



Beilenson Hearing Health Services Agency (HSA) Radiology & Laboratory Operations & Recommendation

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Why a Beilenson Act Hearing?

- §1442.5 of the California Health and Safety Code
- Transparency
- Community Voice
- Democratic Process
- Protection
- Public Notices Posted on 5/20/2025

Proposed Change

Current Practice

- Operate CLIA–Certificate of Waiver lab and radiology
- Existing agreements with external lab and radiology
- Staff to collect specimens
- Staff Quality Assurance oversight of labs sent to Quest for processing
- Equipment management
- Radiology is only x-ray
- Public Health support

Proposed change

- Maintain CLIA–Certificate of Waiver to continue providing Point of Care (POC) testing
- Utilize existing agreements to refer patients for imaging and labs
- Limited staff to collect specimens

Health Centers Background

Mission

Our mission is to promote and protect the health and well-being of our community by providing access to quality, comprehensive and affordable **primary and integrated behavioral healthcare services** for people of all ages.

Vision

Delivering patient-centered care for people of all ages by removing boundaries that inhibit access to healthcare and ensuring the viability of our community by **supporting long-term equitable access to healthcare services.**

Health Centers Background

Homeless Persons' Health Project



Santa Cruz Health Center



Watsonville Health Center



Watsonville Health & Dental Center



In Fiscal Year 2023–2024...

- 13,744 patients served
- 1,915 average encounters per week
- 99,605 appointments completed

Services beyond Primary Care and IBH...

- Medication Assisted Treatment
- Acupuncture
- Family Planning
- Orthopedics

Goals

- Maintain access and quality for patients
- Create sustainable operations
- Mitigate future financial risks & current financial strain
- Minimize impact for employees

Laboratory and Radiology Operations

LOCATIONS:

- Santa Cruz Health Center: 1080 Emeline Ave. Santa Cruz
- Watsonville Health Center: 1430 Freedom Blvd.

Federally Qualified Health Centers (FQHCs) are required to provide laboratory and radiology services *either*:

- Directly, or
- Through agreements with community partners to clinic patients.

Key Considerations

- FQHCs are reimbursed primarily through the Prospective Payment Service (PPS), a bundled payment covering all services provided in a single visit
- Most FQHCs provide ancillary services through community resources
- California's Physician Ownership Referral Act (PORA)
 - FQHCs are specifically exempt from this law as it relates to laboratory services.
 - This exemption allows FQHCs to have commercial laboratories placement of phlebotomist in an FQHC.

Radiology Visit Volume by Health Center

	FY 23/24		
Radiology	Number of Radiology Completed Appointments	Weekly Average	Patients
Emeline	1,060	21	854
Watsonville	1,210	23	1,002
Total	2,270	44	1,856

Lab Visit Volume by Health Center

	FY 23/24		
Lab	Number of Lab Completed Appointments	Weekly Average	Patients
Emeline + HPHP	7,250	139	3,285
Watsonville	7,777	150	4,550
Total	15,027	289	7,835

Radiology Staff

Radiology Staff:

FTE	Job Title
1.0	CHF RAD TECHNOLOGIST
0.8	RAD TECHNOLOGIST
0.2	RAD TECHNOLOGIST

2.0 FTE Reduction

Laboratory Staff

Laboratory Staff:

FTE	Job Title
3.6	Lab Asst/Phlebotomist
1.0	Sr. Lab Asst/Phlebotomist
1.0	Clinical Lab Scientist
5.6	FTE Reduction

Access Impact to Patients

Referral System for X-Ray Services:

- Streamlined referral process with local hospitals
 - No disruption in care
 - Patients will need to travel to those radiology centers services.

Agreement with External Lab:

- Exploring an agreement with external labs
 - Phlebotomists on site at Watsonville and Emeline Health Centers
 - Supporting patient care while minimizing our financial impact

Care Coordination

- Medi-Cal benefit for non-medical transportation

Radiology Volume & Cost

51% of the costs are in Santa Cruz and
49% of the costs are in Watsonville

Radiology Volume: Approximately 2,270 x-rays per year.

Radiology Costs:

SALARIES AND EMPLOYEE BENEFITS	\$404,944
SERVICES AND SUPPLIES	\$69,174
ADMINISTRATIVE ALLOCATIONS	\$51,017

TOTAL COST: \$525,135

FY 2024 Radiology Revenue: \$81,637

Laboratory Volume & Cost

52% of the costs are in Santa Cruz and
49% of the costs are in Watsonville

Laboratory Volume: Approximately 50,000 blood draws

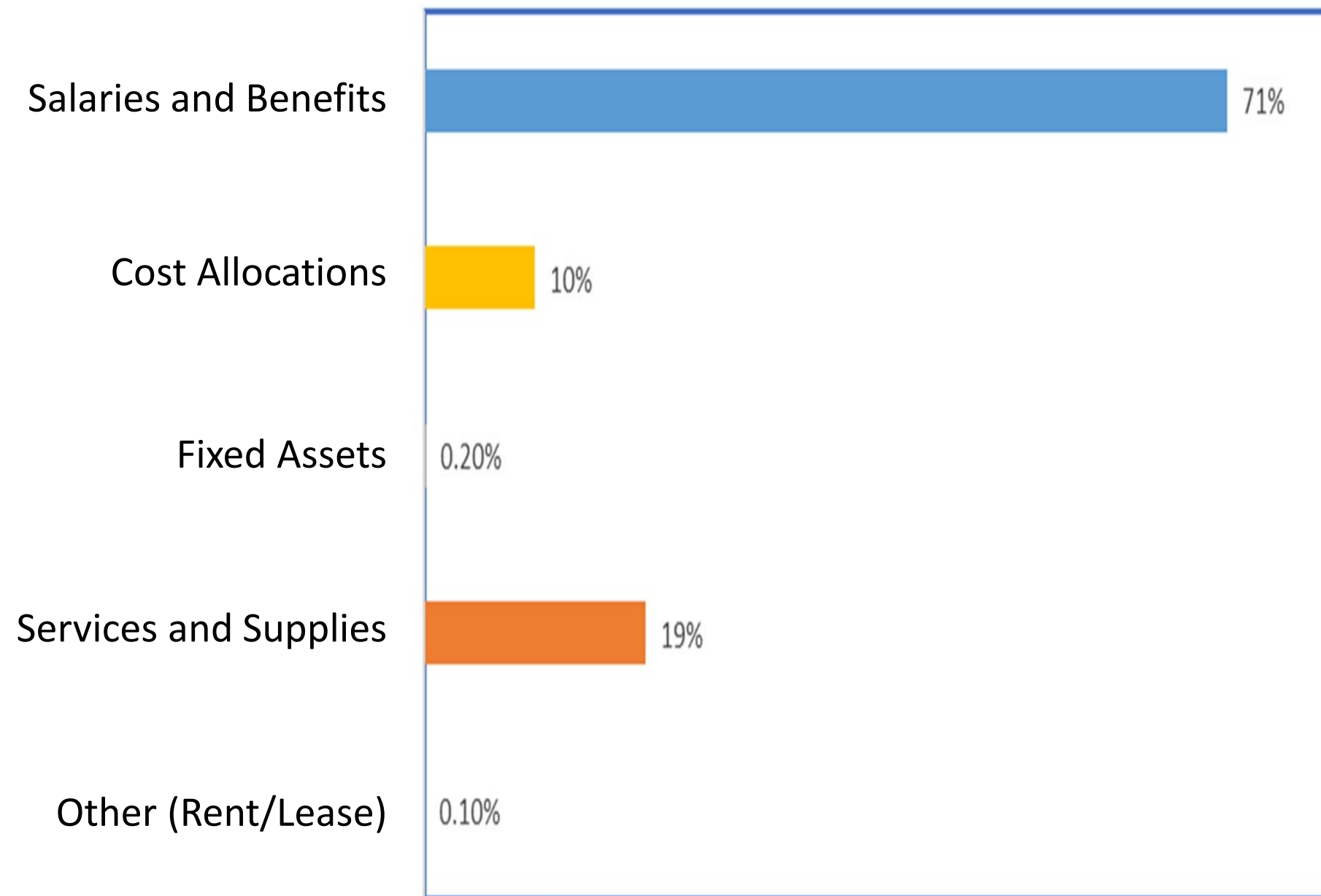
Laboratory Costs:

SALARIES AND EMPLOYEE BENEFITS	\$1,077,755
SERVICES AND SUPPLIES	\$296,197
ADMINISTRATIVE ALLOCATIONS	\$142,848

TOTAL COST: \$1,516,800

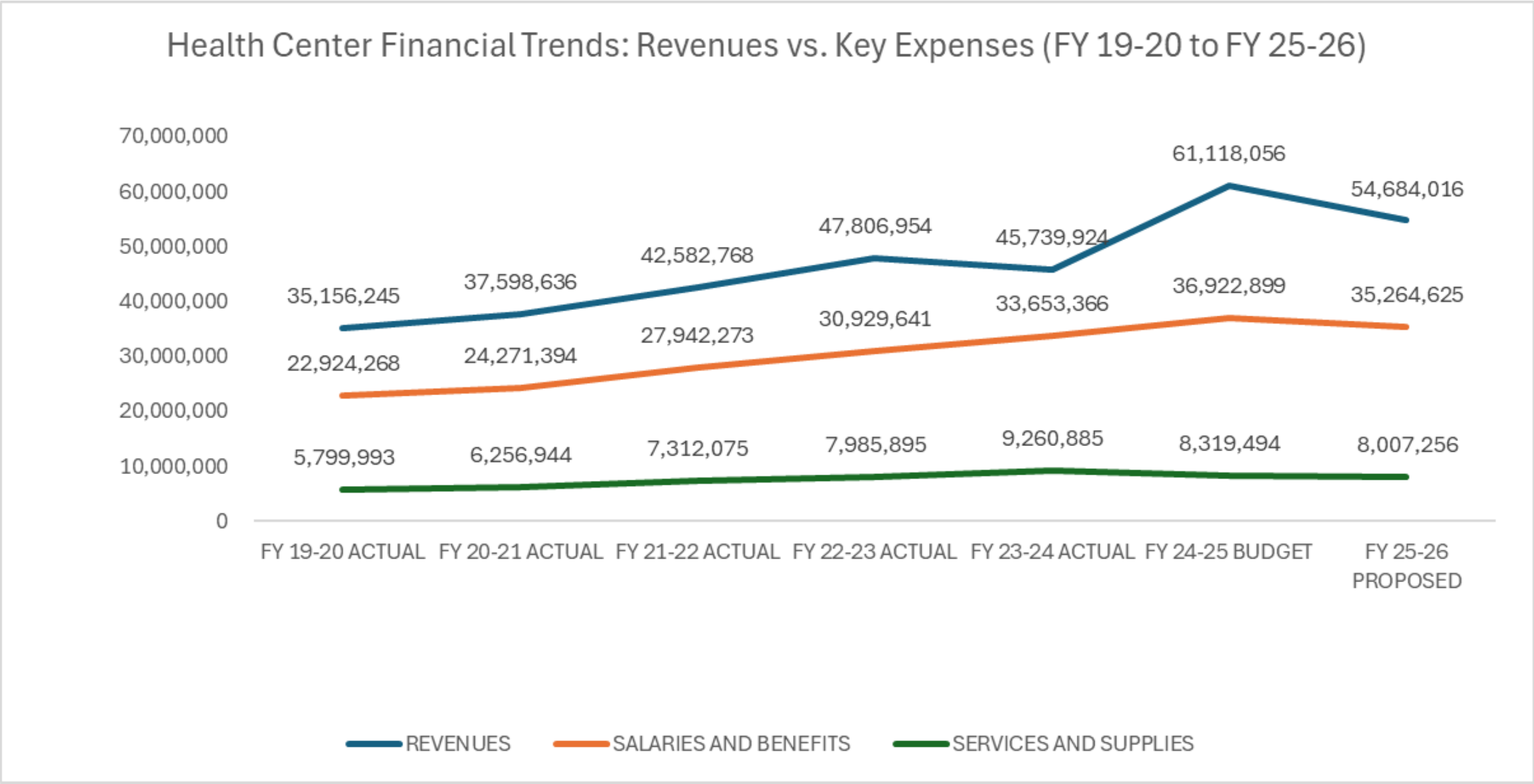
FY 2024 Lab Revenue: \$27,930

Where are Health Center Expenses?



- Substantial salary increases
- Substantial inflation of services and supplies
- Assessed service lines from a revenue and expense lens
- Lab and X-ray are both high cost and low (almost no) revenue
- Looming changes to federal budget will have impacts on our services and patients

How did we get here?



Quality Considerations

External Laboratory Services:

- Rigorous quality standards
- Accreditation or licenses

External Radiology Services:

- Stringent quality standards
- Governed by the California Department of Public Health's Radiologic Health Branch

Recommendations

Transitioning these services would eliminate substantial salary, equipment, and maintenance costs and allow us to focus on core services.

Hold a public hearing, in accordance to the California Health and Safety Code, Section 1442.5 (Beilenson's Act), to consider the redesign of the County's Clinical services, comprising of the closure of the County's Radiology and Laboratory services and contracting with local laboratory and radiology providers to ensure access for indigent patients of the Health Services Agency.

Questions?

Thank You

