



MEMORANDUM

Date: April 13, 2021

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to read "CHH", is written over the printed name "C.H. Huckelberry".

Re: **COVID-19 Vaccination Expenses from our Community Partners**

Per your direction, I am providing you a status of expenses/invoices received from our community partners related to COVID-19 vaccinations and our plan for spending down state-allocated federal funding for vaccine distribution.

Of the \$7,100,000 received from the state, Pima County expenses related to the COVID-19 vaccination effort total \$3,008,767 to date. We estimate receiving invoices for March vaccine expenses in the next 30 days in the amount of \$1,600,000. Additionally, we have not yet received invoices from the U of A, City of Tucson, or Banner for start-up and support expenses but should soon. These expenses will likely consume the remaining state-allocated funding that is to be made available to Pima County.

Attached is Dr. Cullen's memorandum detailing the status of expenses for each of our community providers. I will continue to keep you apprised of our progress in paying down the state allocation.

CHH/dym

Attachment

c: Jan Leshar, Chief Deputy County Administrator
Francisco García, MD, MPH, Deputy County Administrator & Chief Medical Officer
Health and Community Services
Terry Cullen, MD, MS, Public Health Director, Pima County Health Department

Date: April 13, 2021

To: Chuck Huckelberry
County Administrator

From: Theresa Cullen, MD, MS 
Health Department Director

Via: Francisco García, MD, MPH 
Deputy County Administrator

Re: Response to Vaccination Bills and/or Invoices from our Community Partners

Pursuant to your April 7 memo “Vaccination Bills and/or Invoices from our Community Partners”, the Health Department has prepared the following response. A summary of the COVID-19 Vaccination Response expenses to date will provide the basis for the discussion of contractor expenses. As of this date, Pima County has expended approximately \$3,008,767 on vaccination efforts, and we anticipate an additional \$1,600,000 in billings in the immediate future. Table 1 presents the expenses by category.

Table 1 - COVID-19 Vaccination Expenses to Date

Contractors/Community Partners		\$ 2,216,390.08
University of Arizona	\$ -	
City of Tucson - TCC PoD	\$ -	
City of Tucson - Udall Recreation Center	\$ -	
Tucson Medical Center	\$ 1,674,674.74	
Paradigm Laboratories	\$ -	
SJM Premier	\$ 429,268.64	
Banner	\$ -	
Fire Districts	\$ 86,459.20	
EOC Support	\$ 25,987.50	
Material Support/operations		\$ 230,173.02
Pima County Staffing		\$ 562,204.16
	Current Expense	\$ 3,008,767.26
Billings anticipated this month		\$ 1,600,000.00
	Anticipated Expense	\$ 4,608,767.26

Contractors/Community Partners

Your memo specifically listed six community partners/agencies. We detail the status for each of those below, along with three other groups providing vaccination support. It is worth noting that despite COVID-19 vaccination now being in its fifth calendar month, Pima County has only received a handful of invoices from community partners. Of those agencies specifically identified in your memo, only Tucson Medical Center and SJM Premier Medical Group have submitted billings.

Mr. Huckelberry

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University of Arizona

The Health Department and other County representatives had several conversations with the University prior to the designation of the site as a state PoD. The County did not enter into any formal agreements during that window. In recent weeks, County Administration and Health Department staff have communicated with the University Assistant Vice President and Comptroller and she has indicated that we should receive a draft agreement and their funding request next week.

City of Tucson – TCC PoD

An IGA with the City of Tucson was amended and approved by the Board of Supervisors during the April 6, 2021 meeting. This agreement provides for up to \$10,000,000 in reimbursement to the City for expenses at the Tucson Convention Center PoD. While we expect to receive an initial billing in the very near future, as of this writing we have not received an invoice. The expectation is that Pima County will reimburse the City for the full \$10,000,000 before the end of the vaccination initiatives.

City of Tucson – Udall Recreation Center

Tucson Medical Center will be providing vaccinations at the Udall Recreation Center on April 19 and will be responsible for billing for these services.

Tucson Medical Center

To date, the Health Department has received two invoices from Tucson Medical Center totaling \$1,674,674.74 for services through March 6, 2021. The initial invoice included approximately \$200,000 in one-time startup costs, while the second was only staffing expense. As soon as the second invoice completes processing in AMS, Health will ask GMI to process the two for reimbursement via the Department of Emergency and Military Affairs (DEMA). PCHD anticipates an invoice this week for services through April 02 of approximately \$900,000.

Paradigm Laboratories

A Paradigm contract amendment adding COVID-19 vaccination services was executed April 6, 2021. As such, the agency has not yet had opportunity to provide vaccinations under this agreement, so there have not been invoices submitted. Your memo refers to services provided at the Kino Event Center. Paradigm has provided testing services at that location for several months. The estimated expense for this testing has been \$6,662,898 for testing at the Kino Event Center since the expenditure of Pima County Coronavirus Relief Funds.

SJM Premier Medical Group

SJM Premier was one of two agencies awarded contracts for COVID-19 vaccination under the Request for Proposals finalized in January of this year. To date they have participated in site planning, operated mobile COVID-19 vaccination PoDs, and have provided staffing at an array of small scale mobile vaccination events. To date we have received two invoices from SJM Premier totaling \$429,268.64 for services in January and February. We anticipate a significant increase in billable hours from SJM Premier as they continue to provide services to the County. We anticipate the March billing very shortly, likely in the range of \$700,000.

Banner

Banner has provided PoDs at their South Campus location and a satellite location north of the UA since December 2020. The agreement includes compensation for start-up expenses and a per-vaccination premium for quantity over 30,000 in a thirty-day period. Banner leadership indicates they have never exceeded the 30,000 administration threshold, but that we should expect an invoice for the necessary set up expenses in the coming weeks. We have not been given an estimate of the magnitude.

Fire Districts

The Green Valley and Drexel Heights Fire Districts have submitted billings for personnel support to the EOC as well as vaccination events in Green Valley and with the Pascua Yaqui Tribe. The four invoices from Green Valley total \$84,654.27, while the single invoice from Drexel Heights was \$1,804.93.

EOC Support

Two contractors have provided significant assistance to the Emergency Operations Center since the earliest stages of vaccination planning. To date, Health has processed five invoices totaling \$25,987.50. These contractors will continue to support operations through the completion of primary vaccination activity.

Material Support

The operation of the PoDs at Banner and Tucson Medical Center have required an array of equipment and durable supplies such as tenting, traffic control, generators, portable sanitation facilities and the like. Under the agreements with the hospitals, Pima County is providing those operational support items. The total billed to date, including payment in advance for the month of October, is \$230,173.02. This expense will lessen with the closure of one Banner PoD and one TMC site and the conversion of delivery to interior facilities and clinics.

Pima County Staff

In addition to these directly billed costs, Pima County staff have allocated significant time and effort to planning, implementing and managing the COVID-19 vaccine response. It has been challenging to adequately track personnel expenses related to this vaccination efforts as the vast majority of the staff involved regularly work on several facets of the response. Finance established an initial set of function codes to flag COVID-19 expenses, put into place immediately following the close of the Task Order. These codes were specific to each department, but did not differentiate tasks or areas of focus. To provide for improved record keeping, we have established more specific function codes (HDCOVID19V and HDCOVID19T) to track vaccine and testing time allocations, respectively. We continue to instruct staff to regularly parse their time in ADP using the appropriate code option.

The delay in establishment of the specific codes, inconsistent use of the codes, and the variety of departments providing staff working on the COVID-19 vaccination response are obstacles to an accurate accounting. We have identified specific staff and hours not recorded with the proper function code and are working with Finance and GMI to identify and segregate those charges.

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For instance, in pay period ending 03/27/21, total HD staff expense allocated to the HDCOVID19V function code was \$36,074.63 including \$9,571.10 in grant funds. We believe this figure to significantly underreport the true expense, and have identified at least \$34,200.89 in grant-related staff expenses for the vaccination effort, but not marked with the HDCOVID-19V function code.

Table 2 - COVID-19 Vaccine Related Expenses PPE 03/27/21

Health Fund - HDCOVID19V	\$	26,503.53
Grant Fund - HDCOVID19V	\$	9,571.10
Grant Fund - Non-HDCOVID19V	\$	<u>34,200.89</u>
	\$	70,275.52

The COVID-19 vaccination response has been in full swing since early December. Using this one pay period as a basis for calculation and extrapolating backwards to pay period ending 12/19/20, the floor estimate for PCHD staff expense on the COVID-19 vaccine response is approximately \$562,204 (8 pay periods * \$70,000). This does not include the significant time commitments of staff from departments such as OEM, the Library, ITD and others.

PCHD, GMI and Finance will continue to work the allocations to accurately reflect the time and expense for Pima County staff.

Summary and Projections

In summation, current Pima County expenses related to the COVID-19 vaccination effort are approximately \$3,008,767. We conservatively estimate \$1,600,000 in March billings for TMC and SJM Premier, and Banner has indicated an initial invoice for startup and support expenses will arrive this month. Taken into account, these expenses would consume at least \$4,600,000 of the \$7,100,000 in state funding allocated to Pima County to date.

Current projections for COVID-19 vaccine expenses from December 2020 through June 2021, including current information including the newly signed IGA with the City of Tucson, are \$20,050,000 - \$22,150,000. This is inclusive of community partners and contractors, materiel support, and Pima County Staffing. There remain significant unknowns on the horizon, specifically the potential for Pima County expenses related to the establishment and operation of a federal PoD in the region, and the possibility of public-private partnerships incentivizing vaccine acceptance. These unknowns have not yet been quantified or included in the projection.

In addition to the \$7,100,000 in State reimbursement, Pima County will request Department of Emergency and Military Affairs reimbursement under the federal directive to support COVID-19 PoD operations. The Health Department and GMI will submit the requests for reimbursement and will keep your office apprised of progress and success.

Cc: Jan Leshar, Chief Deputy County Administrator
Michelle Campagne, Director Pima County Finance
Regina Kelly, Director Pima County Grants Management and Innovation