

**CLINICS, THE 43% SOLUTION:
A Report on Two Federally Qualified Health Centers in Mendocino County**

May 22, 2008

Summary

There are various types of health clinics that receive Federal funding. Federally Qualified Health Centers (FQHC) include all organizations receiving grants under the Public Health Services Act §330, certain tribal health organizations, and FQHC Look-Alikes. FQHCs benefit from enhanced reimbursement from Medicare and Medicaid under the prospective payment system.

An FQHC Look-Alike meets all requirements for federal FQHC grant funding but has not received a grant. Look-Alikes share many but not all benefits of FQHC status.¹

Rural Health Clinics (RHC) are intended to increase primary care services for Medicaid and Medicare patients in rural communities. RHCs can be public, private, or non-profit. The main advantage of RHC status is enhanced reimbursement rates for providing Medicaid and Medicare services in rural areas. RHCs must be located in rural, underserved areas.²

Clinics that qualify for this designation may have “clinic” in their names, such as Mendocino Community Health Clinic. Others may be groups of doctors, such as Ukiah Valley Primary Care (UVPC), which is designated as a hospital-based rural health clinic and is owned and operated by Ukiah Valley Medical Center. They may also be called Health Centers, such as Long Valley Health Center (LVHC). FQHCs are reimbursed by the government at a far higher rate than non-clinic medical groups and individual doctors.

Clinics are required to report the number of patients served on an annual basis. In Mendocino County local clinics serve 43% of the population and provide a safety net for the poor. This percentage is calculated by dividing the population of Mendocino County into the number of persons served by the clinics.

The Grand Jury looked at two of the Federally Qualified Health Clinics located in our County: Mendocino Community Health Clinic (MCHC), also referred to as Hillside Health Center, located in Ukiah and Long Valley Health Center (LVHC), located in Laytonville. LVHC is a sole provider clinic, meaning that there are no other health facilities or doctors in its sphere of influence. When a patient requires emergency ambulance transport to a hospital, LVHC calls the Laytonville Volunteer Fire Department (LVFD).

The Clinics provide medical and dental health services; in addition, they address

¹ http://www.raconline.org/info_guides/clinics/fqhc.php

² http://www.raconline.org/info_guides/clinics/rhc.php

mental health, alcohol and drug dependency problems. They offer domestic violence programs, some family planning, and counseling. LVHC offers chiropractic and acupuncture services. Both clinics have bilingual staff.

The MCHC has difficulty recruiting medical personnel from out of County. However, those who move here tend to become permanent residents. In Laytonville, it is more difficult to recruit and retain personnel because of the remoteness and lack of social opportunities.

Methods

The Grand Jury:

- obtained information from the Alliance for Rural Community Health;
- toured two of the six community health clinics in the County;
- interviewed executives and staff at the two clinics;
- reviewed budgets, books and records, inspection reports, audits, and reports made to the State and other Agencies.

The Grand Jury also visited the Laytonville Fire Department and reviewed its records and statistics. Jurors interviewed management and staff regarding the ambulance service they provide to LVHC.

Background

Community Health Clinics were created about 40 years ago, as part of President Lyndon Johnson's War on Poverty. Each clinic has a board of directors (BOD) and at least 51% of the BOD must be patients of the clinic. These clinics operate as non-profit organizations under §1204 of the State's Health and Safety Code.

The number of patients served is mainly a function of the size of the staff. Any person may go to any clinic whether or not they are a local resident.

The clinics are not involved in the transportation of patients to other facilities.

The clinics get funds from several sources:

- patient revenue;
- community fund raising;
- State and Federal funds and grants;
- insurance, public and private including Medi-Cal, Medicare, Blue Cross, etc.;
- grants from private foundations;
- county money, through the County Medical Service Program (CMSP) for indigent people treated by the clinics.

Findings

Mendocino County Clinics

1. The Alliance for Rural Community Health (ARCH) supports six rural health clinics in Mendocino County by acting as an advocate. It also assists the clinics in grant writing.
2. Four of the six clinics are Federally Qualified Health Centers, a program that requires the clinic to treat uninsured patients.
3. Under Federal law, no patient at these clinics may be turned away.
4. Federally Qualified Health Centers are defended against medical malpractice suits by the Federal Government.
5. The clinics provide medical and dental health services; in addition they address mental health, alcohol and drug dependency problems, and offer domestic violence programs, some family planning, and counseling. The clinics offer a full range of vaccinations.
6. There is no County funding except County Medical Services Program (CMSP) for indigent patients who are single adults on general assistance and who do not qualify for Medi-Cal or other programs.
7. No money from Proposition 63 is allocated to the clinics for the mental health initiative.³
8. The clinics do not receive any Proposition 36 money for drug treatment.⁴
9. Most patients seeking treatment are low-income or uninsured. A portion of those patients may be covered by Medicare/Medi-Cal, CMSP, and/or programs for children such as CalKids and Healthy Families.
10. Patients, who have no insurance and who are not eligible for Medicare/Medi-Cal, may be charged on a sliding scale.
11. Clinics located in areas near hospital facilities relieve some of the strain on emergency room services.
12. Both Clinics have bilingual staff.
13. Each Clinic is audited annually by outside certified public accountant firms and government agencies.
14. The Clinics are extensively regulated by State and Federal agencies.
15. The Clinics do not prescribe marijuana. Federal funding could be jeopardized.
16. The outlying clinics experience more transportation concerns than those in the urban centers.
17. Clinics call outside ambulance services when necessary.
18. Neither Clinic visited has X-ray diagnostics for orthopedics. Their budgets do not allow for the purchase of expensive X-ray equipment nor the required lead-lined room.

³ Proposition 63 is a California mental health program funded by taxation of 1% on personal income over \$1,000,000

⁴ Proposition 36 provides State funds to local government for the management of non-violent drug offenders

Long Valley Health Center

19. LVHC is a sole provider; meaning there are no other health facilities or doctors in its service area.
20. LVHC offers chiropractic and acupuncture services.
21. LVHC served 3,062 patients with a total of 16,880 patient visits in 2006.⁵
22. LVHC dental clinic was found to be a modern facility with the latest equipment. The clinic employs two full time dentists and other staff.
23. LVHC dental clinic is located directly across from the medical clinic on Branscomb Road. Patients and staff frequently need to cross between these facilities. There is no marked crosswalk for pedestrians.
24. The LVHC has Memorandums of Understanding (MOU) with other agencies, including the local fire department, schools, and doctors.
25. Native Americans who live in the Laytonville area use Indian Health Service Clinics and travel to Ukiah or Covelo for routine care. LVHC has an MOU with the Consolidated Tribal Health Program (CTHP) for non-routine care.
26. Recruitment of medical staff for the LVCHC is difficult, due to the remote location, the high cost of housing, and non-competitive wages. About 50% of the staff are long-term employees. There is a high turnover rate among the others.
27. LVHC does not provide patient's with transportation.
28. LVHC spearheaded planning for emergency response in the Laytonville area with cooperation of the school, fire department, law enforcement, and community members. Final planning is in progress, and on June 18, 2008 there is a planned community meeting for public comment.
29. LVHC has a backup generator in case of loss of normal electrical supply.

Laytonville Volunteer Fire Department

30. On 14 occasions in 2006 and 13 times in 2007, the LVFD provided emergency ambulance service from LVHC to the nearest hospital. Ambulance service is billed directly to the patient or their insurance carrier. Medi-Cal and Medicare insurance pay a minimal amount of the ambulance bill. Underpayments from insurances and no payment from the uninsured, make 75% of the billings uncollectible.
31. LVFD provides ambulance service to an area twice as large as the size of the fire district, and may transport patients as far north as the closest hospital, which is in Garberville (in Humboldt County). Areas outside the fire district do not pay property taxes to the district.
32. Some service calls are in areas where access is difficult. An air ambulance may be called to assist in patient transport when deemed necessary.
33. LVFD has a close working relationship with other fire services and law enforcement, and is frequently called out to auto accidents.

⁵ http://www.oshpd.ca.gov/hid/Products/Hospitals/Utilization/PC_SC_Utilization.html

34. Long Valley Fire District requested that the ambulance service budget be augmented with some County funding in 2007. The Board of Supervisors (BOS) approved \$55,000 to supplement the ambulance service.
35. Two full time paramedics are employed for the ambulance service. All firefighters are volunteers.
36. LVFD participates in community emergency response planning.
37. LVFD has a backup generator in case of loss of power.

Mendocino Community Health Clinic/Hillside Health Center

38. MCHC/Hillside in Ukiah has two satellite offices, Little Lake Health Clinic in Willits and Lakeside Health Clinic in Lakeport.
39. Hillside uses a van to provide transportation for patients who have an appointment.
40. Hillside has an outreach program for the homeless.
41. Hillside, served 13,134 patients with 62,425 visits in 2007. With its satellite offices, it served 21,092 patients with 120,000 visits in 2007.⁶
42. Hillside does not have a psychiatrist on staff for the treatment of patients, but may use a psychiatrist through telemedicine for children's mental health treatment.
43. Hillside does not have an onsite acupuncturist, ophthalmologist, radiologist, optometrist, audiologist, or an endocrinologist.
44. Specialists on the staff include a dermatologist and an orthopedist.
45. Hillside dental clinic is adequately equipped. It employs four dentists and support staff.
46. Hillside bills on a sliding scale if a patient has no insurance.
47. Hillside recently started billing private insurance companies. Prior to this action they billed privately insured patients directly.
48. Hillside participates in "disaster and/or emergency" drills.

Recommendations

The Grand Jury recommends that:

1. a crosswalk be painted on Branscomb Road in Laytonville between the LVHC medical clinic and the LVHC dental clinic. (Finding 23)
2. the County continue to supplement the LVFD budget necessary for ambulance service. (Findings 31, 34)

Comments

The Grand Jury found that the LVHC and the MCHC offer a valuable service to the community despite their budgetary and staffing limitations. Recently, the State of California has announced mid-year budget cuts that will further inhibit the clinics' ability to serve.

⁶ http://www.oshpd.ca.gov/hid/Products/Hospitals/Utilization/PC_SC_Utilization.html

Ambulance service is a necessary and valuable component of health care emergency response. LVHC is a remote clinic without access to private ambulance service. LVFD readily provides this service even with their budgetary constraints.

Required Responses

Mendocino County Department of Transportation (Finding 23; Recommendation 1)

Mendocino County Board of Supervisors (Findings 31, 34; Recommendation 2)

Laytonville Volunteer Fire Department Chief (Findings 30-37)

Requested Responses

Long Valley Health Center Director (Findings 1-18, 19-29)

Mendocino Community Health Clinic CEO (Findings 1-18, 38-48)

The Grand Jury Report Process

The role of the Mendocino County Civil Grand Jury is to oversee and shed light on local and County government. Jurors conduct oversight inquiries and investigate matters of public interest. Any individual can file a complaint with the Grand Jury using forms available online at www.co.mendocino.ca.us/grandjury.

A Grand Jury inquiry begins when a topic is approved by a minimum of 12 of the 19 seated Jurors. A committee then undertakes extensive research and drafts the report.

Findings are verified against documents and interview notes and are reviewed for accuracy with key individuals in the agency of interest. The draft is then reviewed by an internal Edit committee and must receive approval by the Full Panel. It is then sent to County Counsel and to the Presiding Judge for final review before public release.

Members of the 2007/2008 Grand Jury

Bob Coppock
Brad Hunter
Kathy Johnson
Nancy Kleiber
Lois Lockart
Chas Moser
George Pacheco
Lillian Pacini
Carolyn Pavlovic
Barbara Reed
Wendy Roberts
James Schweig
Dennis Scoles
Bill Stambaugh
Sherry Stambaugh
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Partial Year

Thomas Clay, Al Pierce, Brent Rusert, Pamela Shilling, Thelma Thompson



The cover photo for this report was taken at Point Cabrillo Light Station Historic Park by Donald F. Roberts. This report was produced with the generous assistance of Tony and Maureen Eppstein. Information on Point Cabrillo State Historic Park and the Lighthouse Inn is available at www.pointcabrillo.org