

**MINUTES OF MEETING  
BOARD OF COUNTY COMMISSIONERS  
ST. JOHNS COUNTY, FLORIDA  
APRIL 3, 2006  
(9:30 A.M.)**

Proceedings of a special meeting of the Board of County Commissioners of St. Johns County, Florida, held in the auditorium at the County Administration Building, 4020 Lewis Speedway (County Road 16-A) and US 1 North, St. Augustine, Florida.

Proof of publication for the notification of a Special Meeting regarding a lawsuit, Marilyn McMulkin v. St. Johns County, Case No. CA 08-847 in the Circuit Court, Seventh Judicial Circuit, in and for St. Johns County, Florida, and a Workshop to discuss a Provider Service Network, was received, having been published in *The St. Augustine Record* on March 25, 2006.

Present were: James E. Bryant, District 5, Chairman  
Cyndi Stevenson, District 1, Vice Chair  
Karen R. Stern, District 2  
Ben Rich, District 3  
Bruce A. Maguire, District 4  
Ben W. Adams, Jr., County Administrator  
Daniel Bosanko, County Attorney  
Terry Bulla, Deputy Clerk

(04/03/06 - 1 - 9:31 a.m.)  
Chairman Bryant called the meeting to order.

(04/03/06 - 1 - 9:31 a.m.)  
ROLL CALL

Bryant stated that all five commissioners were present.

(04/03/06 - 1 - 9:32 a.m.)  
1. CLOSED SESSION - THIS SPECIAL MEETING IS A PRIVATE ATTORNEY/CLIENT MEETING OF THE BOARD OF COUNTY COMMISSIONERS HELD IN ACCORDANCE WITH SECTION 286.011(8), FLORIDA STATUTES. THE SPECIAL MEETING WILL BE CONFINED TO SETTLEMENT NEGOTIATIONS AND LITIGATION EXPENSE STRATEGY PERTAINING TO THE LAWSUIT MARILYN MCMULKIN V. ST. JOHNS COUNTY, CASE NO.: CA 03-847, IN THE CIRCUIT COURT, SEVENTH JUDICIAL CIRCUIT, IN AND FOR ST. JOHNS COUNTY, FLORIDA. THE SPECIAL MEETING HAS BEEN ADVERTISED FOR 9:30 A.M. CONFERENCE ROOM "A" HAS BEEN RESERVED FOR THIS MEETING

Dan Bosanko, County Attorney, announced he needed advice regarding Case No. CA 03-847, Marilyn McMulkin v. St. Johns County, and stated that Florida Statute 286.011 allowed the Board to hold a private meeting in order to provide him with that advice.

Bryant announced the closed Private Attorney/Client Meeting was to commence in Conference Room A at 9:32 a.m., and listed the names of persons attending the meeting: James Bryant; Cindy Stevenson; Ben Rich; Bruce Maguire; Karen Stern; Ben Adams, County Administrator; Daniel Bosanko, County Attorney; Stephen Galligher, Special Counsel to the Board; and Janet Beeson, Court Reporter.

(9:56 a.m.) Bryant reconvened the special meeting and announced the termination of the Closed Attorney/Client Settlement Meeting.

(9:56 a.m.) **Motion by Stevenson, seconded by Rich, carried 5/0, to adjourn the closed Special Meeting.**

(9:57 a.m.) Bryant called the regular special meeting to order, and stated that all five commissioners were present.

(04/03/06 - 2 - 9:57 a.m.)

The invocation was given by Stevenson and the Pledge of Allegiance was led by Stern.

(04/03/06 - 2 - 9:58 a.m.)

ADDITONS/DELETIONS TO SPECIAL MEETING AGENDA

Bosanko asked that McMulkin v. St. Johns County be added as Item 1A.

(9:58 a.m.) **Motion by Stern, seconded by Rich, carried 5/0, to approve the agenda as amended.**

(04/03/06 - 2 - 9:58 a.m.)

1A. MCMULKIN V. ST. JOHNS COUNTY

Dan Bosanko, County Attorney, proposed that they consider a motion for approval and acceptance of the March 17<sup>th</sup> 2006 mediation settlement agreement in the Marilyn McMulkin v. St. Johns County Case No. CA 03-847 Division 55, Seventh Judicial Circuit, in and for St. Johns County.

**Motion by Maguire, seconded by Rich, carried 5/0, to approve and accept the March 17, 2006 mediation settlement agreement in the Marilyn McMulkin v. St. Johns County, Case No. CA 03-847 Division 55, Seventh Judicial Circuit, in and for St. Johns County.**

(04/03/06 - 2 - 10:00 a.m.)

1. WORKSHOP - MEDICAID REFORM PROVIDER SERVICE NETWORK CONTRACT APPLICATION - THE FLORIDA LEGISLATURE HAS AUTHORIZED THE ESTABLISHMENT OF MEDICAID PROVIDER SERVICE NETWORKS (PSN) AS A DEMONSTRATION FLORIDA MEDICAID REFORM MEASURE. AS PART OF THIS AUTHORIZATION, ON FEBRUARY 27, 2006, THE STATE OF FLORIDA HAS DEVELOPED A PSN CONTRACT APPLICATION WITH THE INTENDED DEADLINE OF MID-APRIL 2006. ST. JOHNS COUNTY IS IN THE UNIQUE POSITION OF BEING A POTENTIALLY SUCCESSFUL PSN FOR THE COUNTY'S MEDICAID RECIPIENTS AND HAS BEEN INFORMALLY ENCOURAGED BY THE STATE TO PURSUE THE PSN CONTRACT APPLICATION PROCESS. ON MARCH 21, 2006 THE BOARD OF COUNTY COMMISSIONERS (BCC) INDICATED CONSENSUS FOR APPROPRIATE COUNTY STAFF TO MOVE FORWARD TOWARD THE TIMELY COMPLETION OF THE PSN CONTRACT APPLICATION, INCLUDING THE FUNDING OF A CONSULTANT TO HELP EXPEDITE SUCH COMPLETION. THE PURPOSE OF THIS BCC WORKSHOP IS TO MORE FULLY DISCUSS THE FEASIBILITY OF THE COUNTY ESTABLISHING A PSN FOR THE COUNTY'S MEDICAID RECIPIENTS

Dr. Maria Colavito explained the purpose of the workshop was to more fully discuss the feasibility of the County establishing a Provider Service Network (PSN) for the

County's Medicaid recipients. She emphasized that the definition of health was important, and it meant the change in the definition from being disease management to moving toward a wellness model. She said health was now being defined as more of a quality of life indicator for individuals. The focus of the new program was that it was person-centered with a treatment team approach. She gave a PowerPoint presentation titled The St. Johns County Health and Human Services Plan: A Blueprint Integrating, Organizing and Implementing the Provider Service Network. The presentation included the authority and scope of services, principles and foundations, strategies, history, current organization's structure, select outcomes, the Health and Human Services (HHR) model including the Provider Service Network and select HHR reports. She stated they were number one in the state in terms of the administration of our PSN for community-based care, and that they had served 4,800 people voluntarily. She reviewed the Medicaid reform goals and objectives of the PSN, and explained where the PSN would fall in the HHS structure, the proposed PSN department organization and the PSN proposed staff additions.

(10:19 a.m.) Rich questioned the possible duplication of administrative effort and whether it would be an issue. Colavito responded that there would be no duplication of administrative effort. She said subcontractors would be responsible for service delivery and reporting the raw data, and all of the information submitted by the subcontractors would be correlated centrally. He asked whether the subcontractor would be able to report directly to the source. Colavito said it would be negotiated in the contract and asked Bosanko for his input. Bosanko responded that it could be controlled in the process of developing the program and the County had some flexibility in trying to minimize the duplication of paperwork. He said the information would not have to be digested at each level, but could be passed through several levels so that it would get back efficiently to the County. Colavito said the client would own his or her own electronic medical file if part of the PSN, and all providers would have access to the entire client file with the client's permission. She said it would truly be client centered care.

(10:25 a.m.) Stevenson asked whether the providers outside of the circle would share a philosophy, and asked how the reimbursement methods would affect the carrying out of that philosophy, and how the resources would be allocated to the service providers. Colavito responded that the outcomes they were requesting were best practices and were not new to any of the providers. Stevenson asked if the providers outside the service would be fee for service. Colavito said it would be capitation per member per month.

(10:28 a.m.) Paul Wharton, lobbyist for the County, introduced others in attendance: Lisa Broward, the Agency for Healthcare Administration, David Reigns with the Agency for Health Care Administration (AHCA), Joe Gordy, President Flagler Hospital, Dr. Allicott, Department of Health, and Dr. Moraffey. Wharton said it was not mandated for St. Johns County to be a Medicaid reform county, and it would have the choice of being a fee for service organization or could utilize capitation for their share of the average cost per member per month. Wharton said that in Florida best practices had not been a part of the Medicaid system up to this point.

(10:35 a.m.) Bryant explained that Medicare recipients could go to any provider in the system, but most Medicaid recipients could not. He said it was not the best practices method for looking at the overall welfare of the patient.

(10:37 a.m.) Stern clarified that under the current system each healthcare provider filed and received certain Medicaid reimbursement. With the PSN system the state would make an annual lump sum allocation to the PSN. They could utilize either capitation or

fee for service for the first three years. Wharton said that we, as the PSN, could choose fee for service or capitation. He said the state only cared about the bottom line and they did not want to have spent appreciably more than they had for the previous year per the enrollment. He said they would like to see a leveling off of the dollars spent per person. He noted that each provider could also choose fee for service or PSN. He said it would provide a monthly total that they could depend on via capitation, and the end of the year adjustments could be made based on the figures from the previous year.

Stern asked if the system was evolving or whether they would always offer a choice. Colavito said it was evolving and the advantage of the PSN was that it would offer a more flexible system for the providers with different types of incentives and negotiations. She said she hoped some providers who had dropped out of Medicaid would join. Stern said it was a more holistic approach. Wharton said it would also cover those outside of Medicaid and they would be treated no differently than any other patient. He said it would also provide a richer menu of services, and cited psychological services, as a service currently not included, which could be included under the PSN.

(10:47 a.m.) Stern asked if funds could be carried over from year to year or whether shortfalls would have an impact. Lisa Broward, Field Office Manager for Medicaid, responded and said the advantage of the PSN was that if there were savings, the County would keep them and benefit from those savings, and they would be more likely to see savings. She said procedures would be in place to prevent the risk. She explained that there was room for someone to come in and manage the program to provide for savings by substituting appropriate services. She stated that the risk was limited by the State to make it advantageous for managed care to come into the smaller counties. She said the fee for service would minimize the risk, but there would be no savings. The capitation, though a risk, would allow the prospect of saving money if it was well managed.

(11:04 a.m.) Rich asked if there was a worst-case scenario. Wharton cited Broward County, and said they were looking at what had been done in that region. He said they could access the data available. Colavito said she had read the report, and was in the process of assessing it.

(11:06 a.m.) Bryant said this was a system of service for all residents of the county and was not just for Medicaid recipients. He said it would include the non-insured, under-insured and the working poor. He said it all had to be part of a total system of care with blended funding.

(11:08 a.m.) Stevenson questioned eligibility. Colavito said that Medicaid was responsible for their eligibility and Social Services would be responsible for the remainder of the applicants.

(11:12 a.m.) Rich commented and asked that all members of Dr. Colavito's staff stand up and be recognized. The following individuals were introduced: Gloria Benischeck, Social Services Director; Rex Emerick, CRC, working on Environmental Scan; Sherry Russell, Assistant Director Health and Human Services, who started the Environmental Scan; (the Environmental Scan was explained) Jason Cobra, Intern, Quality Assurance for Mental Health, who explained the Hardship Index; Sandra Sawhill, Assistant Director of Finance; David Hoak, Operations Director, SJC Mental Health; Perry McDonald, Director, Quality Management Systems; Betty Goings, Mental Health Chairman of Clinical Care Committee; Lisa Crane, Quality Services Clinical Coordinator; and Erin Craft, Administrative Assistant to Dr. Colavito.

(11:29 a.m.) Joe Gordy, President Flagler Hospital, stated they would support this project. He said they were a little nervous about fee schedules and pay raises, and they needed to figure that part out so that it would operate independently in that regard. He said they needed to know who their clients were. He addressed the high infant mortality rate within the county.

(11:35 a.m.) Bryant spoke on the County's efforts in decompressing the Emergency Room. (11:37 a.m.) Stern asked them to stress the infant mortality rate when looking at the program. (11:38 a.m.) Bryant said they also needed to look at the limits of liability to which providers would be exposed.

Gordy said there were two keys to saving money: prevention and direction to less expensive alternatives. He said he thought they could make a huge success of the program.

Colavito responded to questions by Stevenson, and said there were many factors involved and preventive services were an important segment. She said no one was looking at the entire system of health care and that was the objective of the program.

Gordy said the majority of Medicaid dollars, 70 percent, were spent in nursing homes. He said there was a growing elderly population and it was a tricky thing to manage. He said there was a large population in the remaining 30 percent.

Dr. Wharton said they were fortunate to have Gordy involved in the planning process.

(11:47 a.m.) Bryant asked for, and stated, there was a consensus of the Board to move forward with the establishment of a PSN.

(11:49 a.m.) Motion by Rich, seconded by Stern, carried 5/0, to adjourn the meeting.

Approved May 2, 2006

BOARD OF COUNTY COMMISSIONERS  
OF ST. JOHNS COUNTY, FLORIDA

By: James E. Bryant  
James E. Bryant, Chairman

ATTEST: CHERYL STRICKLAND, CLERK

By: Cheryl Strickland  
Deputy Clerk