



MEMORANDUM

Date: May 6, 2016

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

From: C.H. Huckelberry
County Administrator 

Re: **Questions Raised by the Board of Supervisors in the April 26, 2016 Budget Hearing,
Response to Additional Follow-up Questions**

In the attached April 29, 2016 memorandum, responses were provided to several questions raised during the April 29, 2016 Public Hearing on the Fiscal Year (FY) 2016/17 proposed budget. Based on that response, additional questions were posed by Supervisors. Those questions, along with responses from the respective departments, are shown below.

1. **Behavioral Health**

Question. The three line items listed for the \$3.38 million increase actually have a \$3.7 million increase. Please reconcile the difference.

Department response. In previous years, Pima County contracted with Community Partnership of Southern Arizona (CPSA) to administer the County's responsibilities related to involuntary commitment under Title 36, Chapter 5. These responsibilities include payment for mental health services provided by hospitals, doctors and ambulances for those in the involuntary commitment process. CPSA acted as our agent in this regard and paid hospitals, doctors and ambulances for these services on our behalf.

The payments to CPSA were reported as Other Professional Services and budgeted at \$4,756,866 in the current year. For FY 2016/17, this is budgeted at \$1,375,930, which is a decrease of \$3,380,936.

On October 1, 2015, CPSA lost its designation as the State-contracted Regional Behavioral Health Authority and was no longer in a viable position to administer the County's responsibilities in this regard. Therefore, the decision was made to return to in-house administration of this program. This means the County will be paying hospitals, doctors and ambulances directly rather than through CPSA.

Accordingly, budgeted expenses were increased as shown in Table 1 below.

Table 1.

Description	Increase
Ambulances	\$358,500
Outside Hospitals/Clinics	2,993,647
Medical Services (Doctors)	355,000
Total Increase Related to Title 36	\$3,707,147

The remaining net difference of \$326,211 stems from the County's current contractual relationship with the healthcare provider at the Pima County Adult Detention Center, Coordinated Care Solutions. When the County pays certain offsite healthcare claims directly (such as portions of the payments identified above), the value of those claims is deducted from payments made to Coordinated Care Solutions. Since portions of the above payments can be deducted from our payments to Coordinated Care Solutions, next year, we will be able to reduce Medical Services for Inmates by \$372,399.

As a result, the affected budget expenditure line items in total are being reduced by \$46,188 as summarized in Table 2 below.

Table 2.

Medical Professional Services	\$ 355,000
Patient Transportation	358,500
Outside Hospital Clinics	2,993,647
Medical Services for Inmates	(\$372,399)
Other Professional Services	(3,380,936)
Total Budgeted Expenditure Decrease	(\$ 46,188)

2. Communications

Question. What is driving the increased need for Communications Services for this next year?

Department Response. This fiscal year, Communications has seen a marked increase in requests for communications assistance and graphic services from nearly every County department.

The Department has also launched new communications initiatives such as the weekly public newsletter and greatly increased the County's use of social media. Other

communications initiatives in the planning stages include an invigorated and more frequent employee newsletter that focuses more on County employees and a new and better County public calendar that is mobile and social media friendly to increase public participation in board and advisory body meetings, workshops, seminars and informational public meetings. Those efforts should be ready for roll out at the beginning of the next fiscal year.

The Communications Department is also conducting a comprehensive review of department compliance with County branding standards and launching a pilot program to work more cooperatively with the Communications efforts by other jurisdictions within Pima County.

Below is more information about the service areas and responsibilities of the Communications and Graphic Services Department, excluding the Print Shop, that may be helpful in understanding the full range of services and work provided by the department.

Communications and Graphic Services Responsibilities

Public Communications Division

- Department News Releases
- Department Public Communications and Marketing consulting and assistance
- County Social Media supervision and training
- Information Customer Service
 - County operator
 - Website Feedback response coordination and tracking
 - Lobby information window
- Website Governance
- Media and Social Media monitoring and fact checking
- Public Communications
 - Social Media
 - Public Newsletter (PCFYI)
 - County website
 - Branding management
- County internal communications
 - Employee newsletter (eScoop)
 - Global email communication (eblasts)

Graphic Services Division

- Branding Management
- Multimedia
 - Photography
 - Videography
- Graphic Design
 - Internal documents
 - Forms
 - Flyers
 - Posters
 - Public documents
 - Reports
 - Flyers and Fact sheets
 - Lobby materials
 - Posters
 - PowerPoint presentations
 - Signs
 - Logos
 - Maps
 - Illustrations
 - Web page design

3. Community Services, Employment and Training Grants

Question 1. Why wasn't a business associates agreement included in the contracts with 3rd party vendors? This would ensure 3rd parties are in compliance with HIPAA rules as well as protect Pima County from any liability related to unauthorized disclosure of sensitive data.

Department Response. The Health Insurance Portability and Accountability Act of 1996 (HIPAA) protects personal health information (PHI) obtained and shared by "covered entities." Covered entities include healthcare providers, health plans and healthcare clearing houses. When a covered entity agrees to share PHI with a contractor, it must enter into a Business Associate Agreement, which extends the HIPAA privacy protections for the confidentiality and use of the PHI to the contractor. Pima County, as an operator of the Homeless Management Information System database system ("HMIS"), is not a covered entity required to obtain Business Associate Agreements with the agencies that are able to access HMIS.

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Furthermore, the information received from individuals seeking benefits available under the Continuum of Care for the homeless (CoC services) is voluntarily given, and it is made clear to the individual the information will be entered into HMIS and may be shared with agencies providing services. The individual signs an informed consent to the sharing of data to entities that provide CoC services.

In order to utilize federal funds for homeless services, CoC service providers and grant recipients (such as Pima County) are required to enter personal data into HMIS. HMIS has built-in security systems, and Pima County controls access to the data. Agencies may only see information for their own clients and only to the extent such information is required to determine eligibility for the CoC service being provided. If more than one agency serves an individual, those agencies will enter into an agreement to “share” data. Even when data is shared, the sharing entities are required to maintain confidentiality.

The County Attorney has developed data-sharing agreements that agencies may use. Pima County does not adjust the HMIS security settings to allow data-sharing unless and until a valid data sharing agreement is in place. As the administrator of the system, only County-trained staff are permitted administrative rights, which allows them access to all data. This is necessary to verify data and generate the various reports required by the federal funding sources.

Question 2. What are the costs of salaries and benefits for these 10 employees?

Department Response. The number of budgeted full-time equivalent positions (FTEs) increased by just over nine positions. Details for these nine FTEs are shown in Table 3 below.

Table 3.

Number of Positions	Source of Funds	Salary and Benefits	Comments
1	Grant	\$ 26,694	Rapid response assistance (temporary work as needed).
2	Grant	102,648	Work with health occupation job seekers. Five-year funding.
5	Grant	258,145	Work with HMIS database system.
1	Grant	51,324	Proposed pending grant funded.
9		\$438,811	Totals

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Question 3. What was the cost related to 3rd parties who previously provided this service?

Department Response. The largest budgeted cost increase is for the positions working directly with the HMIS. Four of the five new HMIS positions will be paid from a new grant. The fifth is from a previously obtained HMIS expansion grant. Community Services, Education and Training has not bid out HMIS-related positions previously. However, in the past, some of this work has been subcontracted. Based on our experience with subcontracting, we believe the costs of outsourcing are comparable to the cost of County-funded staff.

CHH/mjk

Attachment

c: Jan Leshar, Deputy County Administrator for Community and Health Services
Tom Burke, Deputy County Administrator for Administration
Keith Dommer, Director, Finance and Risk Management
Robert Johnson, Budget Manager, Finance and Risk Management



MEMORANDUM

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From: C.H. Huckelberry
County Administrator 

Re: **Questions Raised by the Board of Supervisors in the April 26, 2016 Budget Hearing**

During the April 26, 2016 Public Hearing on the proposed budget, the Board of Supervisors heard from the Sheriff and the Constables. Additionally, presentations were made by the Forensic Science Center, Public Defense Services, and several Health and Community Services departments, including Behavioral Health; Communications, Graphic Services and Print Shop; and Community Services, Employment and Training.

As indicated when the Budget Hearings began, we will respond in writing to the questions raised to ensure clarity of budget review and understanding. This memorandum is a response related to the April 26 Budget Hearing.

Behavioral Health

\$12.5 Million Decrease in Payments to Agencies. Budgets for presentation during the Budget Hearings present information as of April 1, 2016 and are the working versions of the base budget requests submitted by County departments. They do not include the impacts of State cost transfers to Pima County, other possible budget adjustments, final proposed property tax rates or other final budget recommendations. Because of this, a payment for Banner–University Medical Center – South Campus was not included in Behavioral Health’s information for the Budget Hearings. A \$12.5 million payment was included in the Adopted Budget for Fiscal Year (FY) 2015/16, and a \$15 million payment is included in the County Administrator’s Recommended Budget for FY 2016/17.

\$3.38 million decrease in Other Professional Services. Previously, the department paid a third-party administrator for medical professional services, patient transportation, and hospital and clinic charges and had reported the payments as Other Professional Services. In FY 2016/17, the department will be paying the providers directly and reporting the payments as Medical Professional Services, Patient Transportation, and Outside Hospitals and Clinics. The budgets for these expenditure line items show a corresponding increase.

Communications Office: Communications, Graphic Services and Print Shop

Print Shop Outsourcing Analysis. The County has not recently performed a formal analysis comparing the costs of outsourcing all the County's printing needs to the cost of operating the Print Shop in-house. A formal analysis has not recently been performed because the County believes there is significant value in more fully controlling all aspects of its important and time sensitive printing needs.

\$21,660 for Interdepartmental Salaries Charged In/Debit. In previous years, the Communications Office did not have any Deputy County Administrator costs charged to it. Because of the increasing communication needs of the County, the responsible Deputy County Administrator has been spending more of her time on communications. As a result, for FY 2016/17, a portion of her and her staff's salaries and benefits are budgeted as expenditures of the Communications Office.

Community Services, Employment and Training

Increase in Grants Administration Positions. The Tucson Pima Collaboration to End Homelessness is a coalition of community organizations, government entities, businesses and individuals coming together to end homelessness. One of the County's responsibilities in this collaborative effort is overseeing and administering grant-funded projects. The County's oversight and administrative responsibilities include managing large amounts of protected, sensitive information, including social security numbers, medical records and legal records. After consultation with the County Attorney's Office, the department determined the risks were too great to continue with outside third party management of our protected information and coordinate its access and use by so many different parties. Damages, penalties and other costs resulting from lawsuits relating to the misuse of protected information can be in the tens of millions of dollars. The decision to use employees rather than a third party administrator was made to reduce the risk of those costs, not because of any incremental savings that might result from performing the function in-house rather than outsourcing it.

CHH/mjk

- c: John Bernal, Deputy County Administrator for Public Works
Tom Burke, Deputy County Administrator for Administration
Jan Leshner, Deputy County Administrator for Community and Health Services
Keith Dommer, Director, Finance and Risk Management
Robert Johnson, Budget Manager, Finance and Risk Management