

The special meeting of the Spokane Regional Health District Board of Health held on Thursday, **June 20, 2013** was called to order by Commissioner Todd Mielke, Chair, at 12:36 p.m. in room 140 of the Public Health Center, 1101 West College Avenue, Spokane, Washington.

PRESENT

Commissioner Todd Mielke, Chair
Commissioner Shelly O'Quinn
Councilmember Ben Stuckart
Councilmember Amber Waldref
Councilmember Chuck Hafner, Vice Chair
Mayor Tom Towey (departed at 2:34 p.m.)
Mayor Tom Trulove
Board Member Susan Norwood, EdD, RN

ABSENT

Commissioner Al French
Councilmember Jon Snyder
Board Member Bob Lutz, MD, MPH

AGENCY STAFF PRESENT

Elaine Conley, Community & Family Services Director
Mike Riley, Comptroller

STAFF PRESENTATION

Commissioner Mielke, Chair, announced a special meeting to provide the Board with information regarding the Spokane Guilds' School (SGS) request regarding the DEL funding.

A letter from Board Member Lutz was read into the record regarding the matter before the Board stating per RCW 70.05.060, it is not the Board's responsibility to determine how the agency's programs and divisions are managed and implemented.

Commissioner Mielke explained why the matter was before the Board citing state law making the Board of Health (BOH) a management board/board of directors. It is ultimately responsible for the budget, finances and policy of the health district. In recent dialogues, the question was raised whether the health district was changing policy and, therefore, the Board be made aware and brought into the discussion.

The health district's challenge is not having enough resources since 2008. The demand for services for children with special health care needs has grown dramatically from 336 cases to more than 500 in 4 years. In the same time period, the Department of Early Learning (DEL) funds have fluctuated from a high of \$766,000 in 2009 to the current annual amounts of \$579,890 for 2013. As a result, the health district has shifted money from other programs to this program. During this time period, the health district has experienced significant reductions in state funding to public health issues. With those reductions, the Board has continued to shift more money from local funds to this program. In 2008, the health district moved approximately \$170,000 from its operating fund into this program. Today, there is more than \$300,000. There is no more additional money available without shifting funds away from other programs.

By the guidelines offered by DEL, the targeted caseload for each family resource counselor (FRC) is 40 to 45 caseloads per counselor. Based on the current caseload amount in the Spokane region of more than 500, the Spokane region should be operating with 10 or 11 FRCs.

Current funding only pays for 6.5 FRCs for the 500+ caseload. The goal of the Health District is to maximize the FRC services to the families by providing standardized caseloads across the service providers. The Spokane Guilds' School contract that will end June 30, 2013 requires services equating to 2.6 FRCs with funding of \$195,000. The caseload of 130 equals 50 cases per FRC. The remaining \$580,000 of DEL funding given to the 4 remaining FRCs must address the remaining 370 cases in the Spokane region, which equals 93 cases per FRC. The difference in the caseloads has placed the majority of families in a position of having to receive a smaller proportion of resources.

Commissioner O'Quinn requested clarification of the information being presented versus the data received in the handout. Commissioner Mielke clarified the data presented noting the chart in the packet under reported the caseload due to the Spokane Guilds' School and others providing more FRCs than the DEL funds. Some of those FRCs are full-time; sometimes they are percentage share of a person's time. It is the understanding that the Spokane Guilds' School utilizes somewhere between 4 and 5 staff people to provide FRC services. To assure a good baseline comparison, the data started with the FRCs funded through the DEL dollars which equals 6.5 positions. Other providers have utilized other resources to lower the caseloads in the community, such as Youthful Horizons, Stepping Stones, Children First, and Riverside and Deer Park School District.

To draw comparisons, Youthful Horizons has a caseload between 140 and 145. The caseload for Spokane Guilds' School is 130-135. Spokane Regional Health District (SRHD) pays for 1 FRC for Youthful Horizons and Youthful Horizons pay for the other. SRHD pays for 2.6 FRCs for Spokane Guilds' School and they have been supplementing with other staff.

Other communities have reported issues with finding need assessments of its children and connecting and coordinating care with service providers to fill those needs. Much to the credit of Spokane Guilds' School, the overall region has adopted the team concept structure where a FRC gives a needs assessments and helps coordinate families to care.

Commissioner Mielke brought to the Board of Health's attention that caseloads fluctuate from month to month and year to year. The issue is if there is flexibility within the system to assign caseloads to the different FRCs. FRCs assigned to the Health District may be assigned to multiple teams and as the caseload changes their assignments may change. The Spokane Guilds' School's FRCs are only required to handle caseloads at the school.

The contract between the Health District and the Spokane Guilds' School for 2012/2013 year states the services will continue through June 30, 2013 and then either party can terminate the agreement with a 30 day notice. There is Jan 10, 2013 correspondence in the packet that states the DEL contract would not be renewed as of June 30, 2013. This was nearly a 6 month notification that the contract would not continue after June 30, 2013.

The current DEL contract summary sheet shows funding will be utilized for 6.5 FRCs and doesn't specify any funding for contracted services. This application was approved by DEL and will go into effect July 1, 2013. Any changes to the grant application may not be approved by DEL. Once grants have been approved there is limited ability to change.

SPOKANE GUILDS' SCHOOL PRESENTATION

Rick Dullanty, President of the Spokane Guilds' School Board of Trustees, requested on behalf of the Spokane Guilds' School for the Board of Health to reinstate the funding to the Guilds' School because it would provide a better service.

The Spokane Guilds' School didn't receive a notice prior to January that the contract would not continue in 2013, there were no discussions that there would be no renewal, and they were not told the contract would not be renewed. The only letter that was received was the May 22 that stated the contract was "here" and insinuated the contract would be continuing.

Comparatively speaking, the charts the Health District presents are correct and accurate. Due to the unique nature of the Spokane Guilds' School, it can't be compared the same as the other providers. The Spokane Guilds' School is one of 3 neurodevelopmental centers in the state of Washington and the only one in Eastern Washington. That requires the Spokane Guilds' School to have on staff doctors, nurses, social workers and therapists. There are 4 or 5 other FRCs the schools hosts due to the other services it provides. The \$195,000 funding Spokane Guilds' School receives funds 52% of the costs of what are provided. The Spokane Guilds' School comes up with local funds that come from the schools own fundraising efforts and private funding.

The Health District still has an obligation to fund the FRCs. It's just a question of what is most cost effective. DEL states that above all it's very important to put the FRC in the same setting as the provider. This is what Spokane Guilds' School has done and it can't happen unless funding is available. The question is how funding issues will be resolved by July 1. If FRC services are taken back to the Health District, there will be a disconnect and a violations to that policy. Spokane Guilds' School hasn't had the opportunity to discuss this matter since it has been busy writing memos, performing research trying to resolve the issue and it hasn't worked.

Spokane Guilds' School was mentioned in the DEL contract as receiving \$195,000. Spokane Guilds' School has never had a contract with DEL rather it contracts with the Health District. The current DEL contract doesn't prohibit amendments, but there is no reason for amendments since other providers are not mentioned in the contract as well.

Commissioner Mielke clarified that the 2012/2013 DEL contract lists FRC services with a \$195,000 contract services imbedded. Mr. Dullanty stated he believed the Spokane Guilds' School was specifically listed in the 2012/2013 DEL contract.

Commissioner Mielke clarified that the proposed 2013/2014 contract is to get FRC services instead of the cash to provide FRC services. The desired DEL directive is to have the FRCs imbedded in the programs. For the other providers in the community, the FRCs are imbedded working with the teams but may not be there 40 hours a week. They may be there based on the caseload and may be there for 3 days at that program working with that team and may be at another site imbedded with another team working somewhere else. The health district is committed to providing FRC services. The goal is to lower the caseload across the system.

Mr. Dullanty stated the impression given by the Health District was that the Spokane Guilds' School obtain FRC services through the Health District or don't receive services at all. Commissioner Mielke apologized stating that was not the intended impression.

Mr. Dullanty continued that 2.6 FRCs at a cost of \$75,700 per FRC equals more than the \$195,000 originally given the Spokane Guilds' School. In addition, the FRCs would only be at the Spokane Guilds' School part-time, they would be housed at the Health District, and there would be logistical issues associated with the location including continuity with the children which is a key point.

Tim Cassels, President of the Spokane Guilds' School Board, presented and stated that Spokane Guild's School serves 130 families annually with 79.5% of those families being Medicaid eligible. Spokane Guilds' School has a \$3 million budget with 90% comprised of human related expenses. With the

reduction of revenues, a reduction of human related expenses must occur, which will affect the kids. The \$195,000 reduction and 14% increase in administrative fees represents 8% of the Spokane Guilds' School budget. The \$250,000 administrative fees received by the Health District are 1.2% of its budget. Per the draft DEL contract, each FRC costs \$75,777. To staff 2.6 FRCs using the Health District employees costs over \$200,000. More money is being spent for less service. He requested the Board leave the \$195,000 funding for Spokane Guilds' School, leave the FRCs as school employees, and leave the administrative costs at 5%.

Commissioner Mielke clarified there has been no final decision on the administrative fee.

Ken Isserlis, Spokane Guilds' School attorney, addressed the Board. He stated the Spokane Guilds' School is requesting the Board of Health reinstate \$195,000 in federal funds (also known as the DEL funds) and to return the administrative fee to 5%. Spokane Guilds' School would like to have the matter resolved at the meeting today.

The Office of Superintendent Public Instruction (OSPI) funds begin at the legislature, go to OSPI, and the school districts can serve the kids with those funds or they can contract with other providers. Several school districts have chosen to contract with the Health District, which doesn't provide the services but subcontracts with the Spokane Guilds' School and other direct service providers. In the April 23, 2013 DEL memo, there is a discussion of what DEL calls the most direct contracting path. This specifically addresses federal funds, but the principle is the same with state funds. DEL says the most direct path is the path between the school district and a provider program. By following the most direct path, administrative costs will be reduced freeing up more funds for direct services to children and families. The school districts that now contract with the Health District always have the option of skipping the Health District and contracting directly with the Spokane Guilds' School or the other providers. If the schools discover the administrative rate has doubled, they may decide to end their contracts with the Health District.

The federal money that comes through the U.S. Department of Education and 34 Code of Regulations (CFR) 303.225 addresses non-supplanting and maintenance of effort. A portion of the code states, "Federal funds will in no case supplant state and local funds" continuing to say "to meet this requirement the total amount of state and local funds budgeted for expenditures in the current fiscal year must be at least equal to the total amount of state and local funds actually expended in the most recent preceding fiscal year." The Health District proposal is to spend \$28,000 less in local money this year than last year. In a document called, "Budget Quick Facts" the Health District staff talks about taking back the \$195,000 of federal funds from the Spokane Guilds' School stating "we must move forward with these changes to reduce our local dollar need for this program." In other words, the Health District is saying it will spend \$195,000 less in local money on this program and it will be done in part by replacing the local dollars with federal IDEA dollars. The Department of Education enforces the rules. The research the Spokane Guilds' School has completed suggested that if the department of Education determines that is a non-supplanting or maintenance of effort violation it will ask for the difference back. That is a risk the Health District will be taking with its proposal.

Mr. Isserlis read a portion of the Health District's additional context document stating it is false, offensive and has no place in a civil discussion about what is best for the children. He requested that the Board not be guided by that kind of language.

Commissioner Mielke clarified that the \$195,000 DEL funding can only be used for FRC purposes and can't be used for any other function within the Health District. Looking at a state legislature that hasn't come to a compromise on a budget and is looking at a shutdown July 1, the Health District unfortunately

has to prepare for what happens if they reduce public health funding again where there is no local category to continue to put towards the program.

Commissioner Mielke also commented that Spokane Guilds' School represented 130 cases and paid a 5% overhead on the OSPI funding received, while the other providers combined represented 370 cases and paid 17%. The idea is to have an equitable distribution. In addition, if the \$195,000 was reinstated for embedded FRC services, it couldn't be used utilized anywhere else.

Mr. Isserlis responded that the state funds are subject to the overhead rate and it's the federal funds not subject to the overhead rate which is the \$195,000. The 5% overhead rate would be equitable if everyone received the same services. The agencies that were charged the 17% were receiving from the Health District expensive special education teacher services and FRC services when the Spokane Guilds' School was not. It would not be equitable under those conditions. The reason the rate for Spokane Guilds' School is 5% is because the Spokane Guilds' School suggested it after the Health District approached them about needing additional revenue. Spokane Guilds' School offered the 5% rate without the Health District offering any increased services. The \$195,000 covers just 52% of the FRC services and the Spokane Guilds' School raises \$1 million of local funds, which allows the dollars to go further.

Mr. Dullanty restated the original request and recommended a standstill agreement having the Board of Health direct staff and the Spokane Guilds' School work for a year on how it will be managed in the future.

PROVIDERS' PRESENTATIONS

David Owan, PT, Owner of Youthful Horizons Therapy, addressed the Board educating them about other providers in the community and the services they provide. Mr. Owan's moved into a "state-of-the-art" facility 3 years ago and continues to grow. The Center for Pediatric Therapy and the Achieve Center have outgrown their current space and will move into new facilities this year. Stepping Stones continues to grow and expand their business. Stepping Stones sees 95% percent of its clients in the natural environment (natural environment is in-home visits and a marker for compliance to IDEA Part C Funds), Youthful Horizons sees 72%, Center for Pediatric Therapy sees 39%, and the Spokane Guilds' School sees 29%. Businesses are expanded by school dollars, insurance reimbursement, business efficiency and a sound business practice. Youthful Horizons and Center for Pediatric Therapy don't receive Medicaid Administrative Match dollars, DDD funds, nor solicit donations and funding from the public. Regardless where the public receives its services, they will receive high quality services.

One year ago, SRHD began a shift of how services were provided through the Infant Toddler Network (ITN) and were endorsed by the CICC. The Health District chose 5 primary providers to be responsible for delivering services. The primary goals were to have a more coordinated delivery system of services throughout the community, have a more equitable payment system to providers, and for the system to stay within its budget. With the leadership of the Health District, FRCs were embedded with providers. Youthful Horizons has 2 FRCs with one being paid for by the Health District. The new system has helped identify children needing services, provided a more comprehensive approach to their care and children have received services faster. Youthful Horizons provides services to just over 30% of the children and Spokane Guilds' School provides 27%, Stepping Stones provides 21%, Center for Pediatric Therapy provides 14%, and Children First provides 8%.

In the past, providers never understood where the money was distributed. Mr. Owan was on the Executive Committee of the CICC and never saw a budget. Funding requests for treatment would sit on administrators' desks upwards of 6 months. Children were being served but providers were not always being reimbursed for travel or treatment time. The school district dollars never followed the children.

There was no transparency of where money was spent. Providers were always told the Health District was over budget and at risk of losing the Health District as a local lead agency.

The money received by ESIT is approximately \$580,000 and is spent on the Health District's FRCs employed under a union contract. If all ESIT dollars go to FRCs employed by the Health District, the \$195,000 is not available and will need to come from local tax dollars. The Board would need to be willing to continually fund with local tax dollars. Requests for additional funding could come from other providers in the community as well. Funds are limited and businesses must be managed within those limited funds. No one organization can work in isolation or demand funds without it affecting the overall budget and other providers.

It was the understanding of the other providers that all were supposed to meet this spring to discuss what was and wasn't working with the new model and continue to refine the system. Youthful Horizons was notified that the overhead amount would be adjusted to compensate those who employed their own FRCs. Providers wouldn't be compensated 100% and would still need to use other funding sources to make up the difference, but the Health District would try to make it equitable between all providers. Because of the circumstances over the FRC issue, this discussion never took place. Mr. Owan encouraged all parties to sit together to work on a solution for the benefit of the community and not just one provider.

Echo Fryett, MS, PT, owner of Center for Pediatric Therapy, shared with the Board that her center is very interested in serving the children of the community and having equitable resources for all the community's children. The clinic has over 70 children with active individualized family service plans (IFSPs) and uses one FRC employed by the Health District. Based on current numbers, providers other than Spokane Guilds' School have to carry much larger caseloads and families don't receive the same amount of service coordination due to the larger caseloads.

Elaine Conley and Colleen O'Brien have made the funding process transparent which is important to providers. In the past, providers didn't know where funding was coming from or going to. There was much that was not equitable. Ms. Fryett asked the Board to allow the staff hired to run the program to make the decisions on how funding is distributed.

Michelle LaMotte, OTR/L, owner of Stepping Stones Pediatric Therapy, addressed the Board explaining the services her agency provides. Providers (other than Spokane Guilds' School) don't receive the same level of service due to the large number of children the FRCs must see. All providers are needed to meet the needs of the community, but the dollars must be spread equitably. Ms. LaMotte stated the recent transparency is appreciated and requested all come together to solve the issue.

BOARD ACTION

Commissioner Mielke reminded the Board that despite the broad nature of the discussion on funding resources that the discussion was to focus on the federal dollar funding specifically for FRC activities.

The DEL grant has been applied for and awarded. It is an option of the Board to do nothing and the current proposal would continue. The second option is to affirm what has been proposed for the 2013/2014 distribution of federal dollars for FRC purposes. The third option is to find another solution that may require finding or redirecting funding sources. Under the federal contract, there is a responsibility to notify all 500 families in the region if there is a change in their services. This would be the requirement if Spokane Guilds' School chose not to continue FRC services. The current proposal is to utilize FRCs paid for by the Health District to work in the Spokane Guilds' School environment. With the current caseload, 2 FRCs will be placed at Spokane Guilds' School.

Commissioner O'Quinn advocated for giving the Spokane Guilds' School the requested dollars so they are able to maintain the current level of service delivery or adjusting the amount of dollars given to Spokane Guilds' School in order to equalize the caseload more fairly.

Councilmember Hafner made a motion to confirm the ESIT budget commencing July 1, 2013 to June 30, 2014. Councilmember Stuckart seconded the motion for discussion.

Councilmember Waldref requested an amendment to the motion instructing the Health District staff to work together with all of the providers to discuss how FRCs will be distributed in order to equalize caseloads.

Motion: To move forward with the federal funding as stated in the grant application and the caseload would be spread across the 6.5 FRCs in the grant equitably recognizing that some providers would be able to supplement that caseload either within their own program or within the system and that staff will call together all providers to discuss how caseloads and FRCs would be allocated amongst the providers.

Motion/Second: Hafner/Stuckart

Approved: 4 yes (Hafner/Mielke/Stuckart/Waldref)/3 no (Norwood/O'Quinn/Trulove)

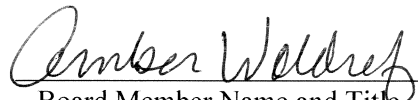
NEXT BOARD OF HEALTH MEETING

The next Board of Health meeting is scheduled at 12:30 p.m. on June 27, 2013.

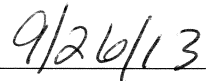
ADJOURNMENT

There being no further business before the Board the meeting was adjourned at 3:29 p.m.

APPROVED:


Board Member Name and Title

Date:



Recording Secretary

