

MEMORANDUM

TO: Members of City Council Health, Safety, Education & Services Committee

FROM: Debra R. Knapp
T. Shaun Sullivan
Assistant City Attorneys

DATE: October 14, 2011

SUBJECT: Fiscal Year 2012 Amendments to the Amended and Restated Operating Agreement between Denver Health and Hospital Authority and the City and County of Denver

In 1997 the Denver Health and Hospital Authority was formed and absorbed Denver General Hospital and the medical service functions of the former Denver Department of Health and Hospitals. The City and County of Denver retained the regulatory and some of the public health functions incorporating them into the Department of Environmental Health. The Authority and Denver entered into an Operating Agreement setting forth the services that the Authority provides to Denver and that Denver provides to the Authority. The parties amend the Operating Agreement's appendices annually to adjust and provide funding for the next fiscal year and to make any necessary modifications to the agreement.

Services are divided into Core Services, which the City must purchase from the Authority, Non-Core Services, which the City may purchase from the Authority, and services provided by the City to the Authority. The services are outlined below.

I. **Body of the Operating Agreement:** Addition of electronic signature provision.

II. **Core Services to be Supplied by the Authority to the City**

A-1 **Patient Care Services.**

- Provides funding for care of the medically indigent.
- No change in funding. Provides funding of \$27,977,300 for 2012 compared to \$27,977,300 for 2011.
- Performance criteria were updated.

A-2 **Emergency Medical Services**

- 2012 funding:
 - Increased funding for EMS education and medical oversight for firefighters: \$538,400 (2011: \$508,900).
 - Minor decrease in funding for DIA EMS Paramedic Service \$1,768,100 (2011: \$1,780,200).
- Clarifies that the 911 CAD Administrator and the Authority will prepare monthly performance reports.

- Changes frequency of meetings between each system component and Monitoring Group from monthly to quarterly.
- Provides for more specific financial and other reporting.
- Requires the Authority to provide guidelines for paramedic dispersal and response.
- Requires the Authority to remove from the Airport site any employee if requested to do so by the Manager of Aviation or her designee.

A-3 Public Health Services

- \$2,439,700 (2011: \$2,205,700).
 - This includes \$250,000 for the replacement of public and occupational health air handlers funded by the City's Capital Improvement Fund. The operational budget for 2012 funded by the General Fund is \$2,189,700 (\$16,000 less than 2011).

A-4 Denver C.A.R.E.S.

- \$3,629,000 (2011: \$3,103,400)
 - Change attributable to daytime van services, census numbers, and staff ratio.

A-5 Substance Treatment Services

- Minor change in description of patient population.

A-6 Medical Services for Prisoners at Denver Health and Hospital Authority

- Budgeted amounts: \$4,878,500 (2012): \$5,178,500 (2011) (decrease in budgeted amount due to expected additional savings from utilization management).
- Estimated expenditure change from 2011 to 2012: \$442,994.16 due to combination of increased volume and severity of patients seen).
- Minor change re frequency of collection meetings.
- Definition of non-emergent added for ambulance billings.
- Minor change in language re access to information from DHHA personnel during investigations.

A-7 Denver International Airport (DIA) Medical Clinic

- The clinic has been closed and this section has been deleted.

A-8 Denver Health Medical Plan

- No change.
- Details incorporated in a separate agreement.

A-9 Rocky Mountain Poison and Drug Consultation Services

- No change in funding or terms.
- \$96,900 (2011 funding: \$96,900).

A-10 Clinical and Laboratory Services for the City's Department of Environmental Health

- \$23,000 (2011: \$26,300).

- Minor increase in OME's per unit outside lab costs but overall decrease in A-10 expenses due to lower annualized billings.

III. Non-Core Services to be Supplied by the Authority to the City

B-1 Psychiatric Evaluations and Consultation Services

- \$47,400 (2011: \$75,800).
- Decrease due to removal of monthly payment to hold open appointment slots, without regard to services delivered.
- Time limit added for referral to other services.

B-2 Family Crisis Center (FCC)

- Budgeted at \$371,100 (2011: \$431,100) (reduced by life skills/substance abuse position).
- Addition of language re better financial reporting and City option to modify costs and services, upon notice.

B-3 Expert Witness Services: added to miscellaneous services in Appendix B-11 in 2008.

B-4 Center for Occupational Safety and Health (COSH)

- Increase in average cost per claim from \$2,863 to \$2,936.
- Procedural changes to implement use of alternative drug testing facilities as well as DHHA's.

B-5 Acute and Chronic Health Care at Denver County Jail

- \$9,542,300 (2011: \$9,404,600).
- The amount for the jail appendix has increased to reflect increased salaries for DHHA staff following a salary survey.
- Minor change in language re access to information from DHHA personnel during investigations.
- Addition of provision for supervision of psychologists by DHHA and for any open positions to be replaced by DHHA psychologists.
- Clarification of responsibilities for transport of jail medical records.
- Change in number of days (3) physician is available at Denver County Jail location.

B-6 HIV/AIDS Drug Reimbursement Option – discontinued in 2005.

B-7 Newgenisis Program – discontinued in 2005.

B-8 Best Babies Initiative – discontinued in past years.

B-9 Physical and Specialty Examinations for Aid to the Needy and Disabled Determination

- No change in amount (\$2,000) or services.
- Elimination of some reporting requirements.

B-10 Head Start Medical Services

- No changes.
- No funding provided by the City's general fund.

B-11 Miscellaneous Services

- City's 2012 contribution of \$423,000 to construction of Montbello Family Clinic.
- City's 2012 contribution of \$116,900 for land acquisition for Park Hill clinic.
- City's 2012 contribution of \$1,400,000 to construction of a new Westside clinic.
- City's 2011 contribution of \$180,000 to replace fixtures in bathrooms at Denver C.A.R.E.S (Better Denver Bond funds).
- See also A-3 for City contribution of \$250,000 to replace air handlers.

IV. C Appendices (Services to be supplied by the City to the Authority)

C-I Career Service Authority

- Minor increase in per capita rate.

C-II Manager of Finance

- Minor increase in per capita rate.

C-III City Attorney - Employment Law

- Decrease in hourly rates from \$90.72 to \$75.95 for paralegal work and increase in hourly rates from \$152.63 to \$171.71 for attorney work.
- Aggregate estimated amount of \$150,000 remains the same.

C-IV Central Services Division

- \$10,000 (2011: \$10,000)

C-V Office of Employee Assistance

- Decrease in per capita rate from \$28.35 to \$25.57.
- More detailed scope of work.

C-VI DDHS - Medicaid Expeditors-discontinued

C-VII Workers' Compensation

- No changes.

C-VIII Tech Services

- \$34,500 (2011: \$34,500)

C-IX Denver Police Department

- \$4,000 (2011: \$4,000)
- No changes.

C-X Denver Sheriff Department

- \$293,800 (2011: \$315,308)

C-XI Fleet Maintenance - Vehicle Fueling

- No changes.

C-XII Denver 911-EMS Universal Call Taker

- No changes.

C-XIII Miscellaneous Services

- \$123,300 (2011: \$132,000)

V. Key Contract Terms

The ordinance will approve an amendment of an intergovernmental agreement between the City and DHHA. The amendment will reflect new funding levels and other necessary adjustments for 2012. The proposed contract amount is for the City to expend funds of \$53,492,488 for DHHA services and for the City to receive funds of \$1,513,164 for City services provided to DHHA.

- a. Vendor/Contractor name: Denver Health & Hospital Authority.
- b. Contract Control Number: CE60436-21.
- c. City's Contract Manager: Mike Raglund (contact person: Robin Valdez).
- d. Was this contractor selected by competitive process? No-amendment to intergovernmental agreement.
- e. Duration: 12 months
- f. Renewal terms: renegotiated every year.
- g. Scope of Services with performance benchmarks: Contract has separate appendices for each type of service.
- h. Purpose/Benefit: DHAA provides medical services to Denver residents and City agencies and the City provides some services to DHHA.
- i. Termination by City or Contractor: dispute resolution process outlined in prior versions of the agreement; subject to amendment annually.
- j. WBE/MBE/DBE commitments: yes.
- k. Location: DHHA facilities, at the jail and Downtown Detention Center, and at DIA.
- l. Affected Council District: all Council districts.