

**Municipal Service Review (MSR)
And
Sphere of Influence (SOI) Plan**

Public Health Care

September 2005

Local Agency Formation Commission of Calaveras County

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I. Executive Summary

Local Agency Formation Commissions (LAFCO) were created in 1963 to assist the State of California in encouraging the orderly development and formation of local public agencies. There is a LAFCO in each California County. LAFCO has the power to conduct studies, approve or disapprove proposals, modify boundaries of cities and special districts, and impose reasonable terms and conditions on approval of proposals.

The Cortese-Knox-Hertzberg Local Reorganization Act of 2000 (CKH Act) established procedures for local government changes of organization. The CKH Act also requires LAFCO to update the Spheres of Influence (SOI) of all local agencies within the county by January 1, 2006. A Sphere of Influence is defined as a plan for the probable physical boundary and service area of a local agency or municipality. A service review must be conducted for each local agency to update the SOIs.

This Municipal Service Review addresses public health care services within Calaveras County. Public health care services within Calaveras County are provided largely by the County's Health Services Agency and the Mark Twain Health Care District. The primary responsibilities of the Health Services Agency are to prevent the spread of disease, provide a health safety net for vulnerable populations, promote healthy lifestyles and respond in emergencies. The Agency also provides behavioral health services to children and adults and offers therapy, medication support, rehabilitation programs and case management. The Mark Twain Health Care District provides a range of general acute care services at its hospital and four medical clinics.

This report does not address private or non-profit health care services that are provided by non-profit organizations, private doctors and other medical practitioners, private clinics and convalescent hospitals.

Calaveras County is a typically healthy community but there are some areas of concern. The County has met objectives for reducing death rates due to all cancers and coronary heart disease. The County has not achieved objectives for reducing death rates due to unintentional injuries, lung cancer, cerebrovascular disease and prenatal care. There is a lack of specialist and specialized care, a lack of long-term care for seniors and a lack of women's' care in the County. Another area of concern, especially in young children, is that of dental health.

It is recommended LAFCO adopt the Resolutions in Section VI of this report affirming the current SOI for the Mark Twain Health Care District and adopting certain determinations.

It is also recommended that the County Health Services Agency and Mark Twain Health Care District evaluate the establishment of a formal arrangement among the two agencies. This arrangement should at least consider the following items:

- ❑ Quarterly meetings of the top administrators and their staff of each agency to discuss the general health of the County.
- ❑ Joint assessment of current and future health needs of the County.
- ❑ Identification of target population groups and the means of meeting their health care needs.
- ❑ Integrating dental health care into the public health care system.
- ❑ Coordination with non-profit groups providing public education and health care programs.
- ❑ Coordination with local public transit providers to assure low-income, elderly and disabled persons have adequate access to health care services.
- ❑ Other areas of mutual interest.

The County Health Services Agency together with the Mark Twain Health Care District should report to LAFCO the results of their evaluation regarding the establishment of a formal relationship.

II. Introduction

II:a. Local Agency Formation Commission

Local Agency Formation Commissions (LAFCOs) are quasi-legislative local agencies created in 1963 with power delegated by the California Legislature to encourage the orderly development and formation of local agencies. There is a LAFCO in each California County. LAFCOs are independent agencies that are not part of county, city or special district governments.

LAFCO in Calaveras County is comprised of seven Commissioners representing the County, City of Angels, special districts, and the public at large.

The fundamental mission of a LAFCO is to implement the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act). LAFCO has the power to conduct studies, approve or disapprove proposals, modify boundaries of cities and special districts, and impose reasonable terms and conditions on approval of proposals.

II:b. Local Government Reorganization Act

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) establishes procedures for local government changes of organization. The CKH Act consolidated three previous laws that governed changes in the boundaries and organization of cities and special districts.

The CKH Act contains the following major policies:

- To encourage orderly growth and development which are essential to the social, fiscal, and economic well being of the State;
- To promote orderly development by encouraging the local formation and determination of boundaries and working to provide housing for families of all incomes;
- To discourage urban sprawl;
- To preserve open space and prime agricultural lands by guiding development in a manner that minimizes resource loss;
- To exercise its authority to ensure that affected populations receive efficient governmental services, to promote logical formation and boundary modifications that direct the burdens and benefits of additional growth to those local agencies that are best suited to provide the necessary services and housing;
- To make studies and obtain and furnish information which will contribute to the logical and reasonable development of local agencies

and to shape their development so as to advantageously provide for the present and future needs of each county and its communities;

- To establish priorities by assessing and balancing total community services needs with financial resources available to secure and provide community services and to encourage government structures that reflect local circumstances, conditions, and financial resources;
- To determine whether new or existing agencies can feasibly provide needed services in a more efficient or accountable manner and, where deemed necessary, consider reorganization with other single purpose agencies that provide related services;
- To update the Spheres of Influence (SOIs) of all local agencies within the county by January 1, 2006; and
- Conduct a review of all municipal services by county, region, sub-region or other geographic area prior to, or in conjunction with, SOI updates or the creation of new SOIs.

Sphere of Influence is defined as a plan for the probable physical boundary and service area of a local agency or municipality as determined by LAFCO. The SOI is an important tool for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities.

II:c. Service Review Guidelines

The Governors Office of Planning and Research (OPR) has prepared guidelines for LAFCO to conduct reviews of California municipal services. OPR published in August of 2003 the Final Guidelines.

The CKH Act, together with OPR's guidelines, requires LAFCO to conduct a comprehensive review of all agencies that provide services within the county. The service reviews must prepare a written statement of LAFCO's determination with respect to each of the following:

- Infrastructure needs or deficiencies;
- Growth and population projections;
- Financing constraints and opportunities;
- Cost avoidance opportunities;
- Opportunities for rate restructuring;
- Opportunities for shared facilities;
- Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers;
- Evaluation of management efficiencies; and
- Local accountability and governance.

III. Public Health Care

Calaveras County is located on the eastern side of the Central Valley east of Stockton, California. It is part of the historic Mother Lode region of the Sierra Nevada Mountains. The County encompasses 1,028 square miles and had a population of 40,554 according to the 2000 Census. There is one city in the County, the City of Angels (also known as Angels Camp), with a population of 3,004 based upon the Census.

Public health care services within Calaveras County are largely provided by the County's Health Services Agency and the Mark Twain Health Care District. First 5 Calaveras also offers public health programs. The primary responsibilities of the County Health Services Agency are to prevent the spread of disease, provide a health safety net for vulnerable populations, promote healthy lifestyles and respond in emergencies. The Agency also provides behavioral health services to children and adults and offer therapy, medication support, rehabilitation programs and case management. The Mark Twain Health Care District provides a range of general acute care services at its hospital and four clinics. The County Health Services Agency and Mark Twain Health Care District informally coordinate their respective services provided to residents and visitors to the County. First 5 Calaveras was established after passage of Proposition 10 and provides support for early childhood development. These public service providers are described in the following sections of this report.

This report does not address private or non-profit health care services that are provided by non-profit organizations, private doctors and other medical practitioners, private clinics and convalescent hospitals. These groups do provide essential health care services to the community but are outside the jurisdiction of LAFCO. Some of these groups include the Human Resources Council, Inc. (HRC) which is a private non-profit human service agency serving the central Sierra Foothill communities. HRC services include children and parent services, preschool and Head Start programs, Women's Crisis Center, food bank and other nutrition programs. The San Andreas Family Practice Clinic is another private provider of health care and is owned by Community Health Centers, Inc. out of Modesto, California. Private providers of health care services work together with the public health care providers within the County. For example, the County's Health Officer and many of the private physicians in the County are on the medical staff of the Mark Twain St. Joseph Hospital.

The Public Health Department of the Calaveras County Health Services Agency, in concert with the California State Department of Health Services, provides statistics on the general public health of the County. Calaveras County met the Healthy People 2010 objectives for reducing death rates due to all cancers and coronary heart disease. The County has not achieved the

objectives for reducing death rates due to unintentional injuries, lung cancer, cerebrovascular disease and prenatal care.

The following table highlights some of the health issues facing the County.

- ❑ Calaveras County had the 34th worst ranking among the 58 counties in the State of California in deaths from coronary disease.
- ❑ The County had the 38th worst ranking among the 58 counties in deaths from cerebrovascular disease.
- ❑ Calaveras County had the 5th best ranking among the counties in deaths from all cancers.
- ❑ During the 2002-2003 academic year, 26 percent of 7th grade students in the County were outside the normal body mass index (an indicator of obesity).
- ❑ Calaveras County had the 47th worst ranking out of the 58 counties in deaths due to unintentional injuries. Falls were the leading cause of hospitalization for nonfatal injuries.
- ❑ The County had the 55th worst ranking out of the State's counties in deaths due to motor vehicle crashes. The County had the 53rd worst ranking in alcohol involved fatal and injury motor vehicle crashes.
- ❑ Calaveras County had the 26th worst ranking out of the State's counties in deaths due to lung cancer.
- ❑ The County had the 44th worst ranking among the counties in drug-induced deaths.
- ❑ From 1999-2001, the juvenile alcohol and drug-related arrest rate per 1000 population 10 to 17 years of age was 19.2 for Calaveras County compared to 8.5 for California as a whole.

A Community Health Needs Assessment conducted by the Mark Twain St. Joseph's Hospital in 2004 identified some other health care issues. The Assessment concluded that while Calaveras County has a typically healthy community there are some areas of concern. These include a lack of specialist and specialized care, a lack of long-term care for seniors and a lack of women's care. Interviews have shown that there is a strong need for more OBGYNs. There is also a lack of long-term senior care when it comes to nursing homes, assisted living facilities and in-home health care. Cardiology, pulmonary and orthopedic services are needed by the 65 and older population. Another area of concern, especially in children ranging from pre-school to the sixth grade, is that of dental health. Challenges facing dental health include Medi-Cal and Medicare restrictions, difficulty in arranging for transportation to dental offices, and the lack of fluoride in many sources of domestic water supplies. First 5 Calaveras has recently funded a grant to address dental health in young children.

III:a. County Health Services Agency

The Calaveras County Health Services Agency is located in San Andreas with offices at both the County Government Center and in private leased offices adjacent to the Mark Twain Hospital.

III:a.1. Organizational Structure

The Agency is governed by the County Board of Supervisors and operates under the management of the County Administrative Officer (CAO) and a Health Services Director. The Agency is organized into two departments, the Public Health Department and Behavioral Health Services Department. Refer to the enclosed organizational charts.

III:a.2. Public Health Services

The Public Health Department's mission is to protect and promote health by encouraging healthy behaviors and preventing disease and injury. This is accomplished through the provision of public health services including community health assessments, health education, communicable disease detection and surveillance activities to prevent epidemics, and public health nursing activities that assist individuals and families seeking safe and healthy lifestyles and behaviors.

A core function of the Public Health Department is to quickly identify and prevent the spread of communicable diseases. This function includes the investigation of cases of reportable diseases such as meningitis, tuberculosis, food borne illness, and sexually transmitted diseases. The Department offers immunization to prevent common childhood illnesses and offers some immunization services to adults as well.

The Department also provides health care to the medically indigent, who have no where else to turn for medical services. Indigent care is paid for by the Department, however, the health care services are provided by the County Medical Services Program. Many counties throughout the State utilize this program. The Department also pays for health care for the County's jail population. The California Forensic Medical Group, another organization providing services to various counties, provides these services.

The native American population located in the West Point area of the County receives health care services through the West Point Clinic. The MACT (Mariposa, Amador, Calaveras and Tuolumne) Indian Health Board provides health care services to the native American population in these four counties.

The Department promotes healthy lifestyles through such programs as the tobacco education and prevention program, injury prevention programs, and home visits by Public Health Nurses. The Health Department assists in emergency medical services and bio-terrorism preparedness.

III:a.3. Behavioral Health Services

The County Behavioral Health Services Department is responsible for providing mental health programs and substance abuse programs. The Mental Health Program's mission is to prevent and manage mental illness by providing accessible mental health services in a continuum of care within the community for children, adults, seniors and their families. The Mental Health Program strives to continually improve the coordination and integration of public and private sector services for individuals and families in order to achieve positive health outcomes and increased health and well being.

Mental health services are available to people on Medi-Cal, including children, young people, adults and older adults living in Calaveras County. General outpatient services include children's services, adult services, day treatment programs, alternative care programs, children's system of care, crisis services, case management, and managed care services for children placed out-of-county. Mandated services that are contracted include inpatient psychiatric treatment, including facilities such as therapeutic behavioral services.

The mission of the Substance Abuse Program is to provide consistent quality care in an ethical and professional environment with a commitment to assist individuals and families who are affected by alcohol and other drugs. Programs include adult self-referral education and individual and group counseling. Youth services include school outreach programs and Friday Night Live promoting healthy alcohol and drug-free lifestyles.

III:a.4. Staff and Support Services

The County Health Services Agency has a staff of 65 persons including 51 full and part time benefited positions and 14 extra hire employees. Professional staff includes administrators, public health nurses, physical and occupational therapists, psychiatrist, psychiatric social workers, and counselors.

III:a.5. Facilities

The main Public Health Department is located in San Andreas in leased office space adjacent to the Mark Twain St. Joseph Hospital. The Mental Health,

Substance Abuse and other health services are located in portable offices located at the County Government Center also in San Andreas.

III:a.6. Financial Overview

The County Health Services Agency is part of the County of Calaveras budget process. Budgets are submitted by the department heads, the County Administrative Officer makes recommendations and the County Auditor-Controller compiles the information. The County Board of Supervisors ultimately approves the budget. The Health Services Agency budget is almost entirely funded by the State of California with some federal government funding. The only County funding for the Health Services Agency in Fiscal Year 2004/05 was \$7,189 for the mental health budget.

The Health Services Agency budget is divided into three funds: public health, mental health and substance abuse programs. The public health budget for fiscal year 2003/04 was approximately \$ 2.8 million. Funding for the same period was approximately \$3 million with the State of California providing 83 percent of the funding. The mental health budget for fiscal year 2003/04 was approximately \$1.8 million. Funding for the year was approximately \$2.2 million with the State of California providing 87 percent of the funding. The substance abuse budget for fiscal year 2003/04 was approximately \$1.3 million. Funding for the same period was approximately \$1.3 million with revenues comprised primarily of state and federal funds.

III:b. First 5 Calaveras

First 5 Calaveras, also known as the Children and Families Commission, was established after voters passed Proposition 10 in November of 1998, adding a 50 cents-per-pack tax on cigarettes to fund education, health, child care and other programs for expectant parents and children up to the age of 5.

First 5 Calaveras is a special district to the County. The Children and Families Commission is a seven member Commission appointed by the County Board of Supervisors. First 5 Calaveras was established to address the lack of public funding and support for early childhood development. First 5 Calaveras has recently funded a grant to address dental health in young children.

III:c. Mark Twain Health Care District

III:c.1. History

With the passage of the Health Care District Law in 1945, it became possible for the formation of a hospital district within Calaveras County. A

resident petition bearing 1,200 signatures was presented to the Calaveras County Board of Supervisors in July of 1946 calling for the formation of a hospital district. A special election was approved and a special election held with a majority of the votes cast in favor of the formation of a local hospital district. The first Directors of the newly formed Mark Twain Hospital District was appointed by the County Supervisors.

A bond issue in the amount of \$350,000 was submitted to the voters in 1948 and approved. Additional funding was secured from the State and federal government to build a hospital that was completed in August of 1951. Subsequent improvements were made to the hospital and ultimately new hospital facilities were constructed.

III:c.2. Organizational Structure

The Hospital District was renamed the Mark Twain Health Care District (District) and consists of five Directors elected by residents of the County. The District operates under the California Health and Safety Code. The Board meets monthly and has a District Finance Committee that meets annually to review the District's finances.

In 1990, the Mark Twain Hospital District formed a partnership with St. Joseph's Regional Health System (SJRHS) in Stockton, an affiliate of Catholic Health Care West (CHW), creating the Mark Twain St. Joseph Healthcare Corporation (MTSJ). CHW and MTSJ are both nonprofit public benefit corporations. Refer to the enclosed organizational chart.

Direction of the hospital is through the Board of Trustees of the Mark Twain St. Joseph's Health Care Corporation (MTSJ). The Board of Trustees consists of seven members, three members from the District's Board of Directors, two members from CHW and two appointed members at-large that are residents of Calaveras County. Various management and lease agreements exist between the District, MTSJ and CHW regarding use and ownership of the medical facilities and management and provision of health care services.

MTSJ through the management agreement has engaged CHW to manage and operate the hospital. CHW has the responsibility to manage and operate the day-to-day operations of the Hospital. CHW provides a fulltime Chief Executive Officer and Chief Financial Officer to manage the Hospital and related facilities. Hospital personnel are employees of MTSJ. A management fee is paid to CHW by MTSJ. The term of the management agreement is through 2019.

The Mark Twain St. Joseph's Hospital Foundation was established in 1984 and raises money and provides a resource for people who have the means and desire to assist the Hospital financially. The Foundation assists in funding

essential improvements to Hospital facilities and equipment, promoting human resources and other activities in support of health care within the County.

The Mark Twain St. Joseph's Hospital Auxiliary is a volunteer group aiding in the purchasing of medical equipment, providing assistance in the Hospital, and furthering education in the medical field. The MTSJ staff and the Auxiliary work together with business leaders, government and the general public to further improve health care services within the County.

III:c.3. Health Care Services

Health care services are provided at the Mark Twain St. Joseph's Hospital and four medical clinics located throughout Calaveras County.

Hospital services include:

- ❑ 24-hour emergency services
- ❑ Inpatient/Outpatient Surgery
- ❑ Intensive Care Unit
- ❑ Medical/Surgical Unit
- ❑ Birthing Center
- ❑ General X-ray, Ultrasound, Angiography, Mammography, CT Scan and Nuclear Medicine
- ❑ Respiratory Therapy Services
- ❑ Physical Therapy Services
- ❑ Full Service Clinical Laboratory
- ❑ Cardiac & Pulmonary Rehabilitation
- ❑ Silver Service, Medicare Plus & SMART Programs
- ❑ Health Education

Four medical clinics located in Arnold, Angels Camp, Valley Springs and Copperopolis provide immediate care, family practice, behavioral health, pediatrics, general X-ray and mammography, and health and occupational medicine.

III:c.4. Staff and Support Services

The Mark Twain St. Joseph's Hospital has 52 active physicians with a range of specialties. There are 70 registered nurses and 6 LVN's on staff. Other support personnel include 28 departmental and administrative staff. More than 280 people are employed at the hospital and the four clinics.

III:c.5. Medical Facilities

The Mark Twain St. Joseph's Hospital is located within San Andreas, the county seat. A new addition of 47,413 square feet was completed at the hospital in September of 1997 which including expanded operating rooms, diagnostic services and a birthing center. The Hospital is a 48-bed facility providing inpatient acute care, emergency services and two surgical suites. The emergency department has five treatment rooms and one trauma room. The hospital occupies a total of 85,195 square feet. The North Wing of the hospital (formerly the original hospital) will shortly undergo a transformation into an Outpatient Pavilion to further support new program and services.

Adjacent to the Hospital, the District leases land to the Mark Twain Convalescent Hospital and a complex of professional and medical offices.

The four medical clinics are located within leased office space in Arnold, Angels Camp, Valley Springs and Copperopolis. Each clinic offers immediate care plus other services and is equipped with X-ray equipment.

III:c.6. Medical Transport Services

The hospital has a heliport for the transportation of patients to the hospital and transfer of patients to other hospitals and medical facilities in the region.

Private ambulance companies under contract through the Mountain Valley Emergency Medical Services Agency provide ambulance services within Calaveras County. The Mountain Valley Emergency Services Agency is a joint powers agency comprised of five counties within the region.

The County of Calaveras has designated the Mountain-Valley EMS Agency as the designated agency to be the local emergency service agency (EMS) pursuant to the provisions of Division 2.5 of the Health and Safety Code. This Division allows the local EMS agency to create exclusive operating areas for emergency ambulance services and advanced life support systems.

In July of 2005, the Mountain-Valley EMS Agency entered into two five-year agreements for such services within Calaveras County. One agreement is with the Ebbetts Pass Fire District (EPFD) and applies to the territory in the County referred to as the East Zone (the EPFD boundaries). The other agreement is with the American Legion Ambulance Post #108 and applies to the territory in the County referred to as the North and South Zones. Each contractor in each ambulance zone has exclusive rights to all ambulance services within their respective zones, with the exception of inter-facility transfers. The contractors also share inter-facility transfers originating from the Mark Twain St. Joseph's Hospital that is located in San Andreas, the County seat.

The American Legion Ambulances are staffed with at least one paramedic and an emergency medical technician (EMT). The ambulances are stationed throughout the North and South Zones on either a 12-hour or 24 hour per day basis. Twenty-four hour ambulances are located in Valley Springs, San Andreas, West Point and Angels Camp. Twelve hour ambulances are located in Mokelumne Hill (8 A.M. to 8 P.M.) and Murphys (10 A.M. to 10 P.M.). The Ebbetts Pass Fire Protection District has four ambulances within its service territory. Two of the ambulances are stationed in Hathaway Pines and Arnold and are staffed 24 hours per day with at least one paramedic and an EMT. The two other ambulances are reserve ambulances and are located in Arnold and Dorrington.

III:c.7. Financial Overview

The Mark Twain Health Care District obtains the majority of its revenues from property taxes followed by rental income and interest income. Rental income includes income for the hospital and land leases for the Mark Twain Convalescent Hospital and Professional Offices. For the fiscal year ending June 30, 2004, the District had total operating revenues of \$780,574.

Total expenses for the same period were \$845,740 with the largest expenditures being utilities, depreciation and amortization and professional fees. Extraordinary expenses during the fiscal year included archaeological studies of the undeveloped land owned by the District and removal of the abandoned steam boilers. Net assets at the end of the fiscal year were \$648,148

The financial statements for fiscal year 2003/04 noted that in May of 1996 the Mark Twain St. Joseph's Health Care Corporation (MTSJ) borrowed \$11.175 million to finance the new health facility and to defease the District's 1986 Revenue Bonds previously issued by the District. In exchange for assuming the District's debt obligation, the MTSJ was granted a prepaid lease payment to the District that has been recorded as a long-term liability in the financial statements. The Bonds were paid in full in 2004.

IV. Determinations

LAFCO must prepare a written statement of its determination with respect to nine items as required by the CKH Act and OPR's Guidelines. This section of the Service Review Report addresses each of those nine items as they may relate and be of pertinence to public health care within Calaveras County.

IV:a. Infrastructure Needs and Deficiencies

The term infrastructure needs and deficiencies refers to the status of existing and planned public facilities and services and its relationship to the quality and levels of service that are, can, and need to be provided.

The County Health Services Agency is currently housed in 4 separate buildings. Three of the buildings are located at the County Government Center next to each other. The other building is located approximately one mile away near the Mark Twain St. Joseph's Hospital. The Health Services Agency Director believes that its services would be improved if all personnel were located at one location. This would improve coordination among staff and allow the general public a one-stop location for all public health services. Even though the State provides the majority of funding for health services, it does not provide funding for the building of infrastructure to house those services. The County has limited financial resources and other priorities for new office construction so it is doubtful that the Health Service Agency facilities will be consolidated at one new facility in the near future. In the interim, consideration should be given to relocating the Public Health Department to the County Government Center where the other Health Services Agency's offices are currently located.

The Lionakis Beaumont Design Group has completed a recent Facility Site Assessment Study for the Mark Twain St. Joseph's Hospital. The study evaluated the Hospital's existing property and structures to determine their ability to support future health care programs needs over the next five and fifteen year periods. The study was based upon the County's population reaching 70,500 persons by the year 2020 and using current bed, surgery, and birth ratios to population. The study concluded the current site could accommodate a 50,000 square foot expansion if all or portions of the original hospital were removed. The original hospital was built in 1949 and 1963 and currently does not house patients but is used for administration, education and outpatient services. The new hospital, which was constructed in 1996, would continue to be utilized.

IV:b. Growth and Population Projections

LAFCO needs to consider whether service provisions are facilitating the implementation of adopted land use plans, or alternatively inducing growth in areas not intended to be urbanized.

The County is experiencing growth in resident population and the development of second homes. The County's population in 1990 was 31,998 and in 2000 a total of 40,554. This represents a 27 percent increase or 2.7 percent per year. From 2000 to 2004 the County's population grew by another 1,930 persons. The City of Angels 2004 population estimate of 3,441 is expected to increase to 4,603 by the year 2020 based upon the City's Housing Element. Data from the Mark Twain St. Joseph's Hospital Strategic Planning – External Review indicates the County's population could reach 44,223 by 2009.

The County's population is expected to continue to increase especially if current trends continue with people retiring to the County from more urban centers in the State. The state of the overall economy, interest rates, and the retirement of the baby-boomer population will in part influence the rate in which this growth occurs. The State's Department of Finance develops projections of the age of the County's population. In 2005, 22 percent of the County's population was estimated to be between the ages of 0-17, 32 percent between 18-44, 27 percent between 45-64, and 19 percent 65 or older.

The need for public health care services will increase as the County's population increases. Another factor adding to this need is that retirement aged persons require more health care services. Calaveras County remains more ethnically and racially homogenous than California as a whole with over 90 percent of the population reported as Caucasian. An external quality review of mental health care services in 2004 indicated three population groups may impact services in the future: Native Americans, Hispanic and the elderly.

IV:c. Financing Constraints and Opportunities

An examination of financing constraints and opportunities includes an evaluation of issues that affect the cost and implementation of financing mechanisms or practices used to fund needed improvements and enhance revenue streams.

Many of the programs offered by the County Health Services Agency are mandated by the State of California and federal government and in large part funded by these levels of government. The County itself has little control over the financing of these programs.

The Mark Twain Health Care District is largely a property tax supported district with limited expenditures other than funding utilities for the hospital and other expenses. The bulk of revenues and expenditures associated with providing health care services within the County are the responsibility of the Mark Twain St. Joseph's Health Care Corporation (MTSJ). Patient insurance largely determines the revenue received by the Hospital. Private insurance generally pays more than Medicare, Medi-Cal, and self-pay or other sources of payment. The District has enhanced revenue streams through the leasing of District land for medical offices and a convalescent hospital.

Other counties and municipalities have been successful in the passage of either parcel taxes or increases in sales tax to provide supplemental funding for health care services. Similar ballot measures have been placed before the voters in Calaveras County for other services such as schools and fire protection with mixed results of failure or success.

IV:d. Cost Avoidance Opportunities

Cost avoidance opportunities include those that eliminate unnecessary costs.

The consolidation of County health services at one location could eliminate some costs as clerical and other support staff could be used within the Agency as a whole rather than by department and individual program.

The Mark Twain Health Care District has taken advantage of cost avoidance opportunities through its contractual relationships with the Mark Twain St. Joseph's Health Care Corporation (MTSJ) and Catholic Healthcare West (CHW). Today's medical service field is very complex and involves various agreements with Medicare, Medicaid and private insurance companies. The District has eliminated many unnecessary costs by associating with a large and well-established health care provider such as CHW rather than having the District itself attempt to administer the day-to-day operations of the hospital.

IV:e. Rate Restructuring Opportunities

Rate restructuring opportunities deal with positive rate impacts that will not adversely affect service quality or other factors.

Only some of the services offered by the County Health Services Agency are provided on a fee basis. These fees are established by the County Board of Supervisors and represent a very small portion of the overall budget.

The Mark Twain Health Care District largely relies upon property tax for revenues and is not involved in the day-to-day billing of hospital and medical

clinic services. However, the District through its representation on the MTSJ Board of Trustees has the ability to adjust rates for various services offered by the Hospital and medical clinics.

IV:f. Opportunities for Shared Facilities

Public service costs may be reduced if service providers develop strategies for sharing facilities and resources. Sharing facilities and utilizing excess capacity in another agency's service system works to avoid service duplications, reduces costs, and minimizes unnecessary resource consumption.

The County over the long term should plan for the Health Services Agency to be housed at one location and under one roof. This would improve coordination among staff and allow the general public one place to come for all public health services.

The District has taken the opportunity to share its medical facilities through lease agreements with CHW. Neighboring hospitals such as Sutter Amador Hospital in Jackson and the Sonora Regional Medical Center in Tuolumne County may offer services not available in Calaveras. Likewise, the Mark Twain St. Joseph Hospital may offer services not available at these two neighboring facilities. Meetings have been held among the three hospital groups but arrangements for sharing facilities and medical resources have not been formulated. Often hospital organizations are competing with each other for patients.

IV:g. Governmental Structure Options

LAFCO should consider the advantages and disadvantages of changes to government structure when conducting service reviews.

The State and federal governments mandate the County's health care services and therefore there are limited opportunities for changes to government structure.

The Mark Twain Health Care District has been providing health care services within the County since 1951 and is a countywide district.

Currently, the County Health Services Agency and Mark Twain Health Care District informally coordinate their respective services. The County's Health Officer is also part of the medical staff of the Mark Twain St. Joseph Hospital. Consideration should be given to a formal agreement between the two agencies to further enhance their services offered to the community.

IV:h. Management Efficiencies

Management efficiencies refers to the organized provision of the highest quality public service with the lowest necessary expenditure of public funds.

The management efficiency of the County's public health care services could be enhanced by these services being located and offered at one location.

The hospital was surveyed in 1998 by the Joint Commission on Accreditation of Health Organizations and received a rating in the top 3 percent of all hospitals in the nation. A patient satisfaction survey was also conducted by Gordon S. Black Corporation and resulted in a 92 percent overall satisfaction rating for the Mark Twain St. Joseph's Hospital.

IV:i. Local Accountability and Governance

Local accountability and governance refers to public agency decision making and operational and management processes.

All of the local public agencies providing public health care services within Calaveras County were formed under the laws of the State of California and are subject to and comply with state disclosure laws and the Brown Act. All of the Boards are elected, hold regular meetings that are open to the public, adopt annual budgets, and have regular financial audits.

The 2002/03 Grand Jury and 2003/04 Grand Jury addressed portions of the public health system within Calaveras County. The 2002/03 Grand Jury Report investigated the Mental Health and Drug and Alcohol Programs and recommended the continuation of the Senior Peer Counseling program and the creation of a position familiar with the needs of the elderly. The 2003/04 Grand Jury Report investigated the Mark Twain St. Joseph's Hospital without any specific recommendations.

V. Considerations for Reorganization

Considerations for reorganization of the public health care services in the County would include the consolidation, formation or dissolution of any or all of the agencies and the annexation or detachment of territory. Each of these considerations is briefly discussed below.

V:a. Consolidation

There does not appear to be a need to consolidate the public health care systems within the County. The County Health Services Agency and Mark Twain Health Care District each provide specific health care services to the community. Consideration should be given to the establishment of a formal relationship between these two agencies.

V:b. Formation

There does not appear to be the need to form new public agencies for the purpose of providing public health care within the County.

V:c. Dissolution

The public agencies currently providing public health care services are adequately providing such services within the constraints of their budgets and are financially sound. There is not a need to consider dissolution of any of the agencies.

V:d. Annexation and Detachment

There are no reasons to consider the detachment of territory from any of the public agencies providing health care services. The County and Mark Twain Health Care District both are countywide agencies and serve the entire county. The Mark Twain Health Care District's boundary and Sphere of Influence (SOI) are both coterminous with the boundary of the County.

VI. Conclusions and Recommendations

VI.a. Conclusions

The County's Health Services Agency and Mark Twain Health Care District are the primary providers of public health care services in Calaveras County. Other non-profit groups, such as the Human Resources Council, assists in furthering community based health and education programs.

Calaveras County is a typically healthy community but there are some areas of concern. The County has met objectives for reducing death rates due to all cancers and coronary heart disease. The County has not achieved objectives for reducing death rates due to unintentional injuries, lung cancer, cerebrovascular disease and prenatal care. There is a lack of specialist and specialized care, a lack of long-term care for seniors and a lack of women's care in the County. Another area of concern, especially in young children, is that of dental health.

The need for health care services will increase as the County's population increases. Certain population groups such as the elderly, women and children will have special needs.

VI.b. Recommendations

It is recommended LAFCO adopt the following Resolutions affirming the current SOI for the Mark Twain Health Care District and adopting certain determinations and conditions.

It is also recommended that the County Health Services Agency and Mark Twain Health Care District evaluate the establishment of a formal arrangement among the two agencies. This arrangement should at least consider the following items:

- ❑ Quarterly meetings of the top administrators and their staff of each agency to discuss the general health of the County.
- ❑ Joint assessment of current and future health needs of the County.
- ❑ Identification of target population groups and the means of meeting their health care needs.
- ❑ Integrating dental health care into the public health care system.
- ❑ Coordination with non-profit groups providing public education and health care programs.

- Coordination with local public transit providers to assure low-income, elderly and disabled persons have adequate access to health care services.
- Other areas of mutual interest.

The County Health Services Agency together with the Mark Twain Health Care District should report to LAFCO the results of their evaluation regarding the establishment of a formal relationship.

Resolution 2005-__ of the
Local Agency Formation Commission
of
Calaveras County, California

Approving a Municipal Service Review of Public Health Care Services Provided by the County of Calaveras' Health Services Agency and the Mark Twain Health Care District and adopting Written Determinations Thereon

WHEREAS, California Government Code Section 56425 requires that a Local Agency Formation Commission ("LAFCO") adopt and periodically review Sphere of Influence Plans for all agencies in its jurisdiction; and,

WHEREAS, California Government Code Section 56430 requires that a LAFCO conduct a review of the municipal services provided by and within an agency prior to updating or adopting its Sphere of Influence Plan; and,
WHEREAS, the Sphere of Influence Plan is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO; and,

WHEREAS, the Commission adopted its Work Plan and included a schedule for completion of Municipal Service Reviews (MSRs) and Spheres of Influence; and
WHEREAS, the State of California has established guidelines for conducting MSRs, which applies to this MSR for public health care services provided by the County of Calaveras' Health Services Agency and Mark Twain Health Care District; and,

WHEREAS, at the time and in the manner provided by law, the Executive Officer gave notice of the date, time, and place of a public hearing by the Commission for the services provided including approval of the report and adoption of the written determinations contained therein; and,

WHEREAS, the Commission hereby determines that the final draft of the Municipal Service Review for public health care services provided by and within Calaveras County and written determinations contained therein will provide information for updating the spheres of influence for public health care agencies managed by the County of Calaveras and Mark Twain Health Care District and is otherwise consistent with the purposes and responsibility of the Commission for planning the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities; and,

WHEREAS, in making this determination, the Commission has considered the documentation on file in this matter; and,

WHEREAS, the Commission has heard all interested parties desiring to be heard and has considered the proposal and report by the Executive Officer and all other relevant evidence and information presented at said hearing;

NOW, THEREFORE, the Local Agency Formation Commission of Calaveras County hereby resolves, orders and determines the following:

- 1) The Municipal Service Review of public health care services provided by the County of Calaveras and Mark Twain Health Care District are attached hereto as Exhibit A, is approved and the written determinations presented in the Municipal Service Review report are hereby adopted.
- 2) LAFCO staff is further ordered to proceed as appropriate with an update to the Sphere of Influence Plan for public health care in the area served by the County of Calaveras and Mark Twain Health Care District.
- 3) LAFCO staff is further ordered to forward copies of this resolution containing the adopted Municipal Service Review to the County of Calaveras' Health Services Agency and Mark Twain Health Care District.

The foregoing resolution was duly passed by the Local Agency Formation Commission of Calaveras County at a regular meeting held on _____, by the following roll call vote:

Ayes:
Noes:
Abstentions:
Absent:

Signed and approved by me after its passage this ____ day of _____, 2005.

_____, Chair
Calaveras LAFCO

Attest:

John Benoit, Executive Officer
LOCAL AGENCY FORMATION COMMISSION,
Calaveras County

Exhibit A

1. Regarding infrastructure needs and deficiencies, the Commission determines that the public agencies have sufficient resources and the ability to ultimately serve the County and Sphere of Influence (SOI).
2. Regarding growth and population projections for the affected area, the Commission determines the SOI for the public agencies providing public health care will facilitate the implementation of the County's and City's adopted land use plans.
3. Regarding financing constraints and opportunities, the Commission determines the public agencies have sufficient financing opportunities to provide public health care services to the SOI and/or have the capability of raising funds for these purposes.
4. Regarding cost avoidance opportunities, the Commission determines the public agencies to be the logical provider of public health care services in the SOI, that there will not be an overlapping of service boundaries with other agencies, and the agencies have undertaken cost avoidance opportunities.
5. Regarding opportunities for rate restructuring, the Commission determines the rates of the public agencies to be fair and equitable. .
6. Regarding opportunities for shared facilities, the Commission determines that the public agencies have reduced public service costs by sharing facilities, resources and programs with other entities.
7. Regarding governmental structure options, including the advantages and disadvantages of consolidation or reorganization of service providers, the Commission determines the current governmental structure of the public agencies are sufficient to carry out its mission without the need for consolidation or reorganization at this time. However, the Commission requests the County Health Services Agency and Mark Twain Health Care District to evaluate the establishment of a formal relationship among the agencies and report back to LAFCO the results of their evaluation.
8. Regarding evaluation of management efficiencies, the Commission determines the public agencies provide the highest quality of service with the lowest necessary expenditure of public funds.
9. Regarding local accountability and governance, the Commission determines the public agencies conduct their public agency decision making and operational

and management processes in such a way that its health care recipients and the general public have the opportunity to participate.

Resolution No. 2005-__
LOCAL AGENCY FORMATION COMMISSION
CALAVERAS COUNTY

*A Resolution Making Determinations and Approving a Sphere
of Influence Update for the Mark Twain Health Care District*

WHEREAS, Government Code Section 56425 requires each Local Agency Formation Commission to adopt and periodically review and update a sphere of influence for each local governmental agency within its jurisdiction; and

WHEREAS, the Local Agency Formation Commission of the County of Calaveras, in compliance with the aforementioned requirement, is providing a plan for the probable physical boundaries and service area for the Mark Twain Health Care District; and

WHEREAS, the Commission has set the hearing date of _____, for the update of the sphere of influence for the Mark Twain Health Care District and has noticed this hearing at the times and as otherwise prescribed by Government Code Section 56150, *et seq.*; and

WHEREAS, the Commission has heard and adopted a Municipal Services Review of services provided by the Mark Twain Health Care in accordance with Gov. Code section 56430; and

WHEREAS, the Commission has reviewed and considered the proposed Sphere of Influence update report and the proposed Sphere of Influence Update Map which are attached hereto and incorporated herein; and

WHEREAS, Calaveras LAFCO considered project related environmental factors and determined that the subject project is not subject to the provisions of the California Environmental Quality Act pursuant to Section 15060 (c)2; and

WHEREAS, the Commission has considered those factors determined by it to be relevant to the proposed sphere of influence update, including, but not limited to, those factors specified in Government Code Section 56425, *et seq.*, and has heard from interested parties and considered requests for amendment and/or revision of the proposed updated sphere boundary, if any;

NOW, THEREFORE, BE IT RESOLVED that the Local Agency Formation Commission of the County of Calaveras does hereby find and determine as follows:

1. That the proposed sphere of influence update with respect to the Mark Twain Health Care District complies with the provisions of Government Code Section 56000, *et seq.*
2. That no significant protests have been received regarding the establishment of this Sphere of Influence update.

3. That, pursuant to Government Code Section 56425, the Commission makes and adopts those determinations set forth below:

a. The present and planned land uses in the area, including agricultural and open space lands.

Planned land uses in the sphere of influence lands planned for urban development including residential and commercial uses. Calaveras County has approved area plans delineating boundaries of ultimate growth limits in various community areas in the territory proposed for inclusion into the Sphere of Influence. The existing land uses surrounding the subject lands consist of a variety of residential, commercial uses and resource lands.

b. The present and probable need for public facilities and services in the area.

The current and planned development of properties within the proposed Spheres of Influence will either require health care services as development occurs. Other services are to be provided either by other service providers or the same service provider.

c. The present capacity of public facilities and adequacy of services that the agency is authorized to provide.

The present capacity of health care services will be provided within the Sphere of Influence territory as described in Attachment "A" (the Municipal Service Review and Sphere of Influence Update report).

d. The existence of any social or economic communities of interest

The Commission determines the community and district area described in Attachment "A" is a unique social and economic community of interest.

4. The Commission makes a specific finding that there is no substantial evidence in light of the whole record before Calaveras Local Agency Formation Commission that this Sphere Update for the Mark Twain Health Care District may have a significant adverse effect on the environment and is not subject to the California Environmental Quality Act.

5. That the Sphere of Influence Update and Municipal Service Review Report and Maps and the Executive Officer's Report, for the Mark Twain Health Care District is hereby adopted and approved as set forth in Attachment "A."

PASSED AND ADOPTED at a regular meeting of the Local Agency Formation Commission of the County of Calaveras, State of California, on the _____ 2005, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chairman
Local Agency Formation Commission
of Calaveras County

Attest:

John Benoit, LAFCO Executive Officer
Calaveras LAFCO

VII. References

External Quality Review, Calaveras County Mental Health, APS Healthcare, November 4, 2004.

Selected Health Statistics, Calaveras County Public Health Department, National Public Health Week, April 2005.

Calaveras County's Health Status Profiles, 2005 Report

Audited Financial Statements, Mark Twain Health Care District, TCA Partners, CPAs, June 30, 2004.

Final Budget, County of Calaveras, Fiscal Year 2004-2005.

Community Health Needs Assessment, Mark Twain St. Joseph's Hospital, 2004.

Strategic Planning – External Assessment, Mark Twain St. Joseph's Hospital, Catholic Healthcare West, March 9, 2005.

Facility Site Plan Assessment, Mark Twain St. Joseph's Hospital, Lionakis Beamont Design Group, 2005.

Calaveras County General Plan prepared by the Calaveras County Planning Department, December, 1996.

