

Public Health Department Health Care Center Medical Services Fees

Santa Barbara County
Board of Supervisors

October 21, 2014

Background

Fees must comply with *Public Health Service Act* as a Federally Qualified Health Center (FQHC)

- Set fees and charges to cover reasonable costs of providing the service, and
- Be consistent with prevailing rates or charges, and
- Provide for sliding fee scale discounts to uninsured patients only up to 200% of federal poverty level (FPL), and
- Charge, and use best efforts to collect, applicable amounts from all patients and other program sources.



Background

Recent legislation and FQHC grant clarification necessitate proposed changes:

- Most uninsured now qualify for health benefits under the Affordable Care Act (ACA).
- Loss of approximately \$8M due to 1991 Health Realignment Redirection.
- Medicare FQHC payment change (effective 2015) to be charge-based, not a set rate.
- Fees regularly reviewed; last updated in 1995/96.



Background

- Public Health charges fees for medical services provided to “self-pay” patients (those not covered by Medi-Cal or any other program).
- Medical services fees should not impact health center patients that are enrolled in Medi-Cal, Medicare or other public and private coverage programs.
- All patients continue to be screened for program eligibility and are encouraged to enroll in coverage, or apply for discounts.
- Public Health continues to work closely and empathetically with self pay patients on easy payment plans and collections.



Approach to Fee Assessment

- Worked with consultant to develop fee and discount structure that meets federal requirements while focusing on preserving access for target low-income populations.
- Surveyed local and peer county clinics and FQHCs to determine the benchmark for new charges.
- Proposed charges include discounts for the indigent as well as keeping increases to a minimum for those below 200% of FPL.



Proposed Charges

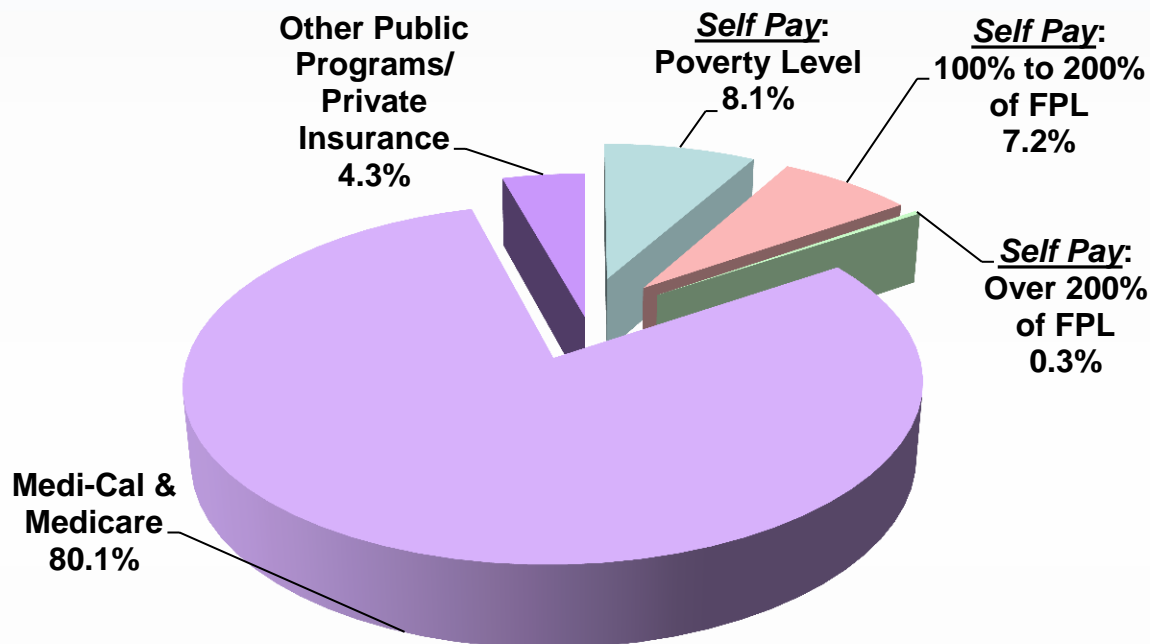
Charges proposed at 180% of Medicare Physician Fee Schedule for Santa Barbara County

- “Percent of Medicare” is industry standard for expressing charges/reimbursements
- In line with local/national FQHCs and peer county clinics

Fee/Charges Comparison Chart	Percent of Medicare
Average of Benchmark/Peer Counties	206%
Average of Local Prevailing Fees/Charges	184%
Average of National FQHC Fees/Charges	180%
Proposed Santa Barbara County Fees/Charges	180%

Current Patient Population

Self Pay represents 15.6% of total patients seen.



Projected PHD patient population (using 30,000 unique patients per year):

	"Insured"		Self-Pay (FPL=Federal Poverty Level)		
	Medi-Cal/ Medicare	Other Public/ Private Insurance	<100% of FPL	100% to 200% of FPL	>200% of FPL
% of Patients	80.1%	4.3%	8.1%	7.2%	0.3%
# of Patients	24,030	1,290	2,430	2,160	90
Approx. Single Adult Income Level	<\$16,130	Varies	<\$11,670	\$11,670 - \$23,340	>\$23,341

Proposed Changes and Impact on Current Self-Pay Population

% of Federal Poverty Level (FPL)	0% - 100%	100% -150%	150% -200%	Over 200%
Current Sliding Fee Scale	50%	30%	30%	10%(to 250%)
Proposed Sliding Fee Scale	72%	60%	45%	0%
% of Patients	8.1%	4.1%	3.1%	0.3%
Approximate Number of Patients	2,430	1,230	930	90
Current Average Net Charge	\$49.49	\$69.29	\$89.08	\$98.98
Proposed Average Net Charge	\$51.95	\$74.21	\$102.04	\$185.53
Average Increase	\$2.46	\$4.92	\$12.96	\$86.55
Average Increase Percentage	5%	7%	15%	87%

- Patients from 0% to 200% of FPL families (adults and children), tend to have one or more wage-earners, and have established care in our health care centers.
- Patients >200% of FPL tend to be single adults, usually sent for follow-up from an emergency department or hospital stay, and don't generally establish ongoing care in our health care centers.

Recommendations

- a) Approve the introduction (First Reading) of an Ordinance to increase fees for medical services to 180% of the established Medicare Physician Fee schedule or cost (whichever is less) and to amend the sliding scale discount schedule for indigent and uninsured patients below 200% of federal poverty level.
- b) Allow the Public Health Director to establish any new or additional services at either the lesser of the internally calculated fees, or 180% of the Medicare Physician Fee Schedule.
- c) Set a hearing for 11/04/2014 for the Adoption (Second Reading) of the Ordinance.

