

**Sustainability Audit of the Contra Costa County
Regional Medical Center and Health Centers
*Frequently Asked Questions***

What is the purpose of this report?

The goals of the audit are to develop policy options for Supervisorial consideration that will support the financial and programmatic sustainability of Contra Costa County's health care system, including the County's hospital and medical centers, and to ensure we have an effective and efficient delivery of medical services for County residents in conjunction with the implementation of health care reform. The report assumes that health care reform legislation continues to be implemented and all policy options, data and projections are based on that assumption.

Who authorized the report?

The Contra Costa Board of Supervisors, approving a recommendation from the County Administrator, authorized the audit in October of 2009, awarding the contract in January of 2011.

How much did it cost?

The contract amount is \$390,000.

Who performed the audit?

The highly respected firm of Health Management Associates (HMA) was contracted to do the research, interviews, analysis and development of options to be considered by the Board of Supervisors. Staff in the County Administrator's Office and the Health Services Department worked with HMA to provide data and information for the final report. HMA was selected through a competitive bidding process.

When will the details be released?

All of the materials from the audit will be accessible from a link on the home page of the County's website Friday, September 16, 2011, at www.contracosta.ca.gov.

With budget cuts causing many Contra Costa County departments to reduce staffing and services, why didn't the study look at the possibility of allowing hospital and medical services to be absorbed by the private sector?

The audit did pose that question, but found that a significant lack of primary care service and hospital bed space outside the County system makes abandoning the current public hospital and clinic model impossible. In addition, counties remain legally responsible to provide care. For many services counties deliver, they are acting as agents of the state, providing services mandated by law from the State of California. This scenario is true for medical care; counties are required to provide health services to

their most vulnerable residents. We do have options regarding how those services are delivered and made available to county residents, and this audit will help guide the Supervisors' policy decisions about future service delivery and the design of the system.

What are some of the major findings of the audit?

With federal health care reform on the horizon via the Affordable Care Act, the consultants find Contra Costa County is positioned well to take advantage of the opportunities the Act will provide to enhance health care for county residents who are uninsured or under-insured.

Programmatic and policy options identified throughout the report can add to the system's sustainability. Crucial next steps, including such things as implementation of electronic medical records and the Patient-centered Medical Home, are highlighted in the audit.

The Health Services Department has done an excellent job of identifying and maximizing federal funding opportunities, consistently looking for ways to make the system as sustainable as possible and diminishing dependence on General Fund revenue. Consequently, the study found few new ideas for sources of revenue that had not already been utilized.

The General Fund Budget for the Hospital, Health Centers and Health Plan has been reduced by approximately \$21.4 million over the past four years. These reductions are the result of cost controls and work improvements in the Department, excellent utilization of all available outside revenue sources and actions by the Board of Supervisors and County Administration in setting the Departmental budget.

In 2009, there were 154,000 uninsured residents in Contra Costa County. This number is projected to be reduced to as few as 41,000 residents in 2014. More information on this impact of the Affordable Care Act in the County can be found in the Report on pages 45-49.

It is doubtful that our public health care system alone will be able to meet future medical needs of vulnerable populations in Contra Costa County without assistance from the private sector. Public/private partnerships will continue to need exploration and development when health care reform provides access to care for people who will be newly or more adequately insured and those who remain without insurance coverage.

What happens next?

The Sustainability Audit will be presented to the Medical Services Joint Conference Committee of the Board of Supervisors on Wednesday, September 28, 2011, at 12:30 p.m., at the Contra Costa Regional Medical Center Campus in the Martinez Health Center/Building 1 North Conference Room, at 2500 Alhambra Avenue, Martinez. On Tuesday, October 4, 2011, the report will be presented to the full Board of Supervisors at 10:30 a.m. That presentation will take place during the Board's regular business meeting at 651 Pine Street in Martinez.

Many policy and program options in the design of the County's system are presented for Board consideration. Meetings regarding these options will continue to be publicly noticed in advance.

Background Information about the Contra Costa County Regional Medical Center and Health Centers

Contra Costa Regional Medical Center is a general acute care teaching facility. The 166 licensed bed center provides a full range of diagnostic and therapeutic services, including medical/surgical, intensive care, emergency, prenatal/obstetrical, and psychiatric services. Ancillary services include pharmacy, rehabilitation, medical social work, laboratory, diagnostic imaging, cardiopulmonary therapy and ambulatory care surgery service. The licensed basic emergency room provides medical and psychiatric evaluation/treatment of urgent cases.

The ten ambulatory care Health Centers provide a wide variety of services. Strategically located in parts of east, west and central Contra Costa County, they provide family practice-oriented primary care, geriatrics, dental, rehabilitation, prenatal and adult medical services, as well as specialty clinic services. Specialty clinics include: podiatry, infectious disease, pediatrics, eye, dermatology, orthopedics, urology, ENT, gynecology, Hansen's disease, and others.

A wide range of physician services are offered at the hospital and clinics by more than 100 family practice physicians, as well as family nurse practitioners, dentists, psychiatrists, psychologists and more than 306 specialty physicians. A Family Practice Residency Program affiliated with the University of California, Davis, provides clinical experience for over 39 residents who rotate through all inpatient acute services and provide staff for the emergency room and ambulatory care centers.

The Regional Medical Center does require some financial support from the County, as it provides care to individuals with a variety of insurance coverage. Examples of these include Medicare, Medi-Cal and private insurance. The cost of care provided to these individuals is offset by the fees collected. The Medical Center also provides services to indigent people who cannot pay for them. This unreimbursed amount is reflected in the budget as a contribution from the General Fund.

Contra Costa County, as do all California counties, has a legal obligation to provide medical services to our residents. The Medical Center provides services to individuals who cannot pay because the County has a general duty to provide care for indigent, as specified by the State of California in the Welfare and Institutions Code section 17000. The County Board of Supervisors is authorized to adopt standards of aid and care for the indigent and has done so. The County's indigent health care program is named the Basic Health Care (BHC) program. Under the BHC program, legal residents of Contra Costa County with incomes of less than 300 percent of the Federal Poverty Level are eligible for medical services at Contra Costa Regional Medical Center. Like all hospitals, however, the Contra Costa Regional Medical Center must offer services to anyone entering through the emergency department, regardless of ability to pay or citizenship.