Primary Care including Obstetricians (FQHC-LA)	7,200 (700 <i>Obstetrician</i>)	Maintain and improve Family Medicine services, Eliminate High Risk Obstetrics and Gynecology
Paradise Medical Office Primary Care & Family Medicine Physician Residency Program	11,000	Eliminate as a County provided service, collaborate for service continuity by GVHC at existing site
Specialty Clinic Specialty services and Public Health services	1,700	Eliminate Specialty Services and collaborate for services continuity by GVHC at the existing site, Maintain Public Health services
Physical Rehabilitation Physical and Occupational Therapy, Wound Care	1,100	Eliminate County provision of services, collaborate for services continuity by GVHC at the existing site.

As is noted above, transitioning the Paradise Medical Office operations to GVHC (instead of GVHC launching a second primary teaching site at a different location in Modesto) appears to be the optimal solution, and both VCME and GVHC are in support of this option. Contingent on the Board of Supervisors' approval, and consistent with County values:

- Staff would work diligently with stakeholders to ensure continued access to care with the least possible disruption to patients, including assistance with the transfer of medical records.
- VCME would refrain from moving resident physicians to another site, as GVHC would move its medical and support staff resources into the Paradise Medical Office instead.
- GVHC intends to pursue arrangements with the Specialist physicians currently working at an HSA site to provide continued access to those services, possibly at the current location.
- GVHC is interested in expanding obstetrical and gynecological services to

ensure ongoing capacity and access for patients. Some of these services are already offered at a GVHC location with the same physicians working in the HSA clinic system so would essentially be a location change, with uninterrupted services for patients. These overlapping or duplicative services currently include High Risk Obstetrics and Gynecology, Sports Medicine, and Diabetic Management. GVHC and VCME have expressed a commitment to continue population-targeted services such as the Rainbow clinic, HIV clinic and the Geriatrics clinic.

2. Steps to Improve the Remaining Clinical Operations and Services

To refocus resources and to improve the availability, quality, and accessibility of care at the remaining clinic operations, staff would pursue HMA advised changes including:

- Technology upgrades.
- Revised staffing composition and ratios.
- Deeper integration of behavioral and primary care services.
- Revised contractual agreements.
- Strategic initiatives including CalAIM's Enhanced Care Management readiness.
- Revised operational workflows and clinical processes to support improved care management and transitions of care.
- Leveraging of the FQHC Look-Alike designation to improve systems and access for behavioral health and substance use disorder services.

Additionally, staff will continue current collaborative efforts with the Medi-Cal Managed Care health plans to reduce the number of patients assigned to the County HSA clinics to align with current capacity level.

The remaining services and locations of HSA clinical services would have improved workforce capacity of County employees as those sites would absorb the full-time represented employees from sites where County HSA offered services would be reduced or eliminated. HSA would retain as many part-time extra help and contract employees as possible. Medical staffing of physicians and midlevel providers needed beyond County employment solutions would require negotiations to support the consolidated physical footprint of two primary care locations (reduced from three). Staff would return to the Board of Supervisors with the resulting proposed contractual arrangements.

HSA and the County's Behavioral Health and Recovery Services would assess potential opportunities to integrate behavioral health services and primary care. A collaborative effort could potentially foster an integrated substance use disorder treatment strategy as well. This could improve access to critically needed services in more of a stigma-free environment while leveraging the enhanced reimbursement of the existing FQHC-LA designation. Staff would explore the operational and financial feasibility of the CalAIM ECM for this and potentially other CalAIM populations of focus.

Specifically with respect to the HSA Public Health division, work continues to assess ECM opportunities and data interoperability needs, and the relationship and accountability structure with the managed health care plans to better support the community's needs and improve population health outcomes. HSA will develop plans to take full advantage of emerging opportunities for the HSA Public Health division to partner with the healthcare community and community stakeholders to support advancements in the health of our population of over 550,000 residents. More focus would be applied to moving the Community Health Improvement Plan from concepts to meaningful action. Given both internal and external circumstances, staff encourage pursuit of these scope and relationship opportunities, to reflect a more strategically sound role and corresponding resource allocation.

Providing Information to the Public in Advance of the Hearing

In addition to the required notice posting under the California Health and Safety Code section 1442.5 explained under the "Policy Issue" section herein, staff also held two Information Sessions with stakeholders (March 21, 2024, and April 4, 2024) at the Paradise Medical Office, and published the public hearing notice in the local newspaper and on the HSA website. The website also contains a Frequently Asked Questions document. Information was shared with leadership of over ten local Community Based Organizations, Modesto City Schools, and the Stanislaus County Office of Education. A press release was issued which prompted at least three articles in local newspapers. Upon inquiry by patient phone callers, the HSA Central Scheduling Unit staff shared information.

POLICY ISSUE:

Under the California Health and Safety Code section 1442.5, the Board of Supervisors must hold a public hearing, the notice of which to be posted for not less than 14 days prior, to consider the closure, elimination or reduction of medical services provided by the County. On March 26, 2024, the Board of Supervisors scheduled a hearing to occur during its April 16, 2024, meeting. The attached notice has been posted since March 27, 2024, at HSA clinics and the administrative office, as required, and in both English and Spanish, which contained a telephone number to call for additional information.

FISCAL IMPACT:

The HSA Clinic and Ancillary Division 2024 Adopted Budget is \$43.8 million, which includes \$1.5 million discretionary funding from the County General Fund. Approximately 90 percent of the HSA clinic's patients are Medi-Cal enrollees. The majority of HSA reimbursement for health care services comes through two Medi-Cal managed care health plans. Health Plan of San Joaquin, chosen many years ago as the County's local initiative Medi-Cal health plan, and Health Net, selected by the State as the other health plan for Stanislaus County. Note: Beginning January of 2024, Kaiser Permanente Health Plan also manages a smaller number of Medi-Cal enrollees in the county, however HSA does not have a contract to serve Kaiser patients. While some of the clinic operations have a positive contribution margin, the Clinic division is sustained with the supplemental funding from health plan incentive payments, Intergovernmental Transfer payments, limited grants, and the General Fund contribution. Clinic division expenditures have included contributions to the VCME of approximately \$600,000 to \$1.5 million annually, with the more recent fiscal years on the lower end of the range.

Future levels of financial support are subject to contract negotiations, however the County would maintain its participation in VCME including financial support for at least the next three fiscal years, to support the program through commitments already made to Resident physicians for the three-year program. The clinic system has forfeited at least \$100,000 annually in non-compensable claims due to operational compliance issues such as billing timeliness dependent on timely provider chart completion. Within that estimate is approximately \$64,000 during Calendar Year 2023, related to non-billing compliant issues directly related to the physician residency program. Such financial exposures would be significantly reduced with the recommended role change.

Staff anticipate transition costs and a transfer of yet determined fixed assets to support uninterrupted patient care services and physician training at the Paradise Medical Office location. Included in future budget proposals would be one-time costs to invest in technology and systems capacity building of approximately \$1 million, which could be funded from the HSA fund balance. Staff anticipate potentially offsetting expense increases and revenue decreases associated with these recommendations, such that no additional fiscal recommendations are included.

BOARD OF SUPERVISORS' PRIORITY:

These recommendations are aligned with the Board of Supervisor's priority of *Supporting a Healthy Community and Delivering Efficient Public Services* by refocusing resources and services to better impact the community's health and health outcomes.

STAFFING IMPACT:

If approved, the recommended actions would result in relocation and/or reassignment of full-time represented staff performing the specified services at the named facilities to other positions or workplaces within the HSA Clinic division. This division of the HSA is supported by approximately 180 full-time allocated and filled positions. If the Board of Supervisors approves the staff recommendations and the proposed service eliminations occur, approximately 65 of those 180 full-time employees would need to be relocated. There would not be any anticipated need to implement any reductions in force of full-time represented staff. HSA will continue to assess operational needs as it relates to part-time extra help and contract employees and presently anticipates minimal disruptions to those individuals.

Staff would work with labor representatives and employees in an effort to meet both employee site preferences and operational needs. Staff would work diligently to comply with meet and confer and other Memorandum of Understanding requirements with labor partners. As the remaining HSA sites have been challenged with staffing capacity, absorbing staff that would be impacted by the recommendations would improve those sites' operations and work environments.

The County is committed to fulfilling its obligations, to bargain in good faith with employee organizations representing affected County personnel over the negotiable aspects and/or impacts of the potential actions.

As staff further prepare for the CalAIM opportunities, and work to refocus HSA's role to better address community health, additional staffing needs may be identified. Should that occur and be found financially sustainable, staff would present subsequent corresponding recommendations.

CONTACT PERSON:

Mary Ann Lilly-Tengowski
Managing Director, Health Services Agency

Telephone: 209-558-7163

ATTACHMENT(S):

1. Beilenson Notice Public Hearing - English
2. Beilenson Notice Public Hearing - Spanish



NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that, pursuant to Section 1442.5 of the California Health and Safety Code and other applicable laws, the Board of Supervisors of the County of Stanislaus, State of California, will hold a public hearing regarding the reduction or elimination of certain health and medical services provided by the County. The public hearing will commence on **April 16, 2024 at 6:30 p.m. in the Board Chambers, 1010 10th Street, Modesto, California**, at which time and place all interested persons may appear and be heard. The hearing shall be in accordance with the provisions of Health and Safety Code Section 1442.5.

Those services that are proposed for reduction or elimination are listed on the continuation of this notice on pages following. At any time prior to the time fixed for the hearing, any interested person may file written comments on the proposed action with the Clerk of the Board of Supervisors of the County of Stanislaus. Both oral and written comments will be considered by the Board of Supervisors at the time and place fixed for hearing.

Additional information regarding this hearing may be obtained by contacting the Stanislaus County Health Services Agency at (209) 558-7163, or by writing:

Stanislaus County Health Services Agency
Attention: Administration
P.O. Box 3271
Modesto, CA 95353

THIS NOTICE shall be posted at the entrance to all County health care facilities.

Date: March 26, 2024

Please remove this notice after April 16, 2024, as instructed.



PROPOSED SERVICE LEVEL REDUCTION

Reductions in the level of services that provide medical care to indigent persons are subject to prescribed formal Public Notice and Public Hearings (Health and Safety Code Section 1442.5). This Notice contains the proposed reduction and number of persons affected.

Description of Reduction or Elimination	Anticipated Financial Impact	Number of Persons estimated to be impacted if the recommendation is approved.
Elimination of the direct provision of all healthcare services by Stanislaus County Health Services Agency at the clinic site located at 401 Paradise Road, Modesto, California. The services to be discontinued by the County include comprehensive primary care services, low risk obstetrics, perinatal education/counseling, family planning, well child care, integrated behavioral health, and medical education of Family Medicine Residents.	\$2,290,037	10,199 patients
Elimination of the direct provision of obstetrical and gynecological services provided by Obstetrician/Gynecologists by the Stanislaus County Health Services Agency located at 1209 Woodrow Avenue, Suite B-10, Modesto, California. The services to be discontinued by the County include the outpatient services provided by Obstetricians/Gynecologists including low and high-risk obstetrical services, colposcopy, LEEP and medical education of Family Medicine Residents.	\$921,199	758 patients
Elimination of the direct provision of Specialty and Physical Rehabilitation services by the Stanislaus County Health Services Agency located at 1524 McHenry Avenue, Suite 300, Modesto, California. The services to be discontinued by the County include outpatient Diabetes Management, Neurosurgery, Orthopedics, Sports Medicine, Physical Therapy, Occupational Therapy, Wound Care, all imaging and diagnostic services, and medical education of Family Medicine and Orthopedic Residents.	\$869,715	Specialty Clinic: 1,680 patients Physical Rehabilitation: 1,082 patients

Date: March 26, 2024



AVISO DE AUDIENCIA PÚBLICA

POR EL PRESENTE AVISO, de conformidad con la Sección 1442.5 del Código de Salud y Seguridad de California y otras leyes aplicables, la Junta de Supervisores del Condado de Stanislaus, Estado de California, llevará a cabo una audiencia pública sobre la reducción o eliminación de ciertos servicios de salud y médicos proporcionados por el Condado. La audiencia pública comenzará el **16 de abril de 2024 a las 6:30 p.m. en las Cámaras de la Junta, en la Calle 10, No. 1010, Modesto, California**, en la que todas las personas interesadas podrán comparecer y ser escuchadas. La audiencia se llevará a cabo de acuerdo con las disposiciones de la Sección 1442.5 del Código de Salud y Seguridad.

Los servicios propuestos para reducción o eliminación se enumeran en la continuación de este aviso en las páginas siguientes. En cualquier momento antes de la audiencia, cualquier persona interesada puede presentar comentarios por escrito sobre la acción propuesta al secretario de la Junta de Supervisores del Condado de Stanislaus. Tanto los comentarios orales como los escritos serán considerados por la Junta de Supervisores en el momento y lugar designados para la audiencia.

Para obtener información adicional sobre esta audiencia, puede comunicarse con la Agencia de Servicios de Salud del Condado de Stanislaus al (209) 558-7163, o escribir a:

Stanislaus County Health Services Agency
Attention: Administration
PO Box 3271 Modesto, CA 95353

ESTE AVISO se colocará en la entrada de todas las instalaciones de atención médica del Condado.

Fecha: 26 de marzo de 2024

Por favor, retire este aviso después del 16 de abril de 2024, según las instrucciones.

REDUCCIÓN PROPUESTA DEL NIVEL DE SERVICIO

Las reducciones en el nivel de servicios que proporcionan atención médica a personas indigentes están sujetas a un Aviso Público y Audiencias Públicas formales prescritas (Sección 1442.5 del Código de Salud y Seguridad). Este Aviso contiene la reducción propuesta y el número de personas afectadas.

Descripción de la Reducción o Eliminación	Impacto Financiero Anticipado	Número de Personas estimadas que se verán afectadas si se aprueba la recomendación.
Eliminación de la prestación directa de todos los servicios de atención médica por parte de la Agencia de Servicios de Salud del Condado de Stanislaus en la clínica ubicada en 401 Paradise Road, Modesto, California. Los servicios que el Condado dejará de prestar incluyen servicios de atención primaria integrales, obstetricia de bajo riesgo, educación/asesoramiento perinatal, planificación familiar, atención infantil preventiva, salud conductual integrada y educación médica de residentes de Medicina Familiar.	\$2,290,037	10,199 pacientes
Eliminación de la prestación directa de servicios obstétricos y ginecológicos proporcionados por Obstetras/Ginecólogos por parte de la Agencia de Servicios de Salud del Condado de Stanislaus ubicada en 1209 Woodrow Avenue, Suite B-10, Modesto, California. Los servicios que el Condado dejará de prestar incluyen los servicios ambulatorios proporcionados por Obstetras/Ginecólogos, incluidos servicios obstétricos de bajo y alto riesgo, colposcopia, LEEP y educación médica de residentes de Medicina Familiar.	\$921,199	758 pacientes
Eliminación de la prestación directa de servicios de Especialidad y Rehabilitación Física por parte de la Agencia de Servicios de Salud del Condado de Stanislaus ubicada en 1524 McHenry Avenue, Suite 300, Modesto, California. Los servicios que el Condado dejará de prestar incluyen Manejo de la Diabetes ambulatoria, Neurocirugía, Ortopedia, Medicina Deportiva, Fisioterapia, Terapia Ocupacional, Cuidado de Heridas, todos los servicios de diagnóstico e imágenes y educación médica de residentes de Medicina Familiar y Ortopedia.	\$869,715	Clínica de Especialidades: 1,680 pacientes Rehabilitación Física: 1,082 pacientes



Health Services Agency Clinic Division

April 16, 2024

Health Services Agency (HSA) recommends changing the County's role by discontinuing HSA's operational role in the Family Medicine Physician Residency program and focusing on primary care services, Medical transformation opportunities and strengthening its impact on community health.

...a collaborative role change, not a reduction in services to the community

Process and Transparency

- Under California Health and Safety Code Section 1442.5, the recommended policy decision to eliminate or reduce services requires a public hearing with advance notice.
- On March 26, 2024, the Board of Supervisors set a hearing date of April 16, 2024 to consider the recommendations.
- From March 27, 2024 through April 16, 2024 the required notices have been posted at Health Services Agency healthcare and administrative office entrances.
- Information has additionally been shared in multiple ways including through the social media and website, phone calls, newspaper posting, and in-person Information Sessions.
- The proposed plan was presented to the Community Health Center Board.

Current Health Services Agency (HSA) Clinic Sites



401 Paradise Road



McHenry Medical Office
1209 Woodrow Avenue

Specialty & Physical
Rehabilitation Clinics
1524 McHenry Avenue



Family & Pediatric
Health Center
830 Scenic Drive



Current HSA Clinic System

- Safety Net clinic system – 90% of patients are Medi-Cal enrolled.
- Provide patient care and facilitate training experiences for resident physicians.
 - Primary Care
 - Family Medicine
 - Routine Obstetrical Care
 - Pediatrics
 - High Risk Obstetrics, Gynecology
 - Specialty Care – Diabetic Management, General Surgery, Neurosurgery, Orthopedics, Sports Medicine
 - Physical Rehabilitation – Physical Therapy, Occupational Therapy, Wound Care



Valley Consortium for Medical Education (VCME)

Sponsor of the Valley Family Medicine Physician Residency Program Administers the Residency Program, Assures Accreditation compliance

VCME is a non-profit with participating organizations that provide financial contributions to support the training programs and participate on the Board of Directors.

- Doctors Medical Center
- Golden Valley Health Centers
- Memorial Medical Center
- Stanislaus County

VCME determines teaching sites and faculty

Current Model has grown in complexity

- Primary Care sites are Federally Qualified Health Center Look Alike designated
- County provides location, equipment, systems and primarily support staffing
- Providers are a combination of a contracted medical group, staffing vendor, independent local physicians, and a small number of employees
- Residency Program is sponsored by Valley Consortium for Medical Education (VCME)
 - Teaching physicians are contracted by VCME, while teaching in HSA clinics
 - Resident Physicians are employed by VCME
- Multiple organizations and individuals impacting operations, care, and finances.

Circumstances driving new considerations

- Ongoing physician capacity issues and related workforce challenges
 - Impacting patient services and residency program
 - Cancelled appointments, delayed message response, missed training opportunities
 - Contract limitations and opportunities
 - Demand greater than capacity under present model
- Current model is fragmented and impedes efficiency and performance
- VCME structural growth, gaps and opportunities (and an HSA vulnerability)
 - Viable alternatives for teaching sites for the Family Medicine Residency program

Circumstances driving new considerations (cont'd)

- State Medi-Cal Transformation (CalAIM) opportunities
 - Improving supports for patients to improve health outcomes
 - Strategic opportunities to maximize county role in local safety net healthcare
- Local healthcare delivery system has evolved, more safety net alternatives
- Healthcare and regulatory environment has changed over the years
 - Purpose of county clinic services has evolved, is evolving
 - Reprioritizing resources to focus on strengths and opportunities

Planning Objectives

- Preserve Patient Care Services, preserve continuity and access to care
- Protect Family Medicine Physician Residency program – add physician teacher capacity, improve model
- Strengthen workforce capacity - Align staffing levels with HSA role
- Concentrate resources, focus on primary care and CalAIM opportunities to better meet community need and impact on community health outcomes
- Fiscal Management – No new General Fund expense, Pursue external revenue



Family Medicine services
Physician Residency Training
After-Hours Urgent Care services
11,000 patients assigned, 9,800
actually served
Public Health Immunization Services

Serves as Primary Teaching Site for
Valley Consortium for Medical
Education (VCME)

Paradise Medical Office

401 Paradise Road, Modesto

Recommendation:

County would no longer be the clinic operator.
County staff would be relocated to other HSA sites.

Supporting information:

- Golden Valley Health Center (GVHC) would become the operator and maintain the existing complement of services.
- GVHC is an existing health care provider for both Managed Care Plans
- Patient services would continue at same site.
- VCME would retain Residency program at site.



Orthopedics, Sports Medicine, General Surgery, Diabetic Management, Neurosurgery
Physical & Occupational Therapy, Wound Care
2,800 patients served annually

Serves as Teaching Sites for Valley Consortium for Medical Education (VCME)

Specialty Clinic and Physical Rehabilitation Clinic

Recommendation:

County would no longer be the clinic operator.

County clinic staff would be relocated to other HSA Sites.

Supporting information:

Golden Valley Health Centers would become the operator, maintaining patient care services in place.

VCME retains role to contract for teaching services.



Family Medicine Services – primary care
High Risk Obstetrical, Gynecological
services

- 7,200 patients assigned
- 700 OBGyn patients served annually
- Public Health Women, Infants,
Children (WIC) office

Serves as Teaching Site for High-Risk
Obstetrics for VCME

McHenry Medical Office

1209 Woodrow Avenue, Modesto

Recommendation:

Maintain clinic operations, while
discontinuing High Risk Obstetrics,
Gynecology. Strengthen Family Medicine
services. Maintain WIC services.

Supporting information:

- Golden Valley Health Centers would
absorb the Obstetrician/Gynecologist
Services capacity at its site(s) – neutral
impact on OBGyn services capacity.
- VCME would maintain a teaching services
arrangement through GVHC and/or
others.



Family & Pediatric Health Center (FPHC)



McHenry Medical Office (MMO)

Refocus and Concentrate Resources

- Workforce Capacity improved by relocated staff
- After-hours Urgent Care Services would be added to one or both sites
- Develop care teams, improved operational structure and training and development opportunities
- Enhanced performance measures management – improved health outcomes
- Upgrade Electronic Medical Record system
- Leverage FQHC Look-Alike designation/Explore other opportunities related to CalAIM and/or service gaps to better meet community need

July 1st
timing is
critical –

Residency Program Training Year



Academic Training Year: July 1 – June 30



Family Medicine Residency is a 3-year training program.



Accreditation requires continuity clinic experience at the same location for the 2nd and 3rd training years.



July 1 implementation imperative, to avoid significant adverse impact on patient care services and training.

Patient & Family Medicine Resident Physician impacts

- Continued Patient Care at Paradise Medical Office (PMO), and the Specialty and Physical Rehabilitation clinics with minimal or avoided disruption for patients, some provider changes, new operator.
- Patients could remain as a patient of the Paradise Medical Office or choose a different provider or medical office. HSA & GVHC would work with the Medi-Cal health plans to ensure continuity of services and communications to patients.
- PMO Residency program related patient services would be more consistent, better service for patients and better learning experience for resident physicians.
- Continued Patient Care services for OBGyn patients at a GVHC location.

Patient & Family Medicine Resident Physician impacts continued...

- Resident Physicians would continue training at the Paradise Medical Office location.
- Training would improve due to the added physician teaching capacity.
- Valley Consortium for Medical Education program strengthened
 - Program would not be split into two locations with two clinic operators
 - Opportunities continue for non-GVHC physicians to be faculty – physician “teachers”
 - County continued participation in VCME, support goal of physician retention for community.



Valley Consortium for Medical Education
Family Medicine Residency Program

Dr. Eric Ramos – Designated Institutional Official



GOLDEN VALLEY HEALTH CENTERS
David Quackenbush, CEO

Staffing considerations

- The County would work together to identify labor impacts and honor its meet and confer obligations under applicable law and of Memorandum of Understanding requirements
- Recommendation is contingent upon the County satisfying all bargaining obligations with its labor partners representing Health Services Agency employees.
- Full and Part-time staff of Paradise Medical Office, Specialty, and Physical Rehabilitation clinics would be relocated to other HSA sites
 - Represented – approximately 65 employees
 - Part-time Extra Help – approximately 25 employees (hours may vary)
 - Most Contract employees' services would not be needed in future HSA clinic model (10 of 11 individuals) due to license or certification type/scope

Medical Provider Staffing for FPHC and MMO Sites

- Contracted Physicians and Midlevel providers
 - Contract renegotiations underway with Scenic Faculty Medical Group and Medex, potentially add others
- Nurse Practitioner and Physician Assistant classifications – (Midlevel providers)
 - Continuous recruitment open
- Considering restructure of Medical Leadership to support site care teams

Financial Impact – Estimated as Cost Neutral

Investments required in technology, workforce and systems development

- Considered as one-time expenses – a potential fund balance use

Workforce Capacity would increase staffing cost

- Offset by generated revenue

Cost avoidance and/or Revenue Losses eliminated
(Rent, write-offs, etc.)

- Would offset other cost increases

Cost increases for improved care management, increased access and/or expanded functions

- Offset by increased patient care revenue, potential CalAIM grants and/or health plan incentive funding

Objectives

- ✓ Preserves Patient Care Services – with some Physician and other provider changes
- ✓ Protects Physician Residency program – with more physician teacher capacity within more streamlined model
- ✓ Strengthens workforce capacity - Enables alignment of staffing levels with new role and focus - staff relocated to other HSA sites
- ✓ Empowers HSA clinics to focus on primary care, while leveraging the FQHC-Look Alike designation and CalAIM opportunities to better meet community need and impact on community health

Next Steps, if approved after hearing

- County would fulfill its obligations to bargain in good faith with employee organizations representing affected personnel.
- Identify fixed assets and medical record sharing needed to support uninterrupted services, establish lease and referral arrangements, identify and arrange transitionary supportive services. Return to Board of Supervisors to seek required contractual and financial approvals, as applicable.
- Coordinate with GVHC and VCME on the transition of the operations (facility, teaching and patient care services and records) of impacted sites

Next Steps continued...

- Coordinate with Health Plan of San Joaquin and Health Net, the Medi-Cal Health Plans (MCPs), to assure uninterrupted access to patient services and coordinated patient communications.
- Relocate County staff to remaining HSA sites, assisting with transition needs, and enhancing patient care and care management functions.

Staff Recommendations

1. Conduct a public hearing pursuant to Section 1442.5 of the Health and Safety Code to consider:
 - a) The elimination of the direct provision of clinical services and operational support of physician residency training by the County Health Services Agency (HSA) at the Paradise Medical Office on, about or before June 30, 2024;
 - b) The elimination of the direct provision of Obstetrician provided obstetrical and gynecological services by the County HSA at the McHenry Medical Office on, about or before June 30, 2024; and

Staff Recommendations

- c) The elimination of the direct provision of clinical services by the County HSA at the Specialty and Physical Rehabilitation clinics on, about or before June 30, 2024, including Orthopedics, Sports Medicine, Neurosurgery, General Surgery, Diabetic Management, Physical Therapy, Occupational Therapy and Wound Care services.
- 2. Authorize the Health Services Agency Managing Director or her designee to fulfill the operational activities associated with the implementation of the above recommendations.