



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: Behavioral Wellness
Department No.: 043
For Agenda Of: 10/18/16
Placement: Departmental (10/18/16:
First Reading);
Administrative (11/1/16:
Second Reading)
Estimated Time: 15 minutes on 10/18/16
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Behavioral Wellness
Director(s) Alice A. Gleghorn, Ph.D., Director, 681-5220
Contact Info: Christie Boyer, Associate Director of Finance, 681-5231

SUBJECT: Behavioral Wellness Fee Ordinance - FY 16-17 Published Charges

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

As to form:

Recommended Actions:

That the Board of Supervisors:

On October 18, 2016:

- a) Approve the introduction (First Reading) of an Ordinance to amend the Santa Barbara County Department of Behavioral Wellness Published Charges for inpatient and outpatient mental health services;
- b) Read the title and waive further reading of the Ordinance;
- c) Continue the item to the Administrative Agenda of November 1, 2016 to consider the adoption (Second Reading) of an Ordinance amending the Santa Barbara County Published Charges for inpatient and outpatient mental health services.

Auditor-Controller Concurrence

As to form: Yes

On November 1, 2016:

- i) Adopt the Ordinance (Second Reading) to adjust the Santa Barbara County Department of Behavioral Wellness Published Charges for inpatient and outpatient mental health services, effective 30 days after adoption by the Board of Supervisors;
- ii) Determine that these activities are exempt from California Environmental Quality Act review per CEQA Guideline Section 15378(b)(4), since the recommended actions are government fiscal activities which do not involve commitment to any specific project which may result in a potentially significant physical impact on the environment.

Summary Text:

The Board of Supervisors last approved the Published Charges for the Department of Behavioral Wellness, including rates for inpatient and outpatient mental health services, in May 2016. The Department anticipates an additional \$2.2M in non-capital Psychiatric Health Facility (PHF) enhancements that were not contemplated in the May 2016 fee update. These enhancements were required to comply with Federal Conditions of Participation under Title 42 of the Federal Code of Regulations. 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, 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. Approval of the recommended action to update the Published Charges will assist Behavioral Wellness in recovering the cost of providing services.

Background:

Published Charges are used in the determination of the amount of cost reimbursement the Department receives from Medi-Cal for costs related to providing services to Medi-Cal clients. Medi-Cal reimbursement of eligible costs is limited to the lower of actual costs or Published Charges. It is important that the Published Charges accurately reflect true fully burdened costs so that the Department is able to receive the maximum reimbursement for providing services to Medi-Cal clients. Published Charges are also charged to private insurance companies and self-pay clients (which represent less than 0.01% of Department revenues). The State's Uniform Method of Determining Ability to Pay (UMDAP) law limits the amount that non-Medi-Cal clients are required to pay for mental health services, based on an assessment of a client's income and assets. Therefore, a client who does not have a third party payor (Medi-Cal, Medicare or private insurance) will rarely pay the Published Charges, unless they have significant income and assets.

Behavioral Wellness developed the proposed rates by forecasting costs and dividing by total anticipated services for each service type. Costs were forecasted using the actual costs as reported in the FY 14-15 Mental Health Cost Report and applying a Home Health Agency Market Basket Index rate, which is the index commonly used in the health care services sector. Recommended Budget and service levels were based on average hours billed per day for the most recent month of the fiscal year and annualized.

When compared to May 2016, there is a 23% increase in the rate for inpatient services. This resulted from the \$2.2M in enhancements, including \$476,356 in additional costs for pharmacy, quality care, and PHF management staffing; \$885,000 in legal, consultant and infection control contracts; and \$833,563 in non-capital facility renovations. The Department anticipates an additional \$400,000 in capital facility renovations for a total of \$2.6M in enhancements; however capital assets were excluded from the rate analysis since they are capitalized and depreciated over the life of the asset and the in-service date is not currently known.

Behavioral Wellness Proposed Fees Comparison					
Service	Mode	Service Function Code	FY 16-17 Current Fees (A)	FY 16-17 Amended Fees (B)	Increase in Fees (B) – (A)
Acute Inpatient (PHF) General Day	05	10	\$2,187.05	\$2,690.79	\$503.74
PHF Administrative Day	05	19	\$737.84	\$907.78	\$169.94
Crisis Stabilization Urgent Care	10	25	\$425.38	\$425.38	\$0.00
Case Management (Minute)	15	01	\$4.63	\$4.63	\$0.00
Mental Health Services (Minute)	15	10-19, 30-59	\$5.98	\$5.98	\$0.00
Medication Support (Minute)	15	60-69	\$11.03	\$11.03	\$0.00
Crisis Intervention (Minute)	15	70-79	\$8.88	\$8.88	\$0.00

Behavioral Wellness will continue to monitor and adjust rates as necessary to help ensure cost recovery.

Impact to Other Departments: The Sheriff’s Department reimburses Behavioral Wellness whenever inmates of the Santa Barbara County jail require inpatient psychiatric services in the Psychiatric Health Facility (PHF). Behavioral Wellness’s FY 16-17 Recommended budget assumes that Behavioral Wellness will receive \$300,000 from the Sheriff’s Department for these services. It is challenging to predict the level of services the Sheriff’s Department will use at the PHF and, as such, Behavioral Wellness will work with the Sheriff’s Department and CEO’s Office if the amount budgeted is not sufficient to cover the services provided.

Should Behavioral Wellness’s fees to another non-County entity be lower than Behavioral Wellness’s computed cost or published charges, Medi-Cal will reimburse at the lower rate and Behavioral Wellness would lose related Federal funding. Adoption of the Ordinance referenced herein will enable Behavioral Wellness to more fully recover costs incurred in providing services.

Fiscal and Facilities Impacts: Revising the Published Charges does not increase or decrease Behavioral Wellness’s costs; rather it impacts Behavioral Wellness’s ability to maximize its reimbursement for Medi-Cal services. By adjusting the Published Charges, the Federal reimbursement of costs by Medi-Cal will be limited only to Behavioral Wellness’s actual costs.

Special Instructions:

After the October 18 hearing, direct the Clerk of the Board to:

1. Provide a scanned copy of the minute order via email (ADMHSContractsstaff@co.santa-barbara.ca.us).

After the November 1, 2016 hearing:

1. Direct the Clerk of the Board to:
 - submit a certified copy of the adopted Ordinance to the Behavioral Wellness Contracts Division; and
 - publish a copy of the ordinance or summary thereof, with names of the members of the Board of Supervisors voting for or against the approval/non-approval within 15 days of the Board hearing.
2. Direct the Department of Behavioral Wellness to incorporate other future costs for FY 17-18 into the published charges as part of the annual action that will be brought to the Board in May 2017.

Attachments:

Attachment A: Ordinance Amending Santa Barbara County Psychiatric Health Facility and Outpatient Mental Health Services Fees and Fee Schedule FY 16-17 (strikethrough version)

Attachment B: Ordinance Amending Santa Barbara County Psychiatric Health Facility and Outpatient Mental Health Services Fees and Fee Schedule FY 16-17 (final, amended version)

Attachment C: Behavioral Wellness Fee Ordinance Published Charges PowerPoint

cc:

Auditor-Controller
CEO