

DATE: March 28, 2010
TO: Children and Families Commission of Orange County
FROM: Michael M. Ruane, Executive Director 
SUBJECT: Approve Term Modifications for Agreement with Health Professions Education Foundation for Pediatric Specialties Physicians Loan Repayment Program

SUMMARY:

In December 2009, the Children and Families Commission of Orange County authorized the development of an agreement with the Health Professions Education Foundation (Foundation) for the creation of a pediatric sub-specialty loan repayment program, modeled after the successful pediatric dental program, to support in the recruitment and retention of qualified pediatric sub-specialists in Orange County. The program will provide funding for two to six qualified pediatricians to receive a maximum of \$125,000 in loan repayment funds; annual loan repayment funds are budgeted at \$250,000. Loan repayment program would be contingent on working with the 0-5 population in high need areas of the community and for physicians that have a commitment from an existing Orange County institution for specialty care services. The action authorized the development of contract with the non-profit Foundation to provide program administration services. The Foundation will leverage its existing practices and programmatic infrastructure from other similar physician loan repayment programs to support the proposed Orange County program. The agreement is a three-year agreement for grant and program administration.

Commission action is requested to approve the proposed agreement which includes waivers from standard Commission boilerplate language. Waivers are requested due to the unique program structure and to recognize that physicians funded through this program are not employees of the non-profit Foundation nor the State of California Office of Statewide Health Planning and Development, the affiliated agency.

Agreement Waivers & Modifications

The key provisions approved by the Commission in December 2009 remained unchanged (see Attachment 1). The proposed action would approve the Commission agreement with the Foundation and related waivers and modifications to standard Commission boilerplate language due the unique nature of the agreement.

The modifications to the boilerplate language are included in Attachment 2. In sum, requested changes are as follows:

- Waiver of the "employer" requirement provisions, including Section 9.17 (child abuse reporting), 9.20 (child care provider), 14.2 (child support reporting) will be waived, as these sections are inapplicable to the subject of this grant agreement. The Foundation is providing

loan repayments to eligible physicians, and is not entering into an employer/employee or agency relationship.

- Elimination of insurance certification requirements, since the Foundation is an affiliated agency of the State of California which is self-insured.
- Acceptance of mutual indemnification including cost for any related legal expenses.
- Modified language to provide specific assurances of compliance with public records act requirements.

Commission counsel has reviewed all proposed contract modifications and proposed terms reflect Counsel's direction and recommendations. A complete listing of proposed modifications to the Commission's boilerplate is included as Attachment 2.

STRATEGIC PLAN & FISCAL SUMMARY:

This item is consistent with the Commission's support Healthy Children goal and promoting access to quality primary and specialty care services. Funding for this program is available through the Pediatric Health Service program budget.

PRIOR COMMISSION ACTIONS:

December 2009 – Approved Agreement with the Health Professions Education Foundation based on a Proposal for Physician Retention Services for the Pediatric Specialty Care Services Program and Implementation Plan.

RECOMMENDED ACTION:

Approve modifications to standard boilerplate provisions as described in the attached summary (Attachment 2) for Agreement with the Health Professions Education Foundation to provide program and fiscal administration for services related to the Pediatric Specialty Care Services Program.

ATTACHMENTS:

1. Children and Families Commission of Orange County Physician Loan Repayment Key Provisions
2. Summary of boilerplate changes for Agreement FCI-HPE-01

Contact: Christina Altmayer

Children & Families Commission of Orange County Physician Loan Repayment Program

Key Provisions of Proposed Pediatric Specialty Loan Repayment Program

Eligible Participants	<p>Physicians must have completed sub-specialty training in a targeted pediatric subspecialty program and have a letter of commitment from an institution serving the underserved population in Orange County.</p> <p>Target pediatric subspecialties: Neurology, Endocrinology, Orthopedics, Developmental Services, and Cranial-Facial</p>
Eligible Amount of Funding per Loan	\$125,000 Maximum (approximately 50% of estimated educational expenses)
Repayment Term	Three years of service to the underserved population in Orange County.
Use of Funding	Payments would be made directly to educational loaning institutions to cover direct educational expenses. May also cover books, fees, etc.
Program Administration	Commission would contract with Health Professions Education Foundation for program administration including physician recruitment, application review and processing and loan repayments. Currently HPEF administers comparable programs.
Program Start Date	<p>First two physicians on board for July 1, 2010</p> <p>With \$250,000 annual investment, Commission could have up to 6 physicians on board beginning in July 1, 2013 or potentially sooner.</p>
Annual Funding	Funding is estimated at \$250,000 annually, plus \$65,000 annually for program administration.

**SUMMARY OF MODIFICATIONS TO PUBLIC ENTITY STANDARD FORM
AGREEMENT FOR HEALTH PROFESSIONS EDUCATION FOUNDATION
(FOUNDATION)***

Simplified/Updated Reference:	Change Location
Remove specific reference to a single database brand name (“OCERS”) and replace with non-specific “evaluation and contract management system”	sections 8.3, 19, 19.1, 19.1.1, 19.1.2, 19.2
Remove specific reference to Commission’s current Application Service Provider as “Corporation for Standards and Outcomes” and replace with specific reference to “Mosaic, Inc.”	sections 19.1, 19.1.1, 19.1.2, 19.2
Provision changed to Mutual Indemnification	section 6
Insurance requirements are waived to the extent that HPEF is covered under self-insurance maintained by the State of California	section 7
Provisions related to Personnel Disclosure and Personnel Record Keeping are modified as HPEF’s employees are employees of the State of California and subject to State requirements. HPEF will provide a list of the names and addresses of potential individual awardees prior to making a funding award	sections 8.4.2, 8.4.3
The provision for “No Use of Funds for Lobbying” is waived as HPEF’s funds are maintained in the State Treasury	section 9.15
The requirement for “Child Abuse Reporting” is waived as HPEF’s employees are employees of the State of California and subject to State requirements	section 9.17
The requirement “Child Care Provider Notification” is waived as HPEF’s employees are employees of the State of California and subject to State requirements	section 9.20
The requirements to declare “No Bankruptcy”, “No Pending Legal Proceedings” and “No Pending Investigation” are waived due to HPEF status as a corporation established by an Agency of the State of California	sections 10.2, 10.3, 10.5
The requirements related to “Confidentiality” is waived to the extent that any part of this section conflicts with the California Public Records Act as it applies to any records, documents or confidential information maintained by HPEF or OSHPD in any manner pursuant to this Agreement.	section 12
The requirement related to “Ancillary Reporting Requirement Related to Enforcement of Child Support Obligations” is waived as HPEF’s employees are employees of the State of California and subject to State requirements	section 14.2

Simplified/Updated Reference:	Change Location
The requirement related to “Audits” is modified to the extent that HPEF shall employ an independent, licensed Certified Public Accountant (“CPA”) to prepare an audit as a part of an Annual Report prepared by HPEF for all grant programs administered by HPEF	section 15
The “Initial Payment” language is modified to reflect a specific dollar amount rather than a percentage of the Agreement’s Maximum Payment Obligation and establishes specific repayment limits	section 16.2
The “Payments”, “Invoicing” and “Retention” provisions language is modified to reflect specific fiscal/invoicing processes related to HPEF’s reimbursement of costs for individual funding awardees	sections 16.3, 16.5, 16.6
The provision to “Maintain Complete Books and Records” reference to Generally Accepted Accounting Principles (GAAP) is modified to reflect Generally Accepted Government Auditing Standards (GAGAS)	section 18.1
The requirement to maintain “Separation of Accounts” is waived as all HPEF’s funds are maintained in the State Treasury	section 18.2

*a California nonprofit public benefit corporation established by the Office of Statewide Health Planning and Development (“OSHPD”)