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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.

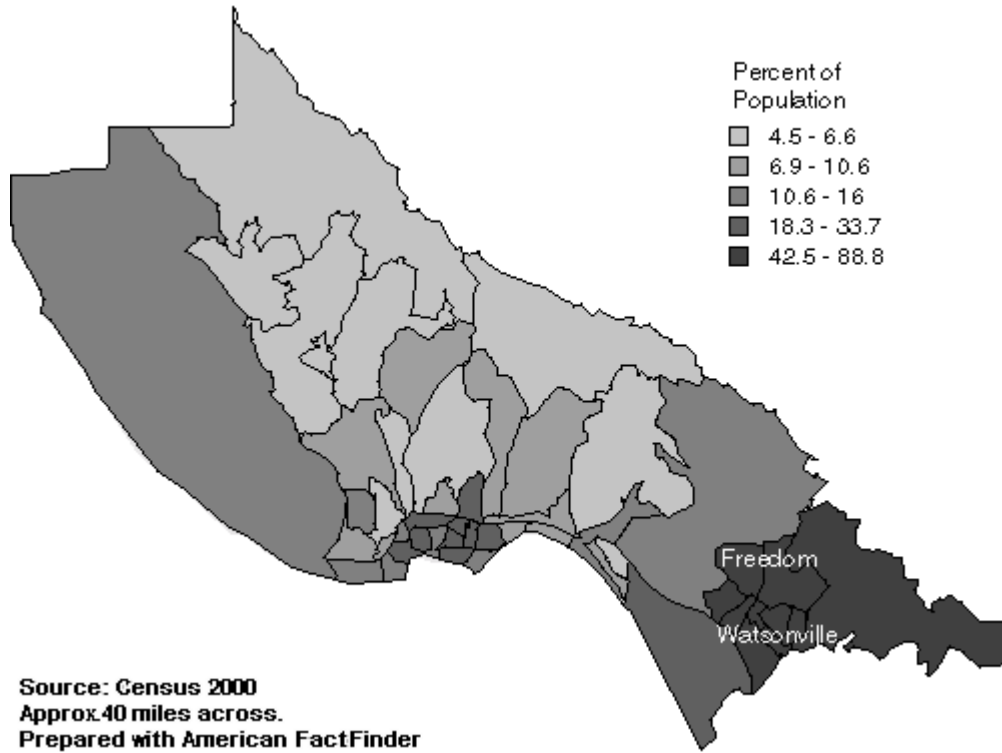
Prior to the creation of the Alliance, a myriad of problems affected local beneficiaries of the Medi-Cal program. Limited choice of private providers resulted in episodic, unsupervised care, over-reliance on hospital emergency rooms, higher rates of hospital admissions and longer hospital stays. This 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 administrators 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.