

September 10, 2004

To: County Judge Eckels and
Commissioners Lee, Garcia,
Radack and Eversole

Fm: Dick Raycraft

Re. **Mid-Year Review**

The reports and schedules in this book are provided for your consideration for the Mid-Year Review at 9 a.m. Tuesday, September 14. The information concerns the four entities for which the court sets annual tax rates: Harris County, the Flood Control District, Port Authority, and the Hospital District.

The sections in the book are in the following sequence:

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| (1) Public Health & Hospitals | (4) Youth & Family Services |
| a. MHMRA | a. Domestic Relations |
| b. Hospital District | b. TRIAD |
| c. Jail Medical | c. Juvenile Probation |
| d. Public Health & Env. Services | d. BBH/BBRC Security |
| e. Public Health Care Delivery | |
| f. Recommendations of the Reports | (5) Technology |
| g. Public Health Departments | |
| h. Recommendations for Court Action | (6) FY 2004-05 Budgets |
| | a. Budgets |
| (2) Infrastructure & Facilities | b. Group Health Benefits |
| a. Public Infrastructure Department | c. Salary Reviews |
| b. Facilities & Property Management | d. Outside Audit |
| c. Libraries | e. Legislative Relations |
| | f. Reliant Park |
| (3) Administration of Justice | |
| a. Fire & Emergency Services | (7) 2004 Tax Rates |
| b. Medical Examiner | |
| c. Patrol | (8) 2005 Meetings and Holidays |
| d. Attorneys and Clerks | |
| e. Courts | |

A review of each section follows for discussion and possible action on recommendations. Supporting materials and information can be found behind the appropriate tabs.

Please let me know if you have any questions or need additional information regarding any subject.

1. Public Health & Hospitals

- a. **MHMRA**. A letter by the director of MHMRA is behind the Health tab. The letter describes the impact on services in Harris County of continual reductions in state funding. There are, the letter points out, an increasing number of persons with mental illness who are entering the criminal justice system “in significant part” because community-based early interventions and continuity of services and supports “are now so limited through the public mental health system.” As a result, the director said, “the number of persons with psychiatric conditions ‘bleeding’ into the Harris County Jail” has increased, requiring more assessments, examinations, and treatment in the jail by MHMRA staff.

Reports indicate that additional funds authorized by Commissioners Court this fiscal year for expansion of emergency and crisis stabilization services and outpatient response teams through the NeuroPsychiatric Center have had the expected result of providing care for more patients while avoiding the higher cost of inpatient care, especially since there are less longer term beds available.

Nonetheless, the combination of state funding reductions and more persons in need of assessment and treatment has caused MHMRA to ask for more assistance from the county, and the most acute problem at this time, according to the director, is MHMRA's impacted service within the county jail. The director is requesting funds for two new physicians and seven technician, screening, and management staff, and salary equalization pay for jail physician positions in order to reduce staff turnover. He is also asking that additional space be made available to MHMRA in the jail to accommodate the required services.

An item on this subject will be placed on a regular court agenda for consideration.

- b. **Hospital District**. A status report from the interim president/CEO of the district is behind the Public Health tab. HCHD is coping with state reductions in the Medicaid program, the Children’s Health Insurance Program, and others. Each slice has impacts. Meanwhile, patient activity continues to increase, and the district’s operations, the report said, are at capacity.

State reductions in MHMRA funding have had an impact on the indigent, and the result, according to the report, is that those persons “will have no place to turn to but the Hospital District for their care.” At this time, the acting CEO reports, HCHD has “unacceptable rates” of psychiatric diversion status at Ben Taub Emergency Center. The inpatient unit at the hospital “is continuously full”, he said, and the psychiatric outpatient clinic is so strained that appointments often require a two-month delay.

Population growth in Harris County will exacerbate the problem. The report said that adding physicians and nurses and pharmaceutical expenses for immediate needs would require funds that are not in the district’s budget, and more funding and facilities would be needed in the future.

Meanwhile, personnel costs have increased as the district seeks to compete in the Medical Center for nurses and other professionals. Contract labor has been used to fill staff vacancies where necessary. Expenses for the district's pension plan have also increased.

Negotiations are underway with Affiliated Medical Services for a new plan for physician services that are assigned to HCHD by Baylor College of Medicine and the UT Health Science Center. A committee appointed by the HCHD board is developing a new workload-based payment system that should result in increased productivity and reimbursement of revenues to the district for the expense of physician services.

The HCHD report shows there has been increased patient revenues from the district's new revenue management program that seeks to improve charging and collecting for services.

Effective September 1, the district began expansion of hours for its Community Health clinics by adding a sixth day, Saturday, and keeping clinics open until 9 p.m. rather than 5 p.m. Projections are that 160,000 additional patient visits per year will occur. The expanded hours will help meet one of the district's goals in its 2015 Strategic Plan which is to increase the volume of primary care patients.

The board and staff continue to evaluate the 2015 Plan and the options that should be recommended for action.

Regarding the current budget, the board is asking that the court approve a tax rate that is no less than the 2003 rate and sufficient to yield at least \$359 million in net property tax revenue, which is the amount in the approved budget for FY 2004-05.

- c. **County Jail Medical.** Harris County last year spent \$22.6 million in unreimbursed health care for inmates. Another \$15.6 million was spent on unreimbursed health care for juveniles in detention. The annual amount of expenditures is reported to the Texas Department of Health. A copy of the computation is behind the Public Health tab. Also behind the tab are status reports and statistics from the director of jail medical services, Dr. Michael Seale of the University of Texas Health Science Center. UT provides the medical services for the Sheriff's Department. Nursing vacancies, space problems, scheduling difficulties with HCHD and delays for testing and specialty clinic referrals, lack of continuity of care for detainees who go back into the community, and problems with delivery of mental health care for detainees are continuing concerns.

Dr. Seale's report shows that of 21 RN positions available, 11 positions are filled, and of 66 LVN positions, 28 are filled. The Sheriff's Department last year spent approximately \$2 million on temporary agency nursing, and without that support, Dr. Seale said, "we would not have been able to provide an acceptable level of care."

- d. **PHES.** Management Services is reviewing budget expenditure projections for Public Health & Environmental Services, and will report to the court with any recommendations to accommodate workload increases and related changes that have been made or should be made for professional staff.

A progress report and map from the director is behind the Public Health tab regarding the department's Immunization Action Plan. As the court is aware, this program has been a priority item of the department's director. An Immunization Task Force of the department was formed by the director in February. Areas with the lowest immunization coverage were identified and staff has provided technical assistance and information to pediatric and family practice physicians in those areas. The goal is to increase vaccination coverage levels in the county outside of Houston from approximately 61% of children to 90%.

The Task Force Program seeks to ensure there is reliable, current immunization data available for providers and schools; a reminder call system for providers and county clinics; Public Health Services mobile immunization units are sent to identified areas with the lowest immunization coverage rates; public education is provided for parents, day care providers, caregivers, and clergy about the value of appropriate immunizations and records, and the information is disseminated in targeted areas; and access to immunizations is improved by enrollment of physicians in the Texas Vaccines for Children Program. That program, administered by the Texas Department of Health, provides free immunizations in clinics for uninsured and underinsured children and children covered by CHIP and Medicaid. There are 165 providers in the county outside of Houston who are now enrolled in the Texas Vaccines for Children Program. A priority of Harris County PHES is to have as participants all available pediatricians and family practice providers who are located in or near the areas that have the lowest immunization coverage levels.

The director's memorandum provides an update of what has occurred with the immunization plan since the beginning of the fiscal year. Another report will be presented for review at the close of FY 2004-05 and will contain projections for FY 2005-06.

Also included in the materials behind the Public Health tab is a memo from the FPM director regarding a needs assessment that was prepared for the HCPHES Animal Control Shelter at 612 Canino Road. The court authorized the assessment at the CIP session June 15. The report, prepared by Jackson and Ryan Architects, recommends that the existing facility be renovated and that a contiguous 4.3 acre tract of land be purchased where a new shelter facility could be constructed. The projected cost would be \$20.3 million. The report indicates the total project could accommodate the Animal Control Division's needs through 2020. Management Services recommends that this item be referred to the FY 2005-06 budget.

- e. **Public Health Care Delivery.** Findings of two studies have been reviewed with individual court members regarding delivery of public health care services in Harris County. Copies of executive summaries are behind the Public Health tab. Both studies place a primary emphasis on the impact of fragmentation and inadequate access of health care services for persons and families who have little or no medical insurance coverage. The studies have been prepared by the Lewin Group, Inc., which was commissioned by the Save Our ERs Coalition, and a Public Health Task Force chaired by Rob Mosbacher, Jr., chairman of the board of the Greater Houston Partnership. The spokesperson for Save Our ERs is Dr. Guy Clifton, chief of neurosurgery at Memorial Hermann Hospital and chair of the UT Medical School's Department of Neurosurgery.

Harris County's population continues to grow, placing increasing demands on public services, particularly in health care delivery because of the number of persons without health insurance. The GHP report said of the 3.5 million residents of the county, 1.1 million, or 31.4%, have no health insurance, and another 500,000 residents have so little insurance coverage that they can be classified as underinsured as they cannot cover all of their health needs, and they often become, in effect, uninsured for services that may be necessary, but are not covered by their minimal insurance plans.

The GHP report points out that about 43% of the uninsured in Harris County have family incomes that are below \$40,000. The fastest growing segment of the uninsured, however, can be classified as in the economic middle class of the county's population with household incomes that are above \$50,000.

The GHP notes that while Harris County's uninsured are 31.4% of the population and increasing, the national average is 16%.

The lack of health insurance coverage, coupled with low levels of personal resources, force persons to turn to the public health care system. What they find, according to the studies, is not a system, but confusion. There are multiple agencies that function separately, without communication. The result is fragmentation and poor access for those with inadequate resources. Emergency rooms receive the brunt of the flow of the uninsured. They often seek assistance for non-emergent concerns that should be handled at less expense, and more timely and effectively, in outpatient clinics that could provide them with preventive, primary, and specialty care.

Both reports, from Lewin/Save Our ERs and the GHP Task Force, rest on in-depth findings and statistics that, if ignored, point to what could be a failure of public health care delivery in the nation's third most populated county and the economic hub of a major metropolitan area.

- f. **Recommendations of the Reports.** The GHP report recommends creation of a comprehensive, integrated public health delivery system. The system it envisions would provide control over and accountability for services currently administered through five existing public agencies: Harris County Hospital District, Harris County Mental Health & Mental Retardation Authority, Harris County Psychiatric Center, Harris County Public Health & Environmental Services, and the City of Houston Department of Health & Human Services.

GHP recommends that a community health information network be developed to link the integrated public health delivery system to service members, providers, and patients. Capacity would have to be expanded for community outpatient care, and the number of insured residents of Harris County should be increased through public, private, employer-sponsored, and hybrid insurance programs.

The GHP report recommends that a successor task force be created by the county and city to oversee development of a detailed implementation plan for the integrated system. A public health district, it said, should be considered for ultimate operation of such a system. A start-up phase should be “sufficiently funded” to provide for necessary staff and professional expertise, including staff who could be loaned by the five involved entities for development of the consolidated system.

One committee of the GHP study, the Services Committee, would continue its research concerning opportunities to resolve or lessen immediate issues with regard to lack of access and fragmentation for health care delivery, and those recommendations should be available in November.

The Lewin report recommends that a coordinated community health system be created which would provide a network of new ambulatory care access points for primary care for the uninsured. Additional outpatient specialty clinics and urgent care centers would be provided along with added school-based health services. The network for primary care should be based on formation of clinics that would be financially sustainable as FQHCs and FQHC look-alikes.

Care in the community, the Lewin report said, could be expanded and linked by use of a web-based system to coordinate patient referrals and medical records, and by adding telephone nurse triage capacity and integrating such services to include mental health and substance abuse services. The city and county public health departments could be consolidated for a consistent level of services throughout the county and to provide accountability through a single focal point for response to public health programs and emergencies.

The Lewin report said governance for coordinated health care delivery should come through an independent entity with a board that is strongly supported by elected officials and whose membership, while reflecting the diversity of the county, would include senior leaders with acknowledged credentials from the medical community, business leaders, and non-profit sector leaders. To be effective, the board should have sufficient independence from daily political pressure, be accountable for results, be supported by a leadership succession strategy that ensures continuity of commitment, and have access to continued training and education for leadership of a coordinated community health care system.

- g. **Public Health Departments.** Another report that is behind the Public Health tab, prepared by Dr. Herminia Palacio, director of the county's Public Health & Environmental Services Department, is her review of the Lewin and GHP reports. Her comments were requested regarding health care delivery by a medical service provider such as the Hospital District compared to programs of a public health department.

The difference, her report notes, is that a hospital system is focused on the individual while a public health unit has a focus on protection of the whole population. One emphasizes diagnosis and treatment of a patient, while the other emphasizes prevention of a communicable disease and health education and promotion for a complete community. Both missions are needed in a metropolitan area, and to be effective, both require major commitments of political and financial support.

Her report identifies functions that could be transferred from her department to the Hospital District, such as prenatal care and certain children's clinical services, which, she said, are not "integral to broader public health programs," but would fit well in primary care services offered by the Hospital District. At the same time, she said, preventive clinical services, such as screening and treatment for sexually transmitted diseases, HIV testing and counseling, and immunizations should be expanded as part of comprehensive public health programs for improvement of community health.

Dr. Palacio said that while missions of medical care for the individual patient and public health for an entire community involve separate approaches, there could be closer coordination, cooperative planning, and sharing of information between agencies, including use of a shared web-based eligibility system interface.

h. **Recommendations for Court Action**

1. The court should ask the Greater Houston Partnership and the Save Our ERs Coalition to formally present their findings and recommendations at scheduled court meetings.
2. The court should then direct that an implementation plan be prepared for the recommendations that it approves. That plan, as it considers the concerns of the reports, should address the results the court wants to see and consider the future missions and relationships of those agencies that are under the county's jurisdiction: the Hospital District, including its 2015 Strategic Plan; MHMRA; the Jail Medical Division; medical services for juveniles and children in county custody; and Public Health & Environmental Services.