



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Public Health
Department No.: 041
For Agenda Of: July 21, 2015
Placement: Set Hearing on July 21, 2015 for D item on August 25, 2015
Estimated Tme: 20 minutes on August 25, 2015
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Takashi Wada, MD, MPH, Director and Health Officer
Director(s) Public Health Department 681- 5102
Contact Info: Dan Reid, Assistant Deputy Director, 681-5173

SUBJECT: Proposed Revisions to the Public Health Department Fee Ordinance

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors consider the following recommendations:

Set a public hearing on the Departmental Agenda of August 25, 2015 to consider recommendations regarding a revised Public Health Department Fee Ordinance, as follows:

- a) Consider the introduction (first reading) of an amendment to Ordinance 14-4904 for Outpatient and Professional Public Health Medical Service Fees; and
- b) Set a hearing on the Administrative Agenda of September 1, 2015 to consider recommendations, as follows:
 - i. Consider the adoption (second reading) of an amendment to Ordinance 14-4904 for Outpatient and Professional Public Health Medical Service Fees;
 - ii. Read the title of the Ordinance and waive the reading of the Ordinance in full; and
 - iii. Determine that the above actions are organizational and administrative activities of government that are not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378 (b) (5) of the CEQA Guidelines.

Summary Text:

This item is on the Agenda to Amend Ordinance 14-4904 for the Outpatient and Professional Public Health Medical Service Fees to make changes to the discount schedule (known as the *sliding fee scale*). These proposals have been adopted by the Public Health Department’s Health Center Board and are proposed to ensure compliance with the U.S. Department of Health and Human Services, Health Resources and Services Administration (HRSA) requirements for Federally Qualified Health Centers (FQHCs).

Background:

In late 2014, as a best practice and in response to policy clarification from HRSA, the County adopted Ordinance 14-4904 as an update for its Outpatient and Professional Public Health Medical Service Fees, which included a revision to the Public Health Departments’ sliding fee scale policy.

Recently, the Public Health Department (PHD) participated in an Operational Site Visit (OSV) conducted by a team of HRSA reviewers to ensure regulatory compliance. As a result of this OSV the Public Health Department was found to be deficient in its fee scale, among other findings addressed separately.

Outpatient and Professional Public Health Medical Service Fees Ordinance

In late 2014, shortly after Santa Barbara County adopted Ordinance 14-4904 for the Outpatient and Professional Public Health Medical Service Fees Ordinance, HRSA issued additional policy guidance and specific requirements regarding FQHC Sliding Fee Scale policies. The recently adopted Ordinance, that established fees and charges for services for patients not covered by Medi-Cal, Medicare, or other health programs – only 10% of all health center patients -failed to meet this guidance in two areas: 1) the use of a flat fee, not a percentage, for the lowest discount level (those under 100% of the federal poverty level (FPL)); and 2) the use of 3 levels of discounts for those between 100% and 200% of the FPL.

The current PHD Sliding Fee Scale in Ordinance 14-4904 includes a 72% discount off regular service charges for patients at or below 100% of the Federal Poverty Level. The most recent HRSA guidance requires either a 100% discount (no fee) or a flat, nominal fee. The department and the Health Center Board are recommending the adoption of the flat, nominal fee and through analysis of the average discounted charges for those under 100% of the FPL, it was determined that a fee of \$45 is equivalent to a 72% discount: *expressed as a flat fee, not a percentage*.

In addition the current Sliding Fee Scale has **two** levels of discounts on service charges for patients that have no insurance coverage but make between 100% and 200% of the Federal Poverty Level. The recent HRSA guidance requires **three** levels of discount in this policy. The table (Table 1) below reflects the changes proposed (using our projected annual patient count of 30,000):

Table 1 PHD Proposed Sliding Fee Scale

Sliding Fee Scale (Adopted 11/4/2014)	%	Sliding Fee Scale (Proposed)	% or \$	% of Annual Patients	# of Annual Patients
0% to 100% of FPL	72%	0% to 100% of FPL	\$45	6%	1,800
101% to 150% of FPL	60%	101% to 150% of FPL	60%	3%	900
151% to 200% of FPL	45%	151% to 175%	50%	.5%	150
		176% to 200%	45%	.5%	150
Over 200% of FPL	0%	Over 200% of FPL	0%	2.5%	750

As noted above, uninsured patients that make over 200% of the Federal Poverty Level may not be offered a service charge discount, per HRSA policy. The Amended Outpatient and Professional Public Health Medical Fees Ordinance before your Board for approval updates the sliding fee scale discount schedule language to be consistent with the revised guidance. This action by your Board will correct this identified HRSA OSV program deficiency.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Adopting this Ordinance Amendment will not affect the PHD adopted budget. The proposed changes are estimated to have a negligible effect on self-pay payments from the approximate 10% of the Health Center patient population who may qualify for sliding fee discounts.

Staffing Impacts:

No increase or decrease in staff would result as a result of adopting the proposed ordinance amendment.

Special Instructions:

Clerk of the Board shall fulfill noticing requirements and publish a legal notice at least 10 days prior to the hearing on August 25, 2015.

Please send an electronic copy of the Minute Order to the PHD Contracts Unit at PHDRES.ContractsUnit@sbcphd.org.

Attachments:

None, attachments will be included in the full Board Letter which will be filed for the August 25, 2015 hearing.

Authored by:

Dan Reid, Assistant Deputy Director, 681-5173