



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: ADMHS  
Department No.: 043  
For Agenda Of: 6/1/10  
Placement: Set Hearing  
Estimated Tme: 15 minutes on June 15  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

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**TO:** Board of Supervisors

**FROM:** Department Ann Detrick, Ph.D., Director  
Director(s) Alcohol, Drug & Mental Health Services (ADMHS)  
Contact Info: Christie Boyer, Associate Director of Finance  
805-681-5231

**SUBJECT: Mental Health Services Published Charges**

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**County Counsel Concurrence**

As to form: Yes

**Other Concurrence:** Select\_Other

As to form: Select\_Concurrence

**Recommended Actions:**

That the Board of Supervisors:

Set a hearing for June 15, 2010 to consider the introduction (First Reading) of an ordinance adjusting the Santa Barbara County Published Charges for Psychiatric Health Facility and outpatient mental health service effective 30 days after adoption by the Board of Supervisors. (Second reading on June 22, 2010).

**Summary Text:**

The Board of Supervisors last approved the Published Charges billed to non-Medi-Cal/Medicare clients, including the Psychiatric Health Facility's (PHF) rates and rates for outpatient mental health services provided at ADMHS clinics in June 2009. Review of the most recently filed Medi-Cal and Medicare Cost Reports, indicate a need to increase the Published Charges for all mental health services rates.

The proposed Published Charges are consistent with the full cost recovery Budget Principles of Santa Barbara County. California Welfare and Institutions Code (WIC) § 7106 authorizes the County Board of Supervisors to establish a schedule of charges for the care, treatment, or observation of patients at

County psychiatric facilities, including psychiatric health facilities, as defined in WIC § 5600. WIC §5710 provides that each County may collect patient fees for the care and treatment of each individual receiving treatment from the County mental health program. The recommendation to update the Published Charges to those shown in Attachment A is necessary to recover the increased cost of providing services.

**Background:**

Published Charges are used to recover the costs of providing services to non Medi-Cal/Medicare clients, and affect the rates that Medi-Cal uses to reimburse the County. Annually, the State Department of Mental Health (DMH) sets Statewide Maximum Allowance rates (SMA), which are maximum reimbursement rates for services provided by county mental health programs to Medi-Cal eligible individuals. DMH reimburses the County for Medi-Cal services at the lowest of either actual costs, Published Charges or the SMA. In prior years, Published Charges were lower than actual costs, which resulted in ADMHS’ reimbursement being capped at the lower rate. This problem was corrected in FY 09-10, when rates were updated to those from the most recent available cost report, which was FY 07-08.

Based on recent internal rate reviews, it appears that ADMHS’ actual computed costs exceed the SMA rates for both inpatient and outpatient services. The financial impact of not increasing rates would be to limit reimbursement to ADMHS for services performed. Adjusting the Published Charges will allow ADMHS to more fully recover its cost of providing mental health services. Published Charges are generally used for private insurance or direct payment by the clients, both of which historically represent less than 1% of ADMHS revenues. Further, ADMHS has the ability to reduce or waive fees based on the clients ability to pay. The proposed Ordinance also sets future rates to match the SMA which will help ensure that ADMHS’ reimbursement covers the cost of providing services. The table below illustrates the current fees, FY 09-10 SMA and FY 10-11 Proposed Fees.

<b>ADMHS Proposed Fees Comparison</b>					
<b>Service</b>	<b>Mode</b>	<b>SFC</b>	<b>FY 09-10 Fees</b>	<b>FY 09-10 SMA</b>	<b>FY 10-11 Proposed Fees</b>
PHF General (Day)	05	10	\$1,049.00	\$1,129.78	\$1,129.78
PHF Administrative Day	05	19	\$316.00	\$381.37	\$381.37
Case Management (Minute)	15	01	\$1.90	\$2.02	\$2.02
Mental Health Services (Minute)	15	10-19/ 30-59	\$2.45	\$2.61	\$2.61
Medication Support (Minute)	15	60-69	\$4.50	\$4.82	\$4.82
Crisis Intervention (Minute)	15	70-79	\$3.65	\$3.88	\$3.88

Impact to Sheriff: The Sheriff’s Department reimburses ADMHS whenever inmates of the Santa Barbara County jail require inpatient psychiatric services in the PHF. ADMHS’ proposed increase to

the Published Rates will ensure that ADMHS recovers the full cost of providing services to inmates. Should the proposed Published Rates be approved, ADMHS estimates the increased cost to the Sheriff will be approximately \$17,000 annually. Note that Medi-Cal will always reimburse at the lowest available rate. Thus, if the Sheriff has a lower rate than ADMHS' computed cost, Medi-Cal would reimburse at the lower rate and ADMHS would lose the related Federal funding.

Adoption of the Ordinance referenced herein will enable ADMHS to more fully recover costs incurred in providing services.

**Fiscal Analysis:**

Narrative:

Revising the Published Charges does not increase or decrease ADMHS' costs; rather it impacts ADMHS' revenues. By adjusting the Published Charges, the Federal and State Reimbursements (revenues) through Medi-Cal and Medicare will increase.

ADMHS projects the impact to the Sheriff's Department to be an additional expense of approximately \$17,000 annually. This impact would be offset by increased reimbursement to ADMHS.

**Special Instructions:**

Please notice in newspaper of general circulation 5 & 10 days prior to the first hearing, per Government Code 6062 A.

Please send one copy of the Minute Order to:

Contracts Division  
Alcohol, Drug, and Mental Health Services  
300 North San Antonio Road, Bldg. 3  
Santa Barbara, CA 93110

**Attachments:**

Attachment A, Ordinance Amending Santa Barbara County Psychiatric Health Facility and Outpatient Mental Health Services Fees and Fee Schedule

**cc:**

Auditor-Controller  
CAO