

MEMORANDUM

TO: Members of City Council Government Affairs and Finance Committee

FROM: T. Shaun Sullivan
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Assistant City Attorneys

DATE: September 27, 2010

SUBJECT: Fiscal Year 2011 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: No changes.

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 2011 compared to \$27,977,300 for 2010.
- Performance criteria were updated.
- Frequency of reporting financial and usage data was reduced.

A-2 Emergency Medical Services

- 2011 funding:
 - Increased funding for EMS education for Sheridan firefighters: \$508,900 (2010 \$430,400).
 - Increased funding for DIA EMS Paramedic Service \$1,780,200 (2010 \$1,688,552).
- The Authority will process all calls for emergency medical services coming into the 911 Communications Center via the Authority's emergency and non-emergency lines, assign

EMS calls to an ambulance and all other activities related to the dispatching of ambulances, and provide medical direction and manage Continuing Education and Quality Improvement activities for EMS call processing.

A-3 Public Health Services

- \$2,205,700 (2010: \$2,562,600).
- Decrease in funding.
 - Prior completion of Infection Disease/AIDS Clinic (2010 final payment: \$220,000).
 - Reductions in staff hours and services and supplies.

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

- \$3,103,400 (2010: \$3,383,100)
- Decrease in funding.
 - Prior completion of detention door replacement (2010 final payment: \$65,400).
 - Reduction in detox capacity and staffing (decrease in daily census from 64 to 52 and weekly number served from 450 to 364).
- Additional benchmark change: van hours for transport of inebriates reduced from 16 hours per day to 10 hours per day.

A-5 Substance Treatment Services

- No change. Funded exclusively by state and federal pass through funding and client payments.

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

- \$5,178,500 (2010: \$5,977,800).
- The main reason for the decrease in expense at the hospital is that more services are being delivered at the Downtown Detention Center. This also reduces inmate transportation and other costs.

A-7 Denver International Airport (DIA) Medical Clinic

- Historically, the DIA Clinic existed through a lease agreement, with rent paid by DHHA not in money but through the value of services provided. In 2010 the agreement changed to become a standard professional services agreement through which DHHA provides agreed-upon clinic services for specified fees. Aviation provides space and covers certain operating expenses. The amount for 2010 has been, to date, \$27,500 per month. This arrangement (documented in a separate contract in 2010) may continue in 2011.

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 (2010 funding: \$96,900).

- A-10 Clinical and Laboratory Services for the City's Department of Environmental Health**
- \$26,300 (2010: \$40,600).
 - The Authority has decreased the types of laboratory services it provides to the City.

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

B-1 Psychiatric Evaluations and Consultation Services

- \$75,800 (2010: \$85,800).
- BART disability benefit consults no longer performed under this provision.

B-2 Family Crisis Center (FCC)

- \$431,100 (2010: \$408,020).
- Clarification of medication administration responsibilities.

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 \$2,567 to \$2,863.

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

- \$9,404,600 (2010: \$9,088,400).
- The amount for the jail appendix has increased because more services are being delivered at the Downtown Detention Center. The increased cost in B-5 is offset by savings in A-6 (care at DHHA) and some B-5 acute care items.

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

B-7 Newgenesis 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 .

B-10 Head Start Medical Services

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

B-11 Miscellaneous Services

- SANE program funded at \$171,000.
- DUI blood draws added \$30,000.
- City's contribution of \$1.29 million to Montbello Clinic construction by Authority's retention of surplus from 2009. Additional funds to be provided: \$500,000 grant from OED and \$1.27 million (by three annual \$423,000 payments) from capital improvements funding starting in 2011.

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

C-1 Career Service Authority

- \$132,046 (2010 \$154,200)
- Minor decrease in per capita rate.

C-2 Manager of Finance

- \$26,338 (2010 \$28,000)
- Minor decrease in per capita rate.

C-3 City Attorney - Employment Law

- Increase in hourly rates from \$43.43 to \$90.72 for paralegal work and from \$92.03 to \$152.63 for attorney work.
- Aggregate estimated amount of \$150,000 remains the same.

C-4 Central Services Division

- \$10,000 (2010 \$10,000)

C-5 Office of Employee Assistance

- \$137,135 (2010 \$137,800)
- Minor change in per capita rate.

C-6 DDHS - Medicaid Expeditors

- The funding for Medicaid expeditor positions has been eliminated as Denver Health now performs this function in-house.

C-7 Workers' Compensation

- No changes.

C-8 Tech Services

- \$34,500 (2010 \$45,500)
- Reduction in amounts paid by the Authority.

C-9 Denver Police Department

- \$4,000 (2010 \$4,000)
- No changes.

C-10 Denver Sheriff Department

- \$315,308 (2010 \$313,600)
- Slight increase due to annualized billing days.

C-11 Fleet Maintenance - Vehicle Fueling

- \$409,400 (2010 \$409,400)
- No changes.

C-12 Miscellaneous Services \$180,795 (2010: N/A)

- Changes to implement universal call taker program.
- The Authority to fund four emergency communication operator positions.

V. Key Contract Terms

The ordinance will approve an amendment of an intergovernmental agreement between the City and DHHA that has been in effect since 1997. The amendment will reflect new funding levels and other necessary adjustments for 2011. The proposed contract amount is for the City to expend funds of \$51,534,600 for DHHA services and the City to receive funds of \$1,399,522 for City services provided to DHHA.

- Vendor/Contractor name: Denver Health & Hospital Authority.
- Contract Control Number: CE60436-20.
- City's Contract Manager: Gerry Salcedo, 720/865-5353.
- Was this contractor selected by competitive process? No-amendment to intergovernmental agreement.
- Duration: 12 months
- Renewal terms: renegotiated every year.
- Scope of Services with performance benchmarks: Contract has separate appendices for each type of service. See attached performance benchmarks.
- Purpose/Benefit: DHAA provides medical services to Denver residents and City agencies and the City provides some services to DHHA.
- Cost/Value: \$51,534,600 (City expenditure); \$1,399,522 (City revenue).
- Source of funds: General Funds.
- Termination by City or Contractor: dispute resolution process outlined in prior versions of the agreement.
- WBE/MBE/DBE commitments: yes.
- Location: DHHA facilities, at the jails, and at the airport.
- Affected Council District: all Council districts.