

**Agenda Item 7**  
**October 7, 2015**

**DATE:** September 25, 2015

**TO:** Children and Families Commission of Orange County

**FROM:** Christina Altmayer, Executive Director 

**SUBJECT:** Pediatric Oral Health

**ACTION:** Receive Healthy Smiles for Kids of Orange County catalytic project update and approve proposed modifications to the catalytic funding

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**SUMMARY:**

Healthy Smiles for Kids of Orange County was founded in 2003 as a collaborative venture to improve the oral health of children in Orange County through prevention, outreach and education, access to treatment, and advocacy. The Children and Families Commission of Orange County's \$20 million/10 year catalytic investment, made in FY 2012/13, included provisions for service payback in the areas of prevention, treatment and parent services, linking to a dental home, care coordination, and professional development. This agenda item includes an overview of Healthy Smiles' proposal to redeploy a portion of the catalytic award to reconfigure administrative space at the Garden Grove Clinic into additional dental operatory space to expand sedation services.

**DISCUSSION:**

Ria Berger, Chief Executive Officer of Healthy Smiles, provided an update at the February 2015 Commission meeting on their board development, and strategic and financial planning efforts, including a nonprofit business analysis completed by the Nonprofit Finance Fund. The analysis identified several priorities that will be critical to the organization's financial strategy going forward: 1) understanding Healthy Smiles' full cost of business; and, 2) determining product program line profitability and related scenarios. These recommendations were considered in the development of Healthy Smiles' new strategic plan.

This summer, Healthy Smiles' staff and Chairman of the Board of Directors met with Commission staff to share a draft of the strategic plan components. The six major goals needed to deliver on Healthy Smiles' strategic vision are:

1. Enhance integration with oral and overall health
2. Increase advocacy role to address system-level barriers and opportunities
3. Expand general anesthesia/sedation services to address demand
4. Broaden patient/payer mix to support core population serviced
5. Expand reach regionally
6. Build organization capacity to deliver of strategic vision

Consistent with this strategic and operational planning, Healthy Smiles has developed a proposal for Commission consideration to redeploy a portion of the Commission's catalytic award to reconfigure administrative space at the Garden Grove Clinic into additional dental operatory space to allow for additional sedation services.

Healthy Smiles recently completed the third year of their contract for catalytic services with the Commission. As indicated on Attachment 1, they have been successful at overachieving annual service goals for prevention services, parent focused services, and professional development. One area where they have not been able to achieve their annual target is in the area of treatment services including restorative care, services to children with special needs, and sedation services. At the same time, the average wait time at Healthy Smiles for children needing treatment under anesthesia this year has been four months, and eight months at CHOC Children's.

Even though there has been a significant focus on prevention services, and children are being seen at a younger age, there is a continued need for sedation services for young children in Orange County. As indicated in an October 2013 survey conducted by Healthy Smiles, of the pediatric and general dentists contacted in the survey, only four general dentists offered sedation. The remaining dentists surveyed served a child through an initial exam and then referred out to a specialist for treatment.

In reviewing the full \$250,000 cost of the proposed capital improvement project to expand the operatory rooms for sedation services at Healthy Smiles, staff estimates that about 54 percent of the services would be related to young children from birth to five. Consequently, Healthy Smiles has requested up to \$135,000 of the Commission's catalytic investment be redirected to support the completion of the capital improvement. Approval of this proposal is recommended based on several factors:

- The capital investment will position Healthy Smiles to better achieve the treatment service targets and address the community need for additional sedation services for young children.
- The \$135,000 has been proposed to be redeployed for the capital investment; however this is not projected to impact the required service payback. Healthy Smiles has confirmed that annual goals established for all of the service areas (prevention, parent services, care coordination, etc.) will be achieved during the term of the agreement, as indicated on Attachment 1.
- As a strategic priority, Healthy Smiles will explore other opportunities to expand and sustain services such as considering Health Maintenance Organization and Preferred Provider Organization payer mix options to off-set the cost of providing service to Denti-Cal patients; including community screenings and educating dental professionals about serving children with special needs. Developing sustainable funding streams is consistent with a requirement of Healthy Smiles' current agreement with the Commission.

The Commission has been proactive in addressing young children's oral health needs through its partnership with Healthy Smiles for Kids of Orange County. Commission approval is recommended to redirect the catalytic funding as requested, and is consistent with the terms and conditions of the Catalytic agreement.

**STRATEGIC PLAN & FISCAL SUMMARY:**

This item has been reviewed in relation to the Commission's Strategic Plan and annual budget. No fiscal actions are proposed in relation to this item.

**PRIOR COMMISSION ACTIONS:**

- September 2015 - Received Catalytic Status Report
- February 2015 - Received Presentation and Healthy Smiles for Kids of Orange County Program Report and Oral Health Policy Brief
- May 2014 – Received update on Healthy Smiles for Kids or Orange County Catalytic Agreement
- February 2014 – Received update on Healthy Smiles for Kids of Orange County Fiscal Sponsorship
- September 2001 – Engaged consultant to assess and develop a recommended model for a comprehensive children's dental program and building

**RECOMMENDED ACTION:**

Receive Healthy Smiles for Kids of Orange County catalytic project update and approve proposed modifications to the catalytic funding.

**ATTACHMENT:**

1. Healthy Smiles for Kids of Orange County - Redirection of Funds for Capital Improvement Project: Expanded Operatory Rooms for Sedation Services

**Contact:** Alyce Mastrianni

