



Health Services
LOS ANGELES COUNTY

June 21, 2012

Los Angeles County
Board of Supervisors

Gloria Molina
First District

Mark Ridley-Thomas
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

Christina R. Ghaly, M.D.
Deputy Director, Strategic Planning

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

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Fax: (213) 481-0503

www.dhs.lacounty.gov

To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.



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TO: Supervisor Zev Yaroslavsky, Chair
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM:  Mitchell H. Katz, M.D.
Director

SUBJECT: **NOTIFICATION OF THE DEPARTMENT OF HEALTH SERVICES' USE OF DELEGATED AUTHORITY TO REALLOCATE UNEXPENDED PUBLIC-PRIVATE PARTNERSHIP PROGRAM FUNDS TO THE CLINIC CAPACITY EXPANSION PROJECT CLINICS LOCATED IN SERVICE PLANNING AREA 2**

This is to inform the Board of the Department of Health Services' (Department) intent to exercise its delegated authority, as approved on January 12, 2010 (Attachment I), which permits the Department to "roll forward" any unexpended funds within the Public-Private-Partnership (PPP) Program for expenditure among Clinic Capacity Expansion Program (CCEP) contractors in Service Planning Area (SPA) 2 to maintain equity, to execute amendments to increase the maximum obligation in the amount of \$1 million for the contracts listed on Attachment II for SPA 2 service sites, for the period July 1, 2012 through December 31, 2012. For the current SPA 2 services, funding ends on June 30, 2012.

On February 3, 2009, the Board approved the recommendations by the Chief Executive Office and the Department to implement the CCEP for the PPP Program. The related implementation plan included funding for capital projects/renovations, including equipment, and services that support the development of new and existing clinic sites in under equity SPAs 1, 3, 6, 7, and 8 to address the lack of infrastructure needed to expand capacity to new patients. This action included approval of a \$44.8 million allocation to clinics in the under equity SPAs. At that same time, the Board approved a motion by Supervisor Antonovich to also allocate \$2.7 million in Fiscal Year (FY) 2007-08 unspent PPP Program funds and further to utilize any unspent PPP Program funds from FYs 2008-09 and 2009-10 to maintain the current equity in SPA 2.

Through a review of the PPP Program expenditure data, the Department identified a total of \$2.509 million in FY 2009-10 year-end unexpended funds. On October 4, 2011 the Board approved the Supplemental Budget Resolution that included \$509,281 of these funds to be allocated to CCEP SPA 2 service sites. The remaining \$2 million is included in the Department's FY 2012-13 Budget Request. Of the remaining \$2 million, the Department is allocating only \$1 million as it is anticipated that SPA 2 clinics will not spend more than \$1 million in six months.

Each Supervisor,
June 21, 2012
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The Department conducted its analysis and has made the determination that SPA 2 continues to remain under equity and therefore will distribute \$1 million of the unspent PPP funds as identified in Attachment II. These funds were distributed proportionately in accordance with the Board approved Allocation Methodology considering the SPA 2 provider's: 1) capacity; 2) unmet need in SPA 2; and 3) location of facilities providing services in SPA 2.

If you have any questions please let me know or your staff may contact Dr. Alexander Li at (213) 240-8344.

MHK:ja

Attachments (2)

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors



Los Angeles County
Board of Supervisors

Gloria Molina
First District

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John F. Schunhoff, Ph.D.
Interim Director

Robert G. Splaym, M.D.
Interim Chief Medical Officer

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*To improve health
through leadership,
service and education.*



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January 12, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**CLINIC CAPACITY EXPANSION FOR THE PUBLIC-PRIVATE-
PARTNERSHIP PROGRAM
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval of Fiscal Year 2009-10 Budget Adjustment, and agreements to expand clinic capacity for the Public-Private-Partnership (PPP) program with qualified providers.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the attached Fiscal Year (FY) 2009-10 Budget Adjustment (BA) (Attachment I) for the Department of Health Services (Department or DHS) to reallocate funding from Provisional Financing Uses (PFU) budget unit in the amount of \$15.57 million, which includes \$1.35 million from FY 2007-08 unspent Public-Private-Partnership (PPP) funds to the Department's budget.
2. Delegate the authority to the Interim Director of Health Services (Director), or his designee, to execute agreements with new and existing PPP provider agencies listed in Exhibit I, for the period January 1, 2010 through December 31, 2012, effective upon execution, to expand clinic capacity for the PPP Program to new and existing sites, subject to the prior approval of each agreement by County Counsel (Counsel) and the Chief Executive Office (CEO), at a cost not to exceed \$46 million consisting of \$43.3 million for the period January 1, 2010 through December 31, 2012 and \$2.7 million for SPA 2 agencies for the period January 1, 2010 through December 31, 2010.

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

18 JAN 12 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

3. Delegate authority to the Director, or his designee, to execute amendments to extend the term of any of the aforementioned agreements for an additional period, not to exceed six months at no additional cost, as needed, to accommodate unforeseen delays in an agency's construction process or project implementation, subject to prior review and approval by the CEO and Counsel.
4. Delegate authority to the Director, or his designee, to execute amendments to adjust or reallocate infrastructure funding from agencies and/or projects identified in Exhibit I to other qualified projects as needed, should the Department determine the agencies and/or projects are failing to proceed with the proposed projects as stated, subject to prior review and approval by the CEO and Counsel and notification to your Board.
5. Delegate authority to the Director, or his designee, to execute amendments to increase or decrease service funding for primary and/or specialty care, up to 100 percent of the maximum obligation for each agency agreement and reallocate unused funds between sites and/or agencies should the Department determine such adjustment and/or reallocation will result in better utilization of funds and increase access to services for PPP patients, subject to prior review and approval by the CEO and Counsel.
6. Delegate authority to the Director, or his designee, to execute amendments as needed, to "roll forward" from year to year, within each individual contract budget, funds that are unexpended for primary or specialty care services to permit expenditure within those service categories in the next contract year, beginning with FY 2009-10 through FY 2010-11, subject to prior review and approval by the CEO and Counsel;
7. Delegate authority to the Director, or his designee, to execute amendments to "roll forward" any funds unexpended within the PPP Program for expenditure among Clinic Capacity Expansion Program (CCEP) contractors in Service Planning Area 2 to address equity issues, subject to prior review and approval by the CEO and Counsel.
8. Delegate authority to the Director, or his designee, to execute amendments to revise or add any regulatory or program requirements, subject to prior review and approval by the CEO and Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On February 3, 2009, your Board approved the recommendations by the CEO and the Department to implement the CCEP for the PPP Program. The related implementation plan includes funding of capital projects/renovations, including equipment, and services that will support the development of new and existing clinic sites in under equity SPAs to address the current lack of infrastructure needed to expand capacity to new patients.

Approval of the first recommendation will allow DHS to reallocate funding in the amount of \$15.57 million from the PFU budget unit, previously approved by your Board for this purpose, which includes \$1.35 million from FY 2007-08 unspent PPP funds in order to implement the CCEP under DHS' Office of Ambulatory Care PPP Program and \$.5 million for the Encounter Summary Sheet (ESS) project. The Department will be returning to your Board at a later date with contract recommendations for the ESS project.

Approval of the second recommendation will allow the Director to execute agreements with the agencies listed in Exhibit I, consistent with your Board's approval of the recommendations by the CEO on February 3, 2009, to expand clinic capacity by adding new providers, establishing new sites and expanding existing sites to increase the number of patients serviced under the PPP Program for a one-time, three year funding period.

Approval of the third recommendation will allow the Director to extend individual agreements with any provider agency to accommodate unforeseen delays in the construction process, project implementation, third party funding delays, etc.

Approval of the fourth recommendation will allow the Director to shift infrastructure funds from one agency and/or project to another qualified project(s), where necessary, should any unforeseen event occur where an agency or project cannot, for whatever reason, complete the project as contracted and approved by the Department. This will enable the Department to ensure that funds will be utilized to expand access and not remain encumbered in a project which cannot proceed for any reason.

Approval of the fifth recommendation will allow the Director to assess the service effectiveness of the expansion program at the end of the second year of the program, and reallocate underutilized primary and specialty care service funds to other agencies which have exceeded operational goals and have the capacity to service additional PPP patients.

Approval of the sixth recommendation will allow the Director to roll forward funds in the expansion program to permit individual contractors to maximize their funds for the provision of primary and specialty care.

Approval of the seventh recommendation will allow the Director to roll forward funds within the Public Private Partnership program to maintain SPA 2 equity, if necessary, pursuant to the Board's previously approved Allocation Methodology.

Approval of the eighth recommendation will allow the Director to implement any regulatory or programmatic changes, as necessary.

Implementation of Strategic Plan Goals

The recommended actions support Goal 1, Operational Effectiveness and Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

Expenditures under these agreements will vary from year to year based on the scope of each project and timeline as approved by the Department.

Approval of the attached FY 2009-10 Budget Adjustment to reallocate funding from the PFU budget unit in the amount of \$15.57 million to the Department's budget is being requested for these projects and services, and the ESS project. Subsequent year funding will be requested in future fiscal years. Expenditures over the term of the agreements in any given year will remain within the Department's budgeted appropriation for the program, not to exceed \$46 million over the three year funding term, plus applicable year-end unspent PPP funds to SPA 2 in order to address any issues of inequity.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The agreement format, substantially similar to Exhibit II, has been approved as to form by County Counsel. The agreements contain your Board's required contract provisions including the recently implemented Default Property Tax Reduction Program.

The agreement with each agency will contain individualized scopes of work, project timelines and service measurements in accordance with the specific details of each project as listed in Exhibit I.

CONTRACTING PROCESS

On March 27, 2009, the Office of Ambulatory Care released a Request for Applications (RFA) for agencies seeking to provide primary care services, specialty care services and sought infrastructure funds to build new sites, expand existing sites or purchase equipment to provide services.

There were 47 applications received initially from new providers and existing PPP providers. DHS evaluated 45 applications for a total of 123 projects; 47 new sites and 76 existing sites. Two applications were determined non-responsive or late in Phase I. As set forth in the RFA, only projects which received a score of at least 70 percent in the Phase II evaluation could be considered for funding under the CCEP.

Applicants with projects which did not receive a passing score of 70 percent in Phase II were offered the opportunity to attend an informal debriefing regarding their score(s) and evaluator comments for each project which did not pass Phase II. DHS conducted 14 debriefings for agencies covering 34 projects. Six agencies appealed their Phase II results subsequent to the debriefings. All six appeals were evaluated and final determinations made by the Department; none proceeded to the funding negotiation stage.

The Department conducted 30 simultaneous negotiations for 81 projects with the results contained in the funding recommendations in Exhibit I.

The Honorable Board of Supervisors
1/12/2010
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IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will allow for an expansion of clinic capacity for the PPP program.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John Schunhoff". The signature is fluid and cursive, with a large initial "J" and "S".

JOHN F. SCHUNHOFF, Ph.D.
Interim Director

JFS:kkh

Enclosures

c: Chief Executive Officer
Acting County Counsel
Executive Officer, Board of Supervisors

CLINIC CAPACITY EXPANSION PROJECT
FISCAL YEAR 2012-2013 ALLOCATION - ROLL FORWARD FY 2009-10 PPP UNSPENT FUNDS
 ATTACHMENT II

AGENCY		SITE NAME	SUPV DIST	SPA	PRIMARY ALLOCATION	PPP FY 09/10 FUNDS ROLL FORWARD	REVISED PRIMARY ALLOCATION	SPECIALTY	PPP FY 09/10 FUNDS ROLL FORWARD	REVISED SPECIALTY	TOTAL SERVICES
8.	COMMUNITY HEALTH ALLIANCE OF PASADENA 1855 N. FAIR OAKS AVENUE, STE. 200 PASADENA, CA 91103	PASADENA DEL MAR LAKE	5	3	59,220	0	59,220	11,844	0	11,844	71,064
			5	3	296,100	0	296,100	0	0	0	296,100
			5	3	87,984	0	87,984	0	0	0	87,984
					443,304	0	443,304	11,844	0	11,844	455,148
9.	COMPREHENSIVE COMMUNITY HEALTH CENTER 301 CHEVY CHASE DRIVE, STE. 20 GLENDALE, CA 91205	GLENDALE N HOLLYWOOD	5	2	0	127,652	127,652	0	0	0	127,652
			3	2	0	139,872	139,872	0	0	0	139,872
					0	267,524	267,524	0	0	0	267,524
10.	EAST VALLEY COMMUNITY HEALTH CENTER, INC. 420 S. GLENDORA AVENUE W. COVINA, CA 91790	LA PUENTE POMONA WEST COVINA	1	3	23,688	0	23,688	0	0	0	23,688
			1	3	163,936	0	163,936	0	0	0	163,936
			5	3	161,492	0	161,492	0	0	0	161,492
					349,116	0	349,116	0	0	0	349,116
11.	FAMILY HEALTH CARE CENTERS OF GREATER LOS ANGELES 6501 S. GARFIELD AVENUE BELL GARDENS, CA 90201	BELL GARDENS HAWAIIAN GARDENS MONTEBELLO DOWNEY FAMILY HEALTH CARE CENT	1	7	127,464	0	127,464	0	0	0	127,464
			4	7	43,428	0	43,428	0	0	0	43,428
			1	7	82,720	0	82,720	0	0	0	82,720
			1	7	83,096	0	83,096	0	0	0	83,096
					336,708	0	336,708	0	0	0	336,708
12.	GARFIELD HEALTH CENTER 210 N. GARFIELD AVENUE, STE. 203 MONTEREY PARK, CA 91754	MONTEREY PARK	1	3	40,044	0	40,044	0	0	0	40,044
					40,044	0	40,044	0	0	0	40,044
13.	HARBOR COMMUNITY CLINIC 593 W. 6TH STREET SAN PEDRO, CA 90731	SAN PEDRO	4	8	114,492	0	114,492	0	0	0	114,492
					114,492	0	114,492	0	0	0	114,492
14.	HERALD CHRISTIAN HEALTH CENTER 923 S. SAN GABRIEL BLVD. SAN GABRIEL, CA 91776	SAN GABRIEL	5	3	32,712	0	32,712	0	0	0	32,712
					32,712	0	32,712	0	0	0	32,712

CLINIC CAPACITY EXPANSION PROJECT
 FISCAL YEAR 2012-2013 ALLOCATION - ROLL FORWARD FY 2009-10 PPP UNSPENT FUNDS

ATTACHMENT II

AGENCY		SITE NAME	SUPV DIST	SPA	PRIMARY ALLOCATION	PPP FY 09/10 UNSPENT FUNDS ROLL FORWARD	REVISED PRIMARY ALLOCATION	SPECIALTY	PPP FY 09/10 UNSPENT FUNDS ROLL FORWARD	REVISED SPECIALTY	TOTAL SERVICES
15. JWCN INSTITUTE, INC. 1910 W. SUNSET BOULEVARD STE 650 LOS ANGELES, CA 90026		RITA D WALTERS LEARNING COMPLEX WOMEN HLTH CNTR BELL GARDENS BELL SHELTER NORWALK	2	6	20,304	0	20,304	0	0	0	20,304
16. K. SIVACUMAR MEDICAL CENTER 44215 15TH WEST, SUITE #307 LANCASTER, CA 93534		LANCASTER	5	1	54,708	0	54,708	0	0	0	54,708
17. MISSION CITY COMMUNITY NETWORK, INC. 15206 PARTHENIA STREET NORTH HILLS, CA 91343		NORTH HILLS PACOIMA MIDDLE SCHOOL CLINIC POMONA CENTINELA MEDICAL BUILDING	3	2	54,708	230,770	230,770	0	0	0	54,708
18. NORTHEAST COMMUNITY CLINIC 2550 W. MAIN STREET, STE. 301 ALHAMBRA, CA 91801		ELIZABETH HLTH CNTR GAGE MIDDLE SCHOOL HEALTH CENT WILMINGTON	1	7	0	339,528	569,828	0	0	0	569,828
19. NORTHEAST VALLEY HEALTH CORPORATION 1172 N. MACLAY AVENUE SAN FERNANDO, CA 91340		HOMELESS HC/HOMELESS MOBIL SUN VALLEY VALENCIA	3	2	57,528	0	57,528	0	0	0	57,528
20. PEDIATRIC & FAMILY MEDICAL CENTER dba EISNER 1530 S. OLIVE STREET LOS ANGELES, CA 90015		EISNER	1	4	72,192	0	72,192	0	0	0	72,192
21. POMONA VALLEY HOSPITAL MEDICAL CENTER 1798 N. GAREY AVENUE POMONA, CA 91767		HOLT	1	3	23,688	0	23,688	0	0	0	23,688
					153,408	0	153,408	0	0	0	153,408
					0	56,682	56,682	0	0	0	56,682
					0	30,644	30,644	0	0	0	30,644
					0	32,712	32,712	0	0	0	32,712
					0	120,038	120,038	0	0	0	120,038
					62,040	0	62,040	0	0	0	62,040
					62,040	0	62,040	0	0	0	62,040
					225,600	0	225,600	45,120	0	45,120	270,720
					225,600	0	225,600	45,120	0	45,120	270,720
					225,600	0	225,600	45,120	0	45,120	270,720

CLINIC CAPACITY EXPANSION PROJECT
FISCAL YEAR 2012-2013 ALLOCATION - ROLL FORWARD FY 2009-10 PPP UNSPENT FUNDS
ATTACHMENT II

AGENCY		SITE NAME	SUPV DIST	SPA	PRIMARY ALLOCATION	PPP FY 09/10 UNSPENT FUNDS ROLL FORWARD	REVISED PRIMARY ALLOCATION	SPECIALTY	PPP FY 09/10 UNSPENT FUNDS ROLL FORWARD	REVISED SPECIALTY	TOTAL SERVICES
28.	T.H.E. CLINIC, INC. 3834 S. WESTERN AVENUE LOS ANGELES, CA 90062	T.H.E.	2	6	103,212	0	103,212	0	0	0	103,212
		T.H.E. MOBILE	2	6	57,528	0	57,528	0	0	0	57,528
29.	TARZANA TREATMENT CENTER, INC. 18646 OXNARD STREET TARZANA, CA 91356	LANCASTER WEST VALLEY	5	1	160,740	0	160,740	0	0	0	160,740
			3	2	0	72,286	72,286	0	0	0	72,286
30.	THE CHILDREN'S CLINIC, "SERVING CHILDREN AND THEIR 2790 ATLANTIC AVENUE LONG BEACH, CA 90806	CESAR CHAVEZ ELEMENTARY SCHOOL MULTI-SRV CTR IN L BEACH- HAMILTON MIDDLE SCHOOL THE VASEK POLAK CHILDREN'S CLINIC S. MARK TAPER CHILDREN'S CLINIC	4	8	7,332	0	7,332	0	0	0	7,332
			4	8	23,688	0	23,688	0	0	0	23,688
			4	8	109,980	0	109,980	0	0	0	109,980
			4	8	13,536	0	13,536	0	0	0	13,536
			4	8	123,516	0	123,516	0	0	0	123,516
31.	UNIVERSITY MUSLIM MEDICAL ASSOCIATION, INC 1704 W. MANCHESTER AVE. SUITE 211 LOS ANGELES, CA 90047	UMMA	2	6	278,052	0	278,052	0	0	0	278,052
					150,024	0	150,024	0	0	0	150,024
32.	URDC HUMAN SERVICES CORPORATION 1460 N. LAKE AVENUE, STE. 107 PASADENA, CA 91114	MONROVIA PASADENA	5	3	177,096	0	177,096	0	0	0	177,096
			5	3	211,500	0	211,500	0	0	0	211,500
33.	VALLEY COMMUNITY CLINIC 6801 COLDWATER CANYON AVENUE N. HOLLYWOOD, CA 91605	HOLLYWOOD	3	2	388,596	0	388,596	0	0	0	388,596
					0	152,186	152,186	0	21,353	21,353	173,539
34.	WATTS HEALTHCARE CORPORATION 10300 COMPTON AVENUE LOS ANGELES, CA 90002	WATTS - HLTH CNTR WATTS - JORDAN HIGH SCHOOL WATTS - LOCKE HIGH SCHOOL	2	6	0	152,186	152,186	0	21,353	21,353	173,539
			2	6	134,796	0	134,796	0	0	0	134,796
			2	6	30,456	0	30,456	0	0	0	30,456
			2	6	30,456	0	30,456	0	0	0	30,456
					195,708	0	195,708	0	0	0	195,708

CLINIC CAPACITY EXPANSION PROJECT
 ATTACHMENT II
 FISCAL YEAR 2012- 2013 ALLOCATION - ROLL FORWARD FY 2009-10 PPP UNSPENT FUNDS

AGENCY		SITE NAME	SUPV DIST	SPA	FY 2012-13 ALLOCATION - JULY 1, 2012 THROUGH DECEMBER 31, 2012						
					PRIMARY ALLOCATION	PPP FY 09/10 UNSPENT FUNDS ROLL FORWARD	REVISED PRIMARY ALLOCATION	SPECIALTY	PPP FY 09/10 UNSPENT FUNDS ROLL FORWARD	REVISED SPECIALTY	TOTAL SERVICES
35.	WESTSIDE NEIGHBORHOOD CLINIC 2125 SANTA FE AVENUE LONG BEACH, CA 90810	LONG BEACH	4	8	35,532	0	35,532	0	0	0	35,532
36.	WILMINGTON COMMUNITY CLINIC 1009 N. AVALON BOULEVARD WILMINGTON, CA 90744	MARY HENRY WILMINGTON	2	8	35,532	0	35,532	0	0	0	35,532
			4	8	23,688	0	23,688	0	0	0	23,688
					75,012	0	75,012	0	0	0	75,012
					98,700	0	98,700	0	0	0	98,700
					\$6,480,266	\$978,728	\$7,458,994	\$87,634	\$21,353	\$108,987	\$7,567,981