



MEMORANDUM

Date: February 18, 2021

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

From: C.H. Huckelberry
County Administrator *CH*

Re: **COVID-19 Testing and Reimbursement Funding from the State**

The State asked the County to provide our testing expenses for reimbursement. We provided this information on February 16, 2021 (Attachment 1) and received the attached email response from the Arizona Department of Health Services' Bureau of Epidemiology and Disease Control Chief Eugene Livar, MD, CIC, (Attachment 2).

It appears the funding we believed was set aside in the 2021 Consolidated Appropriations Act for COVID-19 testing of \$416 million to the State is being used by the State for other purposes. In their response, they indicated,

"At this time we are able to provide \$1,000,000 for Pima County testing through one of our state vendors, Paradigm Labs."

Paradigm Labs is also our contractor. It appears the uses for which the State will be using these funds is for everything but COVID-19 testing.

There is no mention of any reimbursement of our costs incurred since January 1, 2021, which is now \$10.7 million. They also state,

"It may be likely that we can not support the entirety of the \$40,274,448 need but will likely be able to provide some level of support."

Based on this statement, I would ask the Board to suspend County COVID-19 testing as of Monday, February 22, 2021. This is unfortunate as it was abundantly clear to Pima County that the State allocation was for COVID-19 testing. At least that was the impression we were left with in reviewing the Federal 2021 Consolidated Appropriations Act.

We cannot continue to deficit spend and this less than responsible response from the State requires immediate action.

At your joint meeting, I ask the Board of Supervisors to consider a motion to approve the suspension of COVID-19 testing as of February 22, 2021.

Attachments

c: Jan Leshar, Chief Deputy County Administrator
Carmine DeBonis, Jr., Deputy County Administrator for Public Works
Francisco García, MD, MPH, Deputy County Administrator & Chief Medical Officer,
Health and Community Services

ATTACHMENT 1

Pima County COVID-19 Testing Projections

The Pima County Health Department (PCHD) has been coordinating COVID-19 testing services since April 2020, with volume testing beginning in May 2020. PCHD has contracted with several vendors to provide comprehensive RT-PCR and antigen testing. Federal CRF funding, and then from Pima County Health Department funds, were used to pay the billings from these agencies. Based on collected data, Pima County has been financially responsible for 65% of the large scale testing in the region. To date, Pima County has paid over \$47,750,000 for RT-PCR testing. Over \$10,680,000 of that has been from Pima County funds. The majority of February service invoices have not yet arrived.

The Pima County testing plan continues to focus on a target of 1.5 tests per 1,000 residents per day, in accordance with national recommendations and the threshold set by Resolve to Save Lives. Testing at this level will provide confidence that the majority of cases are being identified and entering the contact tracing and spread mitigation protocols, diminishing the likelihood of additional COVID-19 transmission.

To calculate the amount of testing required, and the related expense, PCHD used the following process:

- Starting with a population of 1.1M, reduced each month by the projected numbers of fully vaccinated residents. That provides a testing target population of 1,060,000 for February;
- Applying the 1.5 ratio results in 1,590 tests needed per day in February;
- Multiplying by the number of days remaining in the month (21) give 33,390 more tests needed;
- Multiplying the number of tests times the County test responsibility rate (65%) and average per test expense (\$191) projects the February expense at \$4,153,599.

Applying the same methodology to subsequent months projects an expense of \$29,588,328. Table I below details the actual expenses incurred for January and February (to date), and the projections for the subsequent months.

Table I - Pima County COVID-19 Testing Targets and Expense

	Rate per 1000 pop	Fully Vaccinated	Target Pop	Tests per day	Tests per mo	County Test Rate	\$/Test	PC Exp	
Jan								\$ 8,256,120	
Feb								\$ 2,430,000	
Subtotal of actual expenses incurred:									\$ 10,686,120
Feb	1.5	40,000	1,060,000	1,590	33,390	65%	\$ 191	\$ 4,153,599	
Mar	1.5	80,000	1,020,000	1,530	47,430	65%	\$ 191	\$ 5,900,126	
Apr	1.5	150,000	950,000	1,425	42,750	65%	\$ 191	\$ 5,317,950	
May	1.5	280,000	820,000	1,230	38,130	65%	\$ 191	\$ 4,743,238	
Jun	1.5	410,000	690,000	1,035	31,050	65%	\$ 191	\$ 3,862,511	
Jul	1.5	615,000	485,000	728	22,553	65%	\$ 191	\$ 2,805,452	
Aug	1.5	615,000	485,000	728	22,553	65%	\$ 191	\$ 2,805,452	
Subtotal of projected expenses:									<u>\$ 29,588,328</u>
Total testing expense:									<u>\$ 40,274,448</u>

To support incurred costs and meet national recommendations for testing surveillance, Pima County projects a \$40,274,448 expense to provide testing across the county. This schedule of expenses assumes vaccine availability continues to increase and administration at the aggressive rate presented above, with full vaccination of willing Pima County adults by July 2021. These expenses are subject to change based on the vaccination rate, vaccine efficacy against new strains, per test expense, and changes in national and local guidance.

ATTACHMENT 2

From: Eugene Livar <eugene.livar@azdhs.gov>

Sent: Thursday, February 18, 2021 7:38 AM

To: Theresa Cullen <Theresa.Cullen@pima.gov>

Cc: Jessica Rigler <Jessica.rigler@azdhs.gov>; Francisco Garcia <Francisco.Garcia@pima.gov>

Subject: Re: testing

CAUTION:This message and sender come from outside Pima County. If you did not expect this message, proceed with caution. Verify the sender's identity before performing any action, such as clicking on a link or opening an attachment.

Hi Terry,

Thank you for providing the testing budget and projections. This will be very helpful as we move forward with budget planning. Please note that the ELC funds we have available are to be prioritized for the following strategies for all of Arizona and testing is one of them.

- Enhance Laboratory, Surveillance, Informatics, and other Workforce Capacity
- Strengthen Laboratory Testing
- Advance Electronic Data Exchange at Public Health Labs²
- Improve Surveillance and Reporting of Electronic Health Data
- Use Laboratory Data to Enhance Investigation, Response, and Prevention
- Coordinate and Engage with Partners

At this time we are able to provide \$1,000,000 for Pima County testing through one of our state vendors, Paradigm Labs, for immediate needs while we work through drafting our budget and submit for federal approval in mid-March. At that point, we can reassess the funding available to support Pima County's testing needs. It may be likely that we can not support the entirety of the \$40,274,448 need but will likely be able to provide some level of support.

Sincerely,

Eugene

Eugene Livar, MD, CIC

Chief, Bureau of Epidemiology & Disease Control

Arizona Department of Health Services

150 North 18th Avenue, Suite 100, Phoenix, AZ 85007

Direct 602-364-3846

Mobile



Email Eugene.Livar@azdhs.gov

Health and Wellness for all Arizonans