



HEALTH SERVICES AGENCY  
ADMINISTRATION

# County of Santa Cruz

## HEALTH SERVICES AGENCY

P.O. BOX 962, 1080 EMELINE AVENUE  
SANTA CRUZ, CA 95061  
(831) 454-4000 FAX: (831) 454-4770

December 27, 2005

**AGENDA: January 24, 2006**

BOARD OF SUPERVISORS  
County of Santa Cruz  
701 Ocean Street  
Santa Cruz, CA 95060

### **SUBJECT: Healthcare for the Uninsured and the MediCruz Program**

Dear Members of the Board:

During 2005 budget hearings, the Health Services Agency (HSA) provided a report to your Board on the issues of funding the indigent healthcare program. The report included information on how the County had partnered with the Health Improvement Partnership Council and received funding from the California Healthcare Foundation to examine the issues associated with specialist access and rising costs. Since then, HSA has received reports from Pacific Health Consulting Group which evaluated the MediCruz program and from George Wolfe, MD which evaluated access to specialty care for indigent clients. These reports have been placed on file with the Clerk of the Board. A summary of the findings in the reports and what steps have been taken since the receipt of those reports is outlined below.

### **Reports & Recommendations:**

The two reports were completed in November and presented to the Indigent Care Committee. This is a sub-committee of the Health Improvement Partnership Council that includes County staff and a broad group of community stakeholders. The report and its recommendations have been the topic of discussion during meetings of both the Indigent Care Committee and the Health Improvement Partnership Council. Given the broad range of recommendations in the reports that touch many areas of healthcare within the community, discussion on the recommendations and how to best proceed are still occurring at this time. HSA will provide your Board with further updates on this topic as these committees determine which recommendations are achievable and will have a positive impact upon indigent healthcare.

The evaluation of MediCruz completed by the Pacific Health Consulting Group was quite detailed and discussed MediCruz program eligibility, rates, operations and infrastructure relative to similar counties. The report's recommendations included:

- Re-negotiation of Hospital rates in a manner similar to other counties;
- Increasing specialist rates to improve access;
- Enhance quality through improving coordination of care with new case management supports between safety net clinics, hospitals, and specialists;

- Partner with another health plan (Alliance or PMG) to deal with infrastructure and administrative capacity problems, and to support utilization review and claims functions with new computer software support;
- Consider new health care district initiative to enhance revenues; and
- Advocate for the State to expand coverage opportunities with the new hospital waiver, which includes \$265,000,000 statewide to expand access for uninsured. (These funds are separate from the set-aside for public and private hospitals.).


The report on Specialist Access by George Wolfe, MD included these recommendations:

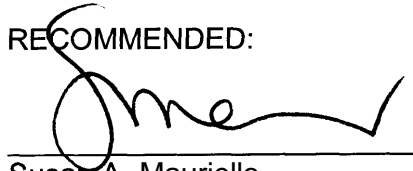
- Continued work on Locality 99 rates for Medicare;
- Enhanced coordination of care with case managers;
- Increased specialist rates to improve access and capacity with specialists;
- Re-negotiation of hospital rates to be similar to other counties;
- Consider tele-medicine capacity with medical centers and phone consults;
- Regular meetings between specialists and safety net clinic providers;
- Use of public health clinic drug pricing to reduce costs of chemotherapy and other expensive treatments; and
- Maintenance of HPSA designation for improved rates and access.

HSA will continue working with the Indigent Care Committee and the Health Improvement Partnership Council on these report recommendations and provide your Board with a report during budget hearings on progress made.

It is, therefore, RECOMMENDED that your Board accept and file this report and direct HSA to report back in budget hearings on implementation progress.

Sincerely,

  
 \_\_\_\_\_  
 Rama Khalsa, Ph.D.  
 Health Services Agency Director

RECOMMENDED:  
  
 \_\_\_\_\_  
 Susan A. Mauriello  
 County Administrative Officer

RK:GK:pb

Attachments: MediCruz Report, Specialist Report (on file with the Clerk of the Board)

cc: County Administrative Office                      Safety Net Clinic Coalition  
 County Counsel    Health Improvement Partnership Council  
 Auditor-Controller    Public Health Commission  
 HSA Administration