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County of Santa Cruz

Health and Human Services

Review of Health Care Services for Low-Income Families in Santa Cruz County

Background

Under state law, county government is responsible for providing medical care for indigent residents. The extent of this responsibility has never been set forth in precise terms by the state legislature.

In recent years, the cost of medical care has soared far above the Consumer Price Index. In response, federal and state governments have enacted a profusion of categorical health programs that have an impact on county governments. Categorical health programs target defined classes of vulnerable people, specific health conditions and diseases. Among the groups affected are poor individuals and families, the disabled and the aged. These programs have had the effect of providing significant financial assistance to county governments, which lack a tax base of sufficient size to meet the rising cost of health care for indigent persons.

County matching funds for categorical programs range from fifteen to twenty percent of total costs. County government is mandated to operate these programs in conformity with state and federal regulations.

Medicaid accompanied the passage of Medicare in the mid-sixties. At state option, these programs provide significant federal assistance for the care of indigent families and individuals. The larger, more populous states, like California, jumped at the opportunity permitted in the law to provide extremely comprehensive benefits to eligible welfare families. This state also availed itself of the option to extend benefits to poor families not receiving public assistance, but still too poor to afford to pay for medical care or insurance coverage.

Over the ensuing years Medicaid has grown far beyond early projections to become a multi-billion dollar national subsidy to the states and counties for the provision of medical services to indigent persons. It is, by far, the largest of categorical health programs.

Experience with Medi-Cal, however, has made clear that the potential benefits of health insurance coverage evaporate without access to a reliable source of high quality health care. Places where poor people reside are usually devoid of the health care resources necessary for quality care. Most private providers are not willing to accord equal access in their practices to Medi-Cal patients nor make adaptations to the cultural and language diversity of ethnic minorities that are so crucial to beneficial treatment outcomes.

A categorical approach to people with a variety of health care needs has produced tangible health benefits but also an accumulation of regulations with two notable drawbacks

- Eligibility standards and processes are confusing both to experienced health professionals and the people these programs are intended to reach. Lengthy and intrusive application procedures act as a disincentive to seek help, especially for some Hispanic families who have learned to be wary of any official inquiry which might adversely affect their immigration status.
- Fragmentation of services at the local level has disrupted the building of a cohesive service delivery system responsive to the needs of the entire family. Individuals in the same family may each be eligible for several types of health service delivered at different times and locations. Families who rely on these programs have real difficulty understanding and coping with this fragmented and disorderly way of delivering health services.

When a need for medical attention arises in an uninsured family, they tend to rely on the emergency room of local hospitals or on public clinics for their care. The pattern of this care is episodic and lacking in both continuity and ongoing family health supervision. Poor living conditions make them much more vulnerable to sickness and injury. Delay in seeking medical attention due to lack of health insurance leads to increase in the number of high cost admissions to hospitals, longer hospital stays and more severe disability. These unpaid medical costs place a significant financial burden on both providers and taxpayers who underwrite the care of uninsured families ineligible for public programs.

Scope

This review concentrates on major obstacles built into the system that impede access to essential health care for low-income working families in Santa Cruz County. The review covers the full range of health care services, the providers involved in the delivery of these services, the program elements of those provider organizations and categorical programs which are relevant to their health needs. Providers covered in this review are well aware of deficiencies in services that prevail for uninsured families but are powerless to resolve them without outside assistance. The focus on low-income families omitted many other functions of providers; the report should not be considered an in-depth evaluation of any of the organizations reviewed.

Several questions recurred in the course of the review:

- Is there any way to help vulnerable low-income working families obtain and keep health insurance coverage at a cost within their limited means?
- Can eligibility be simplified and extended for longer periods of time, for example, a full year?
- Can categorical programs be consolidated and placed under local administrative control in order to divert administrative expense to expand medical services?
- Can the service delivery system be redesigned to make the entire family the basic target in organizing services?

Elements of the Review

- A. Range of services included health education and organized programs of prevention, primary ambulatory care, referrals to specialists, hospitalization, mental health and substance abuse services, dental care, and services to homeless families. Environmental Health, the Emergency Medical Services System, substance abuse programs for youth, and the Regional Center for Developmental Disabilities were not included in this review.
- B. Program reviews include the following:
- Interviews and printed materials provided
 - Eligibility requirements
 - Outreach
 - Range and description of services
 - Case loads and types
 - Utilization data
 - Annual budget, funding sources and financial analysis
 - Staffing patterns
 - Cultural adaptations
 - Case management and referrals
 - Quality assurance reports and statistics
- C. Health service providers to families include the following:
- Santa Cruz County Health Services Agency
 - Division of Public Health, County Clinics, Medi-Cruz,
 - Division of Mental Health and Alcohol and Drug Abuse
 - Central Coast Alliance for Health
 - Santa Cruz Coalition for Health Care Outreach,
 - Local hospitals
 - Clinics

D. Categorical Programs for Families include programs that deal exclusively with a defined class of beneficiaries (e.g. women and children), a specific health condition (e.g. pregnancy) or disease (e.g. diabetes)

- Medi-Cal
 - for pregnant women
 - for minor consent
 - transition program
 - for *seventy* other eligibility categories
- AIM – Access for Mothers and Infants
- CHIP – Children’s Health Insurance Program
- Healthy Families (Ineligible for Medi-Cal)
- MRMIB Major Risk Medical Insurance Board–Administration of Healthy Families CHIP
- California Kids – Ages 2-18, undocumented-ineligible for Medi-Cal or Healthy Families
- PACT – Family Planning Access to Care Treatment
- CCS – California Children’s Service – Potentially Crippling Diseases
- CHPD – Childhood Health and Prevention of Disability
- PAC Advantage – Health Plan for Small Employers
- Anti-Smoking Initiative (Proposition 10)
- Proposition 36 – Diversion of drug abuse offenders from incarceration to community treatment programs
- CARE/HIPP – Health Insurance Premium Payment Individual and Family Insurance HIV Positive Persons (Human Immunodeficiency Virus)
- CHIP – California Health Care for Indigent Persons
 - Medi-Cruz – County residents without health insurance coverage
- WIC – Women’s and Infant Care, Prenatal Care, Infant Care Food Program
- MCAH – Maternal Child & Adolescent Health
- AFLP – Adolescent Family Life Program
- CPSP – Comprehensive Peri-natal Services Program
- POE – Peri-natal Outreach and Education Program
- MVIP – Medical Vulnerable Infant Program
- HRIP – High Risk Infant Program
- EPSDT – Early Periodic Screening Diagnosis and Treatment (Medi-Cal)
- MFCI – Mother Friendly Childbirth Initiative
- HEAD START – Health Care Requirements
- Health Services for Migrant Farm Workers and Families
- BCEDP – Breast Cancer Early Detection Program
- HIV Screen and Health Service Programs

Findings

The following organizations are responsible for health care services in the county.

1. Health Services Agency – Page 57
2. Division of Public Health – Page 61
———County Clinics – Page 64
3. Division of Mental Health and Alcohol and Drug Abuse – Page 65
4. Central Coast Alliance for Health– Page 67
———Community Clinics – Page 71
5. Coalition for Health Care Outreach – Page 70
6. Local Hospitals – Page 72

Health Services Agency

The Santa Cruz County Health Services Agency (HSA) is the lead agency responsible for a number of services provided directly to low-income persons or by contract with private health care providers and non-profit organizations. Other providers represent collaborative efforts funded from a mixture of tax resources and philanthropic donations.

The responsibilities of the HSA include the following:

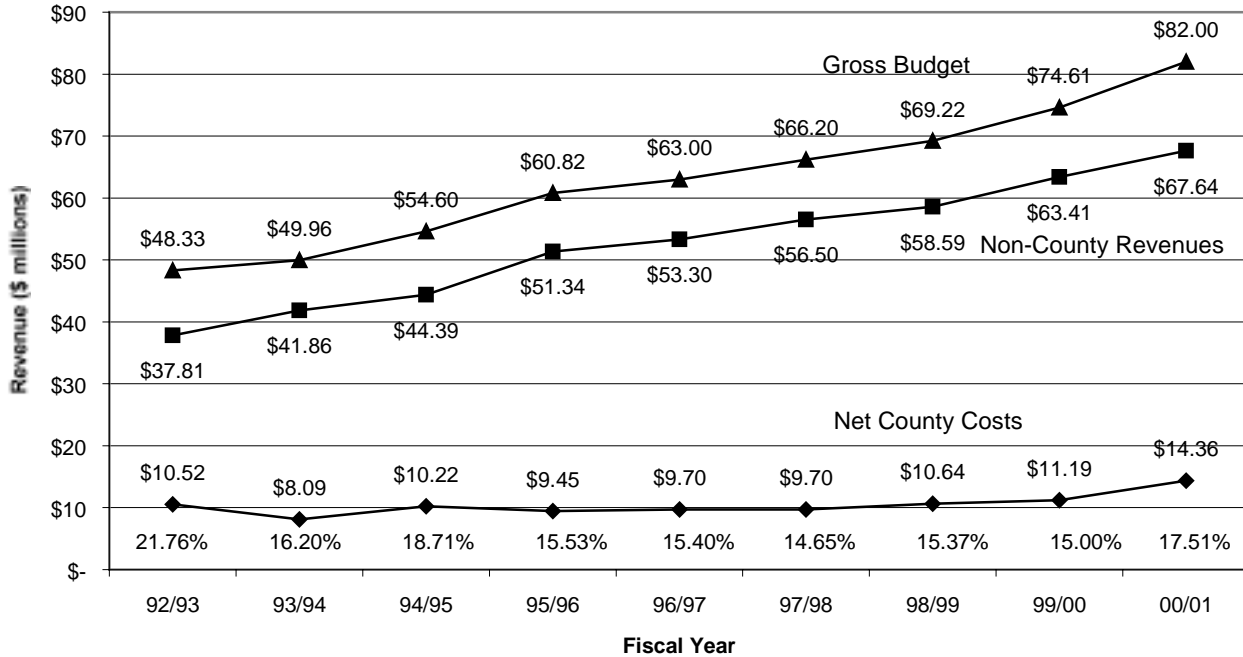
- Assessing the health status of county residents
- Managing the health planning process to meet the needs of the entire community
- Setting priorities to meet these needs and to serve as advocate for the poor, the disabled, the aged and the disenfranchised
- Assuring the active participation of health service providers, consumers of health services and advocates who display a special concern for one or another aspect of health care delivery
- Maximizing the impact of scarce public health resources, setting priorities, avoiding duplication and averting competition when it is counter-productive

Based on interviews with other providers, the HSA has the respect of community providers essential to carrying out its unique role. The HSA has been an effective advocate for fulfilling the needs of low-income families. It participates in every available categorical program targeted to the poor.

The HSA Comparison of Revenue Sources chart below depicts the ability of HSA to use limited county funds to leverage millions of dollars of outside funding for local programs. In addition, county professional staff has successfully competed for a number of demonstration projects awarded for the purpose of testing innovative approaches to people with special and difficult health problems.

The HSA employs an experienced, high caliber staff open to innovation, collaboration and committed to public service. Efforts are made to accommodate diversity in language and culture. Bilingual capability in English and Spanish exists in all clinic locations by staff members at every level. County facilities are located and professional staff are deployed to

**Health Services Agency
Comparison of Revenue Sources (in millions \$)**



areas where low-income people reside.

HSA is engaged with other public agencies that serve individuals in need of health services support. Examples include public schools in low-income areas, probation, welfare, homeless shelters, child protective services and all county-operated detention facilities.

HSA is an active member of the Coalition for Health Care Outreach, a group of public and voluntary health and social service agencies. HSA staff assists the Coalition in the following ways:

- Identifying and enrolling families eligible for Medi-Cal and other tax-supported health programs
- Obtaining federal reimbursements for outreach activities which qualify for financial support
- Assessing unmet needs experienced by coalition members
- Participating in coordinated planning efforts to attract new health resources to fill gaps in services
- Preparing grant applications to both private and public agencies
- Providing technical assistance in case management techniques and in making and receiving referrals
- Assisting in the training non-professional outreach staff

The Director of HSA sits on the Medical Managed Care Commission that governs the county-operated prepaid plan in Santa Cruz County, the Central Coast Alliance for Health. This position helps her to design performance criteria for county contracts with private providers and to track legislative proposals affecting uninsured families.

HSA is currently upgrading its Medical Information Management System (MIMS), to comply with a recent federal initiative HIPPA (Health Insurance Privacy and Portability Act). This legislation is intended to protect information on the health status of insured persons and facilitate the portability of health insurance coverage. Compliance is required by April 2002 as a condition of qualification for federal program reimbursements to providers in all tax-supported health programs. The goals of the new MIMS are as follows:

- Improve fiscal management of county-operated programs and increase the rate of revenue recovery from third party sources
- Modify the determination of eligibility and integrate clinical services to make them more user-friendly and clinically effective
- Facilitate evaluation of professional performance and measure outcomes of treatment
- Assess specific health problems in the community by utilizing pertinent data from the recent census and special survey results to refine long term health planning

The HSA is making every effort to meet its obligations to low-income persons despite the complexities of health care financing. The HSA Director is acutely aware of unmet needs in Santa Cruz County that impact low-income families. These include the following:

- Lack of access to health care services for working families without health insurance
- Lack of dental treatment resources, especially for children, including many of those with Medi-Cal eligibility
- Lack of primary mental health care services for families and children
- Lack of sufficient resources to accommodate pregnant adolescents who need intensive peri-natal care
- Lack of evening hours at county clinics to accommodate working people

A recent report to the Board of Supervisors by the HSA, entitled *Report on the Uninsured and Access to Health Care*, is especially pertinent to those in a position to shape health care in the public arena. The report may be obtained on request from the Health Services Agency or at http://www.santacruzhealth.org/pdf/Uninsured_Access_Rpt.pdf.

Physician recruitment efforts demonstrate serious competition from Bay Area Counties and Monterey County. Monterey County has placed physicians in county service into the Public Employment Retirement System (PERS), whose strong benefits have proven attractive. Skilled nurses are in short supply. Local hospitals and long term care facilities are offering higher salaries than the county.

Division of Public Health

The Division of Public Health is organized and operated to assure the integration of public health and preventive measures into primary clinical care. The Health Officer and the Director of Public Health Nursing are responsible for all programs in this ~~division~~Division that deal with low-income families. These range over a broad spectrum and include

- Communicable disease control and immunizations
- Peri-natal care for adolescents and other high risk mothers and infants
- Health education and nutrition
- Case finding, referral and outreach, concentrated on low-income families
- Case management for difficult or chronic health problems
- Family planning
- Education and control of sexually transmitted diseases
- Care for high-risk infants and preschool children
- Health services for families who are homeless
- Intensive case finding and health care for AIDS and TB patients

The California Department of Health considers the programs in Santa Cruz dealing with AIDS to be an outstanding model for other counties.

Public health nurses are the mainstay of public health practice. Although assigned to categorical programs, these nurses engage in general practice and apply their skills wherever a need is encountered. Their motto is “take care of people instead of paper.”

The public health nurses provide critical support to the clinicians who operate county clinics. They make visits to homes for the purpose of assuring that treatment instructions are understood and carried out and that follow-up appointments are kept. They also provide case management services for clients with difficult and recurring problems.

When an outbreak of infectious disease threatens, the nursing staff is mobilized to control its spread.

A special unit of the department, Homeless Persons Health Project, deals entirely with homeless families and individuals. It operates a clinic at a Santa Cruz shelter, but the nursing staff is frequently on the streets at other locations serving the homeless. This unit is a successful example of attracting funds for demonstration purposes. A recent assessment of this program by federal evaluators drew praise and a conclusion that it should serve as a model for other county public health jurisdictions.

Other programs in the division reach beyond routine clinical care, including

- Vital statistics
- Accident prevention especially for children (bicycle helmets-seatbelts etc)
- Lead poisoning screening and control
- Optimizing immunization rates
- Dental disease control and targeted treatment
- Tobacco education and cessation of smoking
- Hepatitis C and tuberculosis control targeted to new immigrants and HIV patients
- Other preventive programs

The Health Status Profile, below, shows from 1996 to 1998 this county performed above average in nearly all categories as compared to other California counties and National Objective benchmarks. However, according to the Public Health Officer, there is a high and persistent incidence of alcohol and drug abuse in Santa Cruz County compared to other California counties of similar population.

Santa Cruz County Health Status Profile 1996-1998 3-Year Average

Indicator	Statewide Average		National Objective 2000	
	Better Than	Worse Than	Better Than	Worse Than
Motor Vehicle Deaths	✓		✓	
Unintentional Injury Deaths	✓		✓	
Firearm Injury Deaths	✓		✓	
Homicide Deaths	✓		✓	
Suicide Deaths		✓	✓	
Deaths, All Cancers	✓		✓	
Lung Cancer Deaths, (2 nd best in state)	✓		✓	
Breast Cancer Deaths, Women		✓	✓	
Coronary Heart Deaths	✓		✓	
Cerebrovascular Dis. (Stroke) Deaths	✓			✓
Drug-Related Deaths	✓			✓
AIDS Incidence	✓		✓	
Measles Incidence		✓		✓
Tuberculosis Incidence	✓			✓
Syphilis Incidence	✓		✓	
Infant Mortality Rate, All*	✓		✓	
Hispanic Infant Mortality*	✓		none established	
% Low Birth Weight Infants	✓		equal to national	
Teen Pregnancy Rates	✓		none established	
% Onset Prenatal Care, 1 st Trimester	✓			✓#
% Adequate Prenatal Care		✓		✓
% Breastfeeding/Early Postpartum (Best in state)	✓		✓	

* 1994-1996 3-year average

National Objective for Year 2010

Data/Report released April 3, 1000, California Department of Health Services

County Clinics

The county operates two primary care clinics, one at the Emeline Health Center of the Health Services Agency and another near downtown Watsonville.

These facilities are attractive and well maintained. They provide a dignified environment for the mostly low-income individuals and families who rely on them as their principal source for medical care. At present, clinic operations are confined to daytime schedules with no lunchtime or evening hours.

Santa Cruz County Clinics Utilization Statistics

	Actual FY 97-98	Actual FY 98-99	Actual FY 99-00	Projected FY 00-01
Santa Cruz Clinic Visits				
Primary Care Clinic*	13,417	13,373	14,402	15,000
Prenatal Clinic	568	254	294	100
Family Planning Clinic	995	1,116	1,217	1,200
Tuberculosis Clinic	351	320	343	325
CHDP Clinic	497	389	577	550
Immunization Services	3,487	3,747	4,000	4,200
Laboratory Procedures	26,968	28,226	28,840	30,000
X-ray Procedures	2,237	2,240	2,329	2,400
Prescriptions Filled	75,297	67,686	63,837	68,000
Watsonville Clinic Visits				
Primary Care Clinic	11,355	11,406	12,240	12,500
Prenatal Clinic	-	-	-	-
Family Planning Clinic	3,761	3,758	4,343	4,500
Tuberculosis Clinic	898	732	801	800
CHDP Clinic	1,298	1,290	1,173	1,300
Immunization Services	5,927	6,250	6,436	6,700
Laboratory Procedures	9,644	13,062	14,229	1,400
X-ray Procedures	1,067	1,050	1,202	1,200
Prescriptions Filled	-	11,785	23,591	30,000

* Includes Orthopedic Clinic, Travel Clinic, Occupation Health

Physicians trained in primary care specialties staff the clinics with support from allied health specialists, such as nurse practitioners, physician assistants and technicians. Patients are not assigned a designated primary care provider whose primary purpose is to assure continuity of care.

Both clinics enjoy the status of federally qualified health clinics (FQHC), an official federal designation that raises reimbursement rates for services it provides.

Renovations are under way to enhance productivity and improve patient traffic within the Emeline County Clinic. A plan is also under consideration to add capacity in mental health services to support the family clinicians

Medi-Cruz

The Board of Supervisors created this program to supply medical care for those who are without health insurance and without money needed to pay for essential medical care when it becomes a necessity.

A complete description of the strategy employed by Medi-Cruz to accomplish a great deal with limited resources is available in the recent report to the Board of Supervisors, *Report on the Uninsured and Access to Health Care*. Medi-Cruz operates on a tight budget due to repeated reductions of state funds for health care for indigent adults. This reduction in funding places a burden on single indigent adults who reside in the county and do not have access to health insurance.

Division of Mental Health Services and Alcohol and Drug Abuse Programs

The Division of Mental Health Services and Alcohol and Drug Abuse Programs serves people who suffer severe mental health or substance abuse problems, both acute and chronic. Most of its clients are adults and seriously emotionally disturbed children.

The division organizes its interventions as a system of care to cope with major and persistent disabilities associated with mental dysfunction. The staff is organized into treatment teams to fulfill this primary charge in both North and South County.

An inpatient facility is operated under contract at Dominican Hospital's Behavioral Treatment Unit. Individuals in need of voluntary or involuntary commitment for acute mental health or drug detoxification problems are admitted to this unit. Psychiatrists under contract with the Mental Health Division tend county patients. Most of these admissions are short term, with discharge to residential care or follow-up in an outpatient facility. Components of the system include outpatient clinics, residential facilities, and day treatment programs, all of which are supported by a mobile crisis team. The division provides mental health services to each county detention facility.

Programs for children are presently confined to seriously emotionally disturbed children. This model program was awarded special demonstration funding. It uses a multidisciplinary approach to troubled children who face the prospect of foster home placement. The program includes personnel from schools, courts, probation department, child protective services, police agencies, drug and alcohol professionals and others.

This system of care, now in its tenth year, has demonstrated success in many ways

- Reduced costs for state hospital admissions
- Extended treatment and case management services provided in the least restrictive environment with mobile crisis support
- Lowered utilization of acute mental hospital beds
- Improved special education programs
- Reduced costs for foster and group home placement
- Improved family reunification for children returning home from protective custody

Both parents and young people served in this program are very satisfied with its results.

Primary mental health services to families and children are unavailable in both county and community clinics. This also holds true with Central Coast Alliance for Health programs because mental health benefits have been removed from coverage in the county prepaid plan. Funding for mental health services is allocated to County Mental Health instead. As a result, individuals with a less serious mental disorder have few options for primary mental health care.

There is a critical need for psychiatric evaluations and treatment resources in county and community clinics serving low-income families. In addition, there is a severe shortage of all types of mental health professionals in Santa Cruz County. Skills in short supply are child psychiatry, psychology and other therapeutic modalities dealing with behavioral dysfunctions in the family.

Alcohol and Drug Abuse Programs

Proposition 36 was passed by voters in 2000. Its intent is to divert convicted drug abusers from detention facilities to supervised treatment programs in their communities.

Funds allocated to date under Proposition 36 are being used to plan for diversion of offenders eighteen years old and above. Alcohol and Drug Abuse Programs has been designated as the lead agency since the emphasis of the new law is on treatment. A task force is now at work that includes the courts, probation, district attorney, public defender, the Alcohol and Drug Abuse Programs and providers of local services.

In the judgment of the Director of Alcohol and Drug Abuse Programs, the long-range expansion of service capacity will benefit everyone. A significant portion of eligible persons is, in fact, already enrolled in various community treatment programs. He expects that the potential problem of dislocation of non-offenders, if it occurs, will be temporary and can be readily resolved. In addition, he expects the waiting lists that now exist for admission to some treatment programs will grow shorter with the increased treatment capacity expected when Proposition 36 is fully funded.

Central Coast Alliance for Health

The Medi-Cal reform, adopted in the 1970s, was the driving force behind the enrollment of Medi-Cal beneficiaries into prepaid health plans. It took many years of trial and error and cancellation of contracts with providers before reliable prepaid Medi-Cal plans finally emerged and brought tangible benefits to Medi-Cal families. This result required the enactment of statutes to ensure that prepaid contractors under Medi-Cal meet a number of detailed fiscal and health care standards that protect the interests of enrollees.

The Central Coast Alliance for Health is a county operated prepaid plan that serves Medi-Cal recipients and families eligible for the Healthy Families Program. The Alliance came into existence in 1996 as a result of growing concern on the part of public health officials and leaders of the local Medical Society over the lack of participation by local physicians in the Medi-Cal program.

The Board of Supervisors established the Medical Managed Care Commission (MMCC) to govern the county operated prepaid plans. The commission seats elected officials, public health officers, private providers and beneficiaries enrolled in the plan. The MMCC holds regular public hearings open to all interested parties to present their positions on the Medi-Cal program and to resolve as many problems as possible at the local level.

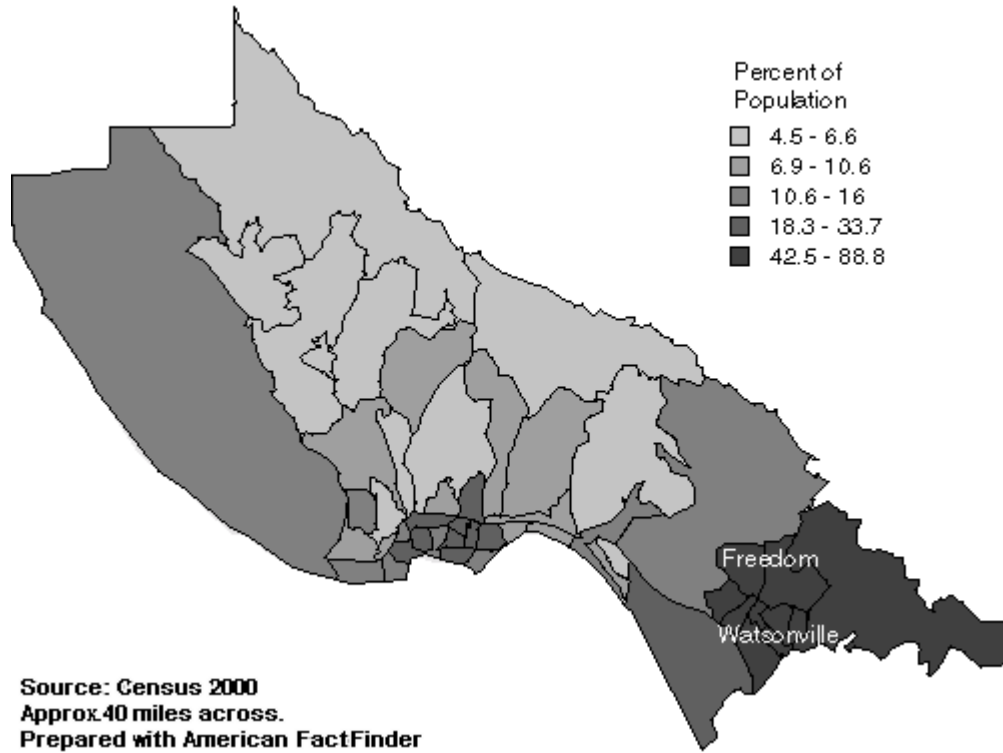
Prior to the creation of the Alliance, a myriad of problems affected local beneficiaries of the Medi-Cal program. Limited choice of private providers resulted in episodic, unsupervised care, over-reliance on hospital emergency rooms, higher rates of hospital admissions and longer hospital stays. This same pattern of utilization now prevails among uninsured low-income families not participating in the Alliance programs. Analyses of Medi-Cal paid claims data prior to the establishment of the Alliance confirm these patterns in the Medi-Cal population

Some of the accomplishments of the Alliance are highlighted below:

- Within the framework of state regulation, policy decisions on Medi-Cal have reverted to local public control.
- The state provides per capita prepayments for various classes of people eligible for Medi-Cal. These payments place the Alliance at financial risk for the provision of the extensive benefits covered by Medi-Cal. Cost over-runs cannot be reimbursed by the state.
- Plan physicians share this risk. When enrolled, families are assigned to a primary care physician of their choice who provides direct services and authorizes referrals to specialists when indicated. Per capita prepayments are made to the physician to cover all services.
- An intake assessment is made of the health status of each enrollee on entry to the plan and periodically thereafter. This enables treatment for any detected abnormality and contributes to the maintenance of good health.
- Quality assurance procedures are in continuous operation. These consist of several elements:
 - Special studies of patterns in the provision of services to measure conformity with statistical standards set for specific types of primary care
 - Collaboration with public health professionals in health education and organized programs of prevention targeted to special needs of enrollees
 - An internal quality improvement program to upgrade performance of plan physicians and allied health professionals including biannual site visits
 - Case management procedures are emphasized for difficult or chronic conditions to assure compliance with treatment regimens and to help prevent complications.
- Patient support services include:
 - Medical transportation
 - Adaptation to language and cultural diversity
 - Consultation by phone
 - Outreach by bilingual staff to assist in establishing eligibility
 - Review of complaints and prompt adjudication of grievances
- Fiscal management of the Alliance includes annual budget development, expenditure tracking and negotiation of contracts with various classes of providers. Audits indicate that fiscal affairs are in good order. The plan has accrued a surplus in each year of operation. Because there is no need for the Alliance to return profits to investors, one of the uses of the surplus has enabled the plan to make additional reimbursements to providers, which helps retain current physicians and encourage other physicians to participate.
- The presence of Alliance staff in the community has improved communication between both providers and enrolled members. Inquiries are handled efficiently and responses regarding procedures of the plan are made in a timely fashion.
- To foster administrative efficiency, the Alliance expanded coverage to Monterey County in 2000, which is now an integral part of the Alliance.

According to Census 2000 data for Santa Cruz County, 26.8% of the population is Hispanic. In their most recent analysis, the Human Resources Agency reported that 49% of Medi-Cal eligible families countywide are Hispanic.

**Percent of Persons Who Are Hispanic or Latino (any race)
Santa Cruz County Census 2000 Map**



The heaviest concentration of Hispanics is in South County. Persons who are Hispanic or Latino comprise 69% of the population of Freedom and 75% of the population of Watsonville, up from 60% in 1990. The highest rates of growth took place in Watsonville and Scotts Valley.

**Population Change 1999 – 2000
Santa Cruz County**

Jurisdiction	1990 Population	2000 Population	Increase / (Decrease)	% Change 1999-2000	% of 1990 Population	% of 2000 Population
Santa Cruz County	229,734	255,602	25,868	11.3%	100%	100%
Capitola	10,171	10,033	(138)	-1.4%	4.4%	3.9%
Santa Cruz	49,040	54,593	5,553	11.3%	21.3%	21.4%
Scotts Valley	8,615	11,385	2,770	32.2%	3.8%	4.5%
Watsonville	31,099	44,265	13,166	42.3%	13.5%	17.3%
Unincorporated	130,809	135,236	4,517	3.5%	56.9%	52.9%

Source: California Department of Finance, Demographic Research Unit, California State Census Data Center

In the course of this review, all providers reported a steady increase in demand for health services by low-income families who lack health insurance. Many are newcomers looking for work in farm-related and service occupations that are unlikely to offer health insurance either to the worker or dependents. South County health care providers and housing officials are concerned that newcomers are low-income Hispanic families without health insurance who live in overcrowded, unhealthy conditions. The extent and severity of these problems will be quantified when the Census 2000 data on family income, occupation, housing and health insurance coverage are released in the fall.

Coalition for Health Care Outreach

This organization was created several years ago to enroll people who qualify for government subsidized health care programs and insurance plans. Its focus is on families and children. It received a grant from the Packard Foundation at a crucial juncture in the organization's history. The current membership of the coalition is as follows:

Above the Line	Watsonville
Adelante	Watsonville
All Kids by Two	Santa Cruz
Blue Cross of California	San Francisco
Central Coast Alliance for Health	Santa Cruz
Community Action Board	Santa Cruz
Community Foundation	Santa Cruz
County Office of Education	Capitola
Davenport Resource Center	Davenport
Dientes Community Dental Clinic	Santa Cruz
Dominican Hospital	Santa Cruz
Dominican Foundation	Santa Cruz
DRSC	Davenport
Families in Transition	Santa Cruz & Watsonville
Familia Center	Santa Cruz
Food & Nutrition Service	Aptos
Growth & Opportunity	Watsonville
Health Services Agency	Santa Cruz
Human Resources Agency	Santa Cruz & Watsonville
Westside Planned Parenthood	Santa Cruz
Planned Parenthood	Watsonville
Pajaro Valley Community Health Trust	Watsonville
Pajaro Valley Unified School District	Watsonville
Pajaro Valley Shelter Services	Watsonville
Primary Access Dental	Sacramento
Salud Para La Gente Clinic	Watsonville
Santa Cruz County Mental Health	Santa Cruz
Santa Cruz County Public Health	Santa Cruz
Santa Cruz City Schools	Santa Cruz
Santa Cruz Community Counseling Centers	Santa Cruz
Youth Services	Watsonville
Santa Cruz Women's Health Center	Santa Cruz
Second Harvest Food Bank	Watsonville
Sutter Maternity and Surgery Center	Santa Cruz
United Way	Capitola
Watsonville Hospital	Watsonville
WIC	Watsonville

Following is a list of problems being addressed by the Coalition:

- Uninsured children whose parents are either unaware of help they may receive or in need of personalized assistance in applying for health programs
- Homeless who are in need of help with medical care, mental health disorders or treatment and rehabilitation related to substance abuse
- Health screening in Headstart and elementary school health screening and referral
- Food and nutrition assistance
- Health care assistance to workfare programs
- Dental screening and treatment of children
- Counseling and case management for a variety of health problems
- Residential care programs
- Assistance for victims of domestic violence and child abuse

Community Clinics

We visited three member clinics that provide health care for uninsured, low-income families.

- Salud Para La Gente Clinic in Watsonville
- Women's Clinic of Santa Cruz
- Dientes Community Dental Clinic in Santa Cruz

Salud Para La Gente Clinic

This clinic was created during the War on Poverty in the sixties. It is now a primary resource for Spanish-speaking patients in both southern Santa Cruz and northern Monterey Counties. Its family physicians speak fluent Spanish and are sensitive to the cultural characteristics of the people they serve. The clinic is spacious and well maintained.

All patients are treated without prior determination of eligibility or inquiry into their legal status. This practice is well known in the community and has significantly reduced the use of the emergency room for primary care during clinic hours. It has also reduced serious complications resulting from delays in seeking attention. Advantages of the clinic include

- Continuity of care is an important feature of clinic policy has proven to be popular with patients and providers alike
- Clinic physicians attend their own patients during hospitalization at the Watsonville Community Hospital
- Organized prevention programs that focus on the problems most commonly encountered by the clinicians
- Patients are assisted in making application for public programs for which they are eligible in a caring manner; this has increased the number of participating families
- Newcomers to the community are likely to use the clinic especially if they are undocumented families
- Patient satisfaction is measured regularly
- Complaints are settled immediately and without formality

Respecting patients and treating them with warmth and dignity is a guiding principle of the clinic.

The Women's Health Clinic of Santa Cruz Findings

This clinic specializes in responding to the general health needs of women in a sensitive and caring fashion. Its professional and support staff consists entirely of women, many of whom have worked in the clinic for years. The majority of patients are eligible for Medi-Cal or other tax-supported programs. Their children are also included. A significant percentage of its clients are Spanish-speaking, and most staff members are bilingual.

The clinic enjoys strong community support. It has a community board of directors who contribute to both management and fundraising campaigns. Every effort is made to qualify patients eligible for public programs in order to preserve funds expended from its own resources for uninsured people.

Clinic administrators meet reporting requirements of city and county government that help finance the clinic. In the words of its director, the administrator are especially adept at "patching together" ways to maximize income from public programs and tailoring them to individual needs. When necessary, clinical support is provided by public health nurses.

The Dientes Community Dental Clinic

This small clinic provides general dentistry to low-income families in Santa Cruz and enjoys the support of the community. The population it serves is similar to other community clinics.

Its director has extensive training in public health. Preliminary discussions are underway between Salud and Dientes for instituting a dental clinic at the Salud facility.

Local Hospitals

Dominican Hospital

Dominican Hospital serves as a principal inpatient resource for Medi-Cal patients from Santa Cruz and north county communities enrolled in the county-operated prepaid plan, the Central Coast Health Alliance. Under contract with the county, it provides the following for uninsured indigents

- General hospital admissions
- Hospitalization for mental health disorders
- Detoxification for substance abuse

The emergency service provides patients from both county and community clinics with emergency, urgent and routine medical care at hours when those clinics are closed. Patients admitted through the emergency room are assigned to the on-call physician during their hospital stay.

The CEO of Dominican Hospital takes pride in the fact that the hospital has never refused care to anyone over the many years it has served the community.

In addition, the hospital operates outpatient clinics to serve low-income mothers and children who choose the hospital as a source of primary care. The prenatal and pediatric outpatient

clinics are combined to accommodate this caseload. The Rotary Club and Dominican jointly sponsor a free clinic, "Roto-care", in Santa Cruz once a week.

Dominican Hospital spent \$6.774 million dollars on unsponsored community benefits for the year ended June 30, 2000. This represents 5.2% of the hospital's total operating budget for this period. Approximately \$3 million dollars was absorbed by the hospital for unpaid cost of Medicare and other public programs.

Although Dominican Hospital is a private institution, its current functions fill the role of county hospital. It integrates low-income individuals and families into all the services it provides.

Watsonville Community Hospital

This recently opened facility, formally a non profit organization, now owned and operated by a sizable hospital corporation, serves as a principal inpatient resource for Medi-Cal patients in South County. To date, the hospital has pursued an open door policy to accommodate all patients coming to the emergency room and other outpatient services, assigning those needing admission to a physician on call.

The hospital has experienced a recent influx of low-income families utilizing its services.

Sutter Hospital

The hospital administrator was unable to keep a long-standing appointment with the Grand Jury regarding this facility. Time did not permit rescheduling.

Conclusions

1. Regulations attached to each categorical program are unreasonably confining. They create fragmentation of services that contradict accepted principles in the organization of effective medical practice. This fragmentation creates arbitrary hurdles for a family's ability to follow treatment regimens and undermines continuity of care for all members of a family.
2. Eligibility requirements and processes for tax-supported health programs are confusing and complex. For providers, compliance diverts scarce resources from direct service. For beneficiaries, the complexity of enrollment is a major disincentive to seeking assistance.
3. The Grand Jury commends the accomplishments of the Central Coast Alliance for Health and its principles of practice for improved administration of Medi-Cal and Healthy Families Programs. Some of their successes are highlighted below:
 - Alliance membership in the Coalition for Health Care Outreach has contributed to the ongoing, community-wide effort to enroll those who are eligible for Medi-Cal and the Healthy Families Program. This strategy of decentralized outreach is especially important to the Spanish-speaking community whose families are not always aware of their eligibility for Medi-Cal or the Healthy Families Program.
 - Intensive and continuing efforts by community organizations to enroll eligible families in state and federally assisted health care programs channel scarce county funds into the medical care of those unable to qualify.

- The local administration of Medi-Cal and the Healthy Families Programs has proven to be more efficient than state administration. For example, total program costs are lower, a higher quality of care has been achieved and services are more accessible and convenient for beneficiaries.
 - Member's access to primary health care and on-going health supervision has significantly reduced the cost of medical care. Primary care physicians and on-going health supervision have successfully managed referrals for specialty care and reduced the use of emergency services and admissions to local hospitals.
 - Administrative costs are kept within reason and dollars devoted to medical care are maximized. Access to a single family physician who is able to assure continuity of care reduces program costs.
 - Proactive measures in health education and organized prevention contribute to the maintenance of good health.
 - Recent State surveys indicate high rates of enrollee satisfaction with plan physicians and medical services. Because Medi-Cal enrollees may serve on the MMCC, they advocate policies that are advantageous to the members they represent.
4. Tax-subsidized health insurance limited to poor children without coverage for parents is contrary to the effectiveness of providing primary and preventive care to the entire family.
 5. Low reimbursement rates to local hospitals for care to indigent patients tests the ability of hospital administrators to sustain these critical services.
 6. The Coalition for Health Care Outreach has become indispensable to the delivery of health services to low-income families and single adults. Its record has demonstrated the essential value of private and public collaboration in a joint effort to improve the health status of people who are vulnerable.
 7. There is a pressing need for primary mental health and dental services at county and community clinics and in the county operated prepaid plans. Credentialed mental health professionals can effectively manage common behavioral problems under the guidance of a psychiatrist. Group therapy can be employed to expand access to mental health care. The use of these strategies may eventually improve access to care in the entire community and contribute to an expansion of the pool of mental health professionals available to low-income families.
 8. The Health Services Agency is the logical entity to close critical gaps in the local community health care system.
 9. To be effective, the complex network of services to low-income persons requires a high level of mutual trust and cooperation between HSA, private providers and collaborating agencies. The Grand Jury commends the efforts of the HSA.
 10. The successful recruitment and retention of credentialed health professionals into county service is seriously impaired by the rising costs of housing, goods and services in Santa Cruz County.

11. The Medical Information Management System (MIMS), being developed by the County Health Services Agency, is essential to the improvement of its management of health care programs and the refinement of comprehensive health planning and evaluation.
12. The style, reputation and effectiveness of Salud Para La Gente Clinic demonstrates that open access to primary and preventive health services can be both cost effective and compassionate. The Grand Jury commends Salud Para La Gente Clinic for the manner in which they find and enroll eligible families.
13. With his experience in public health dentistry, the Dientes Community Dental Clinic director could be a valuable resource to the County in planning and implementing a full service dental program for Medi-Cal eligible individuals.
14. The ingenuity and commitment of public health nurses in both case finding and referral and their refusal to be intimidated by the rigidity of the rules and regulations attached to categorical health programs are commended by the Grand Jury.
15. Segregation of hospital care for the poor does not exist in Santa Cruz County due to the accommodation of county patients at community hospitals. All participating parties can take credit for this accomplishment which is recognized by this Grand Jury.
16. The growing population of uninsured families in South County is having a major impact on the ability of health care providers to continue to offer high quality health care service.

Recommendations

1. The Board of Supervisors should take the necessary course of action to have the county designated as a demonstration site for the integrated provision of local health services subsidized by state and federal government for counties of similar characteristics.
2. The Board of Supervisors should direct the HSA to develop a plan for incremental consolidation and eligibility simplification of categorical health programs as part of the demonstration.
 - This plan should be based on prepaid capitation payments and a local public commission should govern its operations.
 - Eligibility requirements should be simplified and extended to a term of at least one year.
 - Eligibility should be based on family income, rather than assets, and tied to federally designated poverty guidelines.
 - The entire family, not individual members, should be designated as the beneficiary for health service coverage.
 - The Central Coast Alliance for Health and its principles of practice should be used as a model for the administration of other categorical health programs.
 - The Board of Supervisors should urge the state to engage an independent non-governmental entity with credentials in the healthcare field to monitor the demonstration and track its impacts on both program costs and clinical outcomes. The Medical Information Management System should facilitate this tracking.

3. The Healthy Families Program should include parents in its coverage. Premiums should be set at more affordable levels in order to accelerate enrollment of families without insurance. Coverage should be maintained during short periods of seasonal unemployment. The Central Coast Alliance for Health should approach local employers to continue premium payments for families during short periods of seasonal unemployment to keep insurance coverage from lapsing. It should continue to expand the participation of specialists in its programs.
4. In order to assure that appropriate care is provided at the least costly level, the outpatient services of local hospitals need to be reimbursed at a higher percent of reasonable costs. The same is true for on-call private physicians who provide care to indigent patients in need of admission to the hospital. The level of reimbursements to private health service providers must be set at a reasonable percent of costs to assure retention of physicians and hospitals participating in Medi-Cal and Healthy Families Program. Rates should be subject to annual negotiation.
5. The Coalition for Health Care Outreach should be supported in the budget of the Health Services Agency upon expiration of the Packard Foundation grant.
6. Additional sessions in the evening and through the lunch hour would be a great advantage for family members who now must lose time at work to attend the clinics.
7. Full-service dental health programs should be launched in county and community clinics.
8. The county should continue to collaborate with community health organizations, local employers and organized labor to expand the numbers of individuals and working families covered by health insurance which includes mental health and dental benefits.
9. The total lack of primary mental health services needs to be addressed both in county and community clinics. An intensive program should be mounted to attract mental health professionals to the county with an emphasis on the recruitment of family-oriented therapists to provide primary mental health services in clinics that serve low-income clients.
10. County clinics should be reconfigured to family-oriented primary and preventive care, backed by clinical specialties and case-managed group therapy for persons at high risk or suffering chronic and recurring illness. These measures will require the recruitment of full-time county physicians and allied practitioners.
11. In the recruitment of health care professionals, salary surveys conducted in nearby agricultural counties are no longer pertinent to this county. In the next round of county salary negotiations, surveys should be conducted that use counties more comparable to the emerging characteristics of Santa Cruz County.

Response Required

For this report, responses to the Findings are not required.

Entity	Recommendations	Respond Within
Board of Supervisors	1 – 11	90 Days
Health Services Agency	1 – 11	60 Days
Medical Managed Care Commission	1 – 11	60 Days

