



DEPARTMENT OF  
**HEALTH AND HUMAN SERVICES**

Promoting and protecting health, well-being, self-sufficiency, and safety of all in Marin County.



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Marin County Board of Supervisors  
3501 Civic Center Drive  
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**SUBJECT: Report from the Department of Health and Human Services on the implementation of a shared laboratory services model with Napa-Solano-Yolo County Public Health Laboratory and request to approve Joint Powers Agreement Amendment No. 6 establishing the Napa-Solano-Yolo-Marin Public Health Laboratory effective July 1, 2013.**

Dear Supervisors:

**RECOMMENDATION:**

1. Receive Department report regarding implementation of a shared laboratory services model with Napa-Solano-Yolo County Public Health Laboratory.
2. Approve Joint Powers Agreement (JPA) Amendment No. 6 establishing the Napa-Solano-Yolo-Marin County Public Health Laboratory effective July 1, 2013.

**SUMMARY**

On September 25, 2012, your Board approved the Department of Health and Human Services (HHS) recommendation to implement a shared services model to provide public health laboratory services with the Napa-Solano-Yolo County Public Health Laboratory. The Department is now returning to update your Board on its efforts to implement this model and to request approval of the Joint Powers Agreement (JPA) Amendment No. 6 establishing the Napa-Solano-Yolo-Marin County Public Health Laboratory effective July 1, 2013.

The JPA Amendment gives Marin an ongoing role in governance of the public health lab, allows Marin to take advantage of the economy of scale for testing services and provides for stable long-term public health lab services at less cost than the current service delivery model.

The Department initially estimated joining the regional Napa-Solano-Yolo County Public Health Laboratory on March 1, 2013. After carefully considering the necessary implementation activities that would facilitate a smooth transition of laboratory services for both the Department and the regional Public Health laboratory and after consulting with our new partners in Solano, Napa, and Yolo counties, a joint decision was made to establish the Napa-Solano-Yolo-Marin County Public Health Laboratory effective July 1, 2013.

## **Background**

In our previous presentation to your Board, the Department shared a number of goals that have continued to guide us during this implementation phase. While specific to a change in our public health laboratory service they are in alignment with the goals that HHS identified in 2008 for its long term restructuring planning; prompted by expanding community needs, declining funding and a County-wide initiative to reorganize government services. The three goals for change in our public health laboratory service were:

- Maintain a high level of accessibility, technical and professional competence and customer-oriented services for Marin agencies and the public.
- Align public health laboratory services with other health services and initiatives that promote regional communication, coordination and response.
- Create a service model with sufficient size and strength to insure future growth, high proficiency and sustainable economics.

The Department further clarified those goals for a shared laboratory services model with specific objectives as follows:

- Portfolio of Clinical/Water Tests - Marin will maintain all tests currently offered in the Marin Public Health Laboratory (PHL) and/or as determined as necessary by the Marin Public Health Officer.
- Testing Performance - Marin will continue to have prompt and easy access to public health laboratory testing including local drop off/pick up of specimens. Turnaround times for specimen testing will meet industry standards. Tests will be performed under industry standards and a regional laboratory processing Marin samples will operate in accordance with all relevant State and Federal regulations.
- Priorities for Specimen Testing - The priority for specimen testing in a shared laboratory services model will be unbiased except in those circumstances as requested by a Public Health Officer and based upon urgent clinical need.
- Access to Results and Data Management - Marin will continue to have rapid access to test results and archived test data will remain available.

Finally, the Department also established and described to your Board in September the following goals for the internal and external Marin shareholders of public health laboratory services:

- Governance - The governance structure of a shared services model of a public health laboratory will insure Marin's full and equal participation in the policies and management of the service.
- Regional Participation - Marin will join its regional neighbors in a service that promotes mutual awareness, planning and response to the common challenges that face our residents.

- **Service** - The quality of public health laboratory services to Marin stakeholders shall remain high and allow for the lab to continue to play a role in promoting the health and safety of our community.
- **Sustainable Financial Cost** - The cost of public health laboratory services to stakeholders and to the general public will reflect the best value that can be obtained by efficient management and wise use of resources.

The Department remains committed to these goals and objectives, which have guided us through this implementation phase. We will continue to follow these goals and objectives in our partnership with the Napa-Solano-Yolo-Marin Public Health Laboratory.

### **JOINT POWERS AGREEMENT**

The proposed Joint Powers Agreement (JPA), amended to include Marin County, has a three year term, through June 30, 2016. The JPA Amendment establishes the Napa-Solano-Yolo-Marin Public Health Laboratory and gives Marin a role in governance of the laboratory equal to that of the other three county partners. The proposed JPA Amendment has been reviewed by each county's Public Health leadership, their respective counsels, and both the regional PHL Director and our Marin PHL Director.

You may recall from our September presentation that Karen Smith, MD, MPH, Napa County Public Health Officer (PHO), described the PHOs from each county as "Co-Directors" of the regional public health laboratory. The PHOs from Napa, Solano, and Yolo meet at least quarterly with the PHL Director to discuss operations and review data to assure quality, proficiency, and timeliness. As a "Co-Director", Marin will be part of these discussions and in decision-making related to laboratory operations. In addition to the quarterly meetings, each county receives a monthly statistical report and an annual review is conducted to evaluate quality of performance, turnaround time, reporting of results, billing procedures, collection of revenue; and satisfaction level of each PHO.

Solano County is responsible for the costs of providing and maintaining the laboratory facility, equipment, and support services such as billing for laboratory services. The other partner counties, Napa, Yolo, and Marin each contribute an annual amount to support the PHL's general operational costs. In order to assume Marin's annual testing volume of approximately 10,520 tests, Solano County is adding 3.50 FTE positions (full-time positions of Supervising Public Health Microbiologist, Public Health Microbiologist, and Courier and a half-time Laboratory Technician position). The recruitment process for these positions has begun.

The Department's annual financial contribution to Solano County in support of the Napa-Solano-Yolo-Marin Public Health Laboratory is based upon our annual testing volume (10,520 annual tests) and the revenue generated by those tests. Specifically, Marin's contribution is calculated as \$421,322 for the 3.50 FTE positions and supplies needed to perform Marin's laboratory tests, less the \$107,687 in estimated revenue, based upon our projected laboratory testing volume and the current Marin fee schedule. This resulted in a FY 13/14 estimated cost of \$313,635. The annual amount will be adjusted upward or downward at the end of FY 13/14, as appropriate, to reflect the actual revenue received. The annual costs for FY 14/15 and FY 15/16 will be similarly calculated using the actual revenue amount from the

prior fiscal year. In FY 14/15 and FY 15/16, the annual amounts paid by Napa, Yolo, and Marin counties are subject to an increase equal to the Consumer Price Index (CPI).

Solano County is responsible for billing third parties and collecting the revenue for tests conducted at the Napa-Solano-Yolo-Marin County Public Health Laboratory. As described above, the revenue generated from Marin tests is applied at the end of the fiscal year towards Marin's annual contribution for laboratory operations.

The Napa-Solano-Yolo-Marin County Public Health Laboratory will have one fee schedule for ease of administration. However, the JPA Amendment includes language permitting the respective governing boards of supervisors for Napa, Solano, Yolo and Marin Counties to set forth a policy or fee schedule that collects fees lower than that of the Napa-Solano-Yolo-Marin County Public Health Laboratory fee schedule, provided that the county electing to do so compensates the Napa-Solano-Yolo-Marin Public Health Laboratory for its costs.

As part of the preparation for joining this regional effort, the Department compared its current laboratory services fee schedule with the current fee schedule of the Napa-Solano-Yolo County Public Health Laboratory. In some instances the Department's fees for certain laboratory services were higher than the fees charged by the Napa-Solano-Yolo County Public Health Laboratory. State law prohibits charges greater than costs and as of July 1, 2013, the regional laboratory's fees will become our cost of providing these services. The Department will soon return to your Board to recommend revising our Marin fee schedule to adjust our fees, in some cases to reflect the lower cost of any fee in the regional lab fee schedule that is lower than the current Marin fee schedule. Notably this will reduce the fees for most of the water tests requested by Marin users.

#### **MARIN PUBLIC HEALTH LABORATORY STAFF**

The Department's Public Health Laboratory has 5.88 full-time equivalent (FTE) budgeted positions (3.88 FTE microbiologists/lab tech; 1.0 FTE laboratory director and 1.0 FTE office assistant). Of the 5.88 FTE positions, 0.32 FTE positions are vacant and will be deleted.

The other 5.56 FTE positions are filled by six individuals. The Department will retain the 1.0 FTE Office Assistant position to coordinate the drop off and pick-up of specimens in San Rafael, among other duties. The remaining five individuals, representing 4.56 FTE, have signed Voluntary Separation Incentive Program (VSIP) agreements for which they were eligible. Staff will remain to continue to provide public health laboratory services until June 28, 2013 unless a separate date is negotiated with the Department. There will be no layoffs.

We understand several staff has approached Solano County for potential employment in the Napa-Solano-Yolo-Marin County Public Health Laboratory, and that they are being fully considered for these positions.

## **IMPLEMENTATION EFFORTS**

Since your Board's approval of our going forward, HHS' implementation process has involved activities within the Department, with our regional laboratory partners, and with our laboratory customers. Some of these implementation efforts are shown below.

### **Within HHS**

- ✓ An HHS team including Marin's Public Health Laboratory Director was established to identify issues, review progress of implementation activities and meet regularly with regional PHL staff.
- ✓ Our Public Health Officer and the Communicable Disease (CD) Team toured the regional public health laboratory facility and asked questions of laboratory staff.
- ✓ The regional Public Health Laboratory Director will participate in the Marin County CD Team meeting before July and on a monthly basis thereafter.
- ✓ The Department will maintain a drop-off site for submitting specimens at the current laboratory facility at 920 Grand Avenue in San Rafael and there will be a receptionist on site who can assist with specimen submissions, labeling, and other paperwork.
- ✓ No significant impact on current HHS clinical operations is expected, as all currently used tests will be available and the Medical Clinics will continue to have a laboratory technician during STD Clinic hours.

### **With Regional Lab Partners**

- ✓ Regular conference calls and meetings with regional PHL staff attended by HHS team, Marin and Solano Public Health Laboratory Directors, Solano Public Health Officer and Public Health Administrative staff.
- ✓ Regular contact with the other "Co-Directors" in Solano, Napa, and Yolo to discuss the JPA and fee schedules.
- ✓ Laboratory Tests - Marin's portfolio of lab tests will continue to be offered and have been added to the list of tests provided by the regional PHL, Attachment A in the proposed JPA.
- ✓ Courier – there will be twice daily service from the Marin drop-off site at 920 Grand Avenue to the Fairfield regional public health laboratory. The pick-up times are currently set for 11:00 AM and 2:00 PM. There will be no charge to clients for specimen transport. The courier will be available for urgent or "upon request" trips initiated by the PHO and direct pick up for some clients may be available.
- ✓ Intake/receiving protocols – protocols for the specimen drop-off location at 920 Grand Ave outlining courier services, sample preparation, packaging, transport needs, and completion of lab requisition are being developed by our PHL Director and the regional PHL Director.
- ✓ Communication of laboratory test results - practices of the regional public health laboratory will closely follow that of our current service model. Results are

currently communicated to clients via FAX, email or phone as dictated by the urgency of the test results. All of these communication options will be available from the regional public health laboratory. Additionally, the regional laboratory is in the process of implementing a web-based system which will allow certain public health staff in each county secure access to their County's results.

- ✓ Historical laboratory data – access to historical data will be available in a secure format to both the Department and the Napa-Solano-Yolo-Marin County Public Health Laboratory staff but will not be accessible by the other member counties.
- ✓ Marin laboratory equipment – our PHL Director and the regional PHL Director are evaluating the Marin lab equipment to ascertain whether the regional laboratory would be interested in acquiring any of it in a manner consistent with grant and/or County purchasing guidelines.
- ✓ Public Health Preparedness Microbiologist Training grant – In the current grant year, twelve microbiologist trainee stipends were made available in California. Solano County applied for and was awarded grant funds for the same number of trainees (3) that Marin has had in the past thus assuring the region will continue to participate in the training of microbiologists.
- ✓ Planning has begun for a gradual transition of testing from the Marin PHL to the regional PHL during the last weeks of June.

**With Customers**

Several outside agencies and the general public use the services of the Marin PHL. In most cases their use is limited to a specific or a small number of tests. Efforts to solicit information, address questions and/or concerns and ensure a smooth transition for our customers have included:

- ✓ Water agencies & County Environmental Health – please see more detailed discussion below.
- ✓ Marin Humane Society – A meeting was held with Department staff and the Marin Humane Society to discuss handling of specimens for rabies testing.
- ✓ In a letter to PHL customers dated February 11, 2013, the Department updated customers on the transition plans including effective date, specimen drop off location, courier service, reporting of results and confirmed that all laboratory tests currently offered will continue to be offered by the Napa-Solano-Yolo-Marin County Public Health Laboratory.
- ✓ The Department will be subsequently in contact with customers to confirm contact information and inquire about any specific needs regarding method of communications or test result format.
- ✓ The Department will promptly inform its laboratory customers as additional information becomes available.

**WATER TESTING**

The Marin Public Health Laboratory performs approximately 3,000 water tests annually as part of routine surveillance of local recreational and coastal waters. As

your Board knows, the management of water samples is time sensitive. Laboratory standards allow for a 6-hour window between collection and arrival at a testing laboratory. Concern has been raised that some patterns of sample collection by Marin agencies already use much of the 6-hour window and that adding transport times to an outside laboratory would exceed standards. During our September 25<sup>th</sup> discussion about a new model for public health laboratory services, your Board requested additional information regarding how water testing could be performed in a timely manner by the regional public health laboratory.

The Department surveyed the current users of water testing. Users were asked about the number of water tests submitted on an annual basis, scheduling of water sample pickups and desired forms of communication for receiving test results. We received responses from 15 current clients. The Department also reviewed the records from actual tests performed in the Marin laboratory in 2012 for non-Environmental Health customers to determine an average of the maximum time between collection and arrival at the laboratory for routine sampling. As shown in the chart below, the customer with the largest maximal average time (Richardson Bay) was 2:35 hrs. The data support our estimate that the additional time required for transport to the regional laboratory in Fairfield (45-60 minutes) will not exceed the recommended six hour limit between collection and arrival at a testing facility.

Customer	Number of Sample Days in 2012	Average Time Between Earliest Collection and Dropoff
RVSD	35	1:45
LGVSD	19	1:01
Slide Ranch	14	1:36
Richardson Bay	12	2:35
Muir Beach	12	2:06
Bel Marin Keys	12	1:24
Novato Sanitary District	9	1:03

Marin County Environmental Health Services has historically played a significant role in the collection and transport of water specimens from Marin beaches and streams. Its collection routes are diverse and often indirect. Department staff has met with Environmental Health Services staff on several occasions to discuss water sample pickup routes, timing and fees. Environmental Health staff is currently examining several options including the use of the regional courier to insure that the timing of collection-to-processing remains within the recommended standards.

**BUDGET SAVINGS**

As presented to your Board in September, the estimated annual savings realized as a result of establishing the Napa-Solano-Yolo-Marin County Public Health Laboratory is \$327,910. HHS is working with the County Administrator’s Office (CAO) to make the necessary budget adjustments during the FY 13/14 baseline budget process in the Department’s Communicable Disease/Public Health Lab Funds Center. The Department, in consultation with your Board, proposes to utilize any budget savings to address unmet needs in the Department. A summary of these changes appears below:

**Proposed HHS FY 13/14 Budget Adjustments**

<b>Budget Action</b>	<b>Amount</b>
Reduce Personnel Expenses	(\$672,682)
Reduce Operating Expenses	(\$165,223)
Increase Professional Services Expense (Funds for Regional Lab contribution)	\$370,000
<b>Total Expense Reductions</b>	<b>(\$467,905)</b>
<b>Total Revenue Reductions</b> (No revenue retained locally; Regional Lab bills/collects revenue)	<b>\$139,995</b>
<b>Net Budget Savings</b>	<b>(\$327,910)</b>

**CONCLUSION**

Aligned with the stated goals and objectives, the Department is on track to complete the transition for the provision of public health laboratory services from its San Rafael location to the regional Public Health Laboratory at the end of June. As many of your Board has seen first hand, the regional laboratory is new, capable of adopting new technologies, integrated into regional systems of disease surveillance/management and financially sustainable.

The Department acknowledges and is grateful for the dedication of its laboratory staff and the excellent service provided through the years to the Department and the Marin community. While we understand this change in service model has been difficult for staff, we are pleased that as a result of your Board’s Voluntary Separation Incentive Program (VSIP), there will be no staff lay-offs.

The Department will return to your Board in the near future with proposed revisions to the Marin fee schedule for laboratory services. The Department will also be returning to deliver biannual reports to your Board and the Health Council as requested.

The Napa-Solano-Yolo-Marin County Public Health Laboratory is truly the realization that in partnership with our neighbors we will be stronger, more flexible and better able to promote and protect the health and safety of our citizens while aligning public health laboratory costs and ensuring a sustainable future.

**FISCAL IMPACT:** As mentioned the Department is working with the CAO to make the necessary budget adjustments related to joining the regional public health laboratory during the FY 13/14 baseline budget process. These budget adjustments in the Department’s Communicable Disease/Public Health Lab Funds Center result in an annual savings of \$327,910. The Department, in consultation with your Board, proposes to utilize the budget savings to address unmet needs in the Department that will result in no impact to net County cost.



<b>Reviewed By:</b>	Department of Finance	[ ]	N/A	[ X ]
	County Counsel	[ X ]	N/A	[ ]
	Human Resources	[ ]	N/A	[ X ]

Respectfully submitted,



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Director