



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: 6/26/12
Placement: Set Hearing
Estimated Tme: 20 minutes on July 10
Continued Item: No
If Yes, date from:
Vote Required: Majority

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: ADMHS Published Charges

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

As to form:

Recommended Actions:

That the Board of Supervisors:

Set a hearing for July 10, 2012 to consider the introduction (First Reading) of an ordinance adjusting the Santa Barbara County Published Charges for Psychiatric Health Facility and outpatient mental health services effective 30 days after adoption by the Board of Supervisors. (Second Reading on August 14, 2012).

Summary Text:

The Board of Supervisors last approved the Published Charges for the Alcohol, Drug and Mental Health Services Department (ADMHS), including rates for the County's Psychiatric Health Facility (PHF) and outpatient mental health services provided at ADMHS facilities, in June 2010. Due to changes in State regulations and an analysis of projected costs of providing these services, there is a need to increase the Published Charges. 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

Auditor-Controller Concurrence

As to form: Yes

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 ADMHS in recovering the cost of providing services.

Background:

Published Charges are used to recover the costs of providing services to non Medi-Cal/Medicare clients. More importantly, Published Charges affect the rates that Medi-Cal uses to reimburse the County. ADMHS is the County’s Mental Health Plan (MHP) responsible to provide Specialty Mental Health Services to Medi-Cal beneficiaries, which constitutes a significant source of revenue. Through 2011, annually the State Department of Mental Health (DMH) set Statewide Maximum Allowance rates (SMA), which were maximum reimbursement rates for services provided by MHPs to Medi-Cal beneficiaries. DMH would then reimburse the County for Medi-Cal services at the lowest of either 1) actual costs, 2) Published Charges or 3) the SMA. In an effort to ensure maximum Medi-Cal reimbursement, and avoid lost revenue, Santa Barbara County’s Fee Ordinance aligned the County’s Published Charges with the SMA effective 2010. ADMHS’ actual computed costs have exceeded the SMA rates for both inpatient and outpatient services for the last few years, however, costs above the SMA could not be recouped.

Effective July 1, 2012, pursuant to AB 1297, State-imposed maximum rates will no longer be applied. In the future, reimbursement will be settled to actual costs or Published Charges, so it is important that the Published Charges accurately reflect the true cost of providing services. ADMHS stands to recover more of its costs for services to Medi-Cal beneficiaries that were previously capped by the SMA. Published Charges are also used for private insurance or direct payment by 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 client’s ability to pay.

The methodology ADMHS used in developing the proposed rates included all direct and indirect expenditures identified in the FY 12-13 Recommended Budget for County-operated programs and average units of service provided for FY 09-10 through FY 11-12. The percent increase is more significant for outpatient services because the SMA had remained stagnant since FY 06-07, while the inpatient SMA was last updated in 2011.

ADMHS Proposed Fees Comparison					
Service	Mode	SFC	FY 11-12 Fees	FY 11-12 SMA	FY 12-13 Proposed Fees
Acute Inpatient (PHF) General (Day)	05	10	\$1213.75	\$1213.75	\$1581.85
PHF Administrative Day	05	19	\$409.48	\$409.48	\$533.66
Case Management (Minute)	15	01	\$2.02	\$2.02	\$3.45
Mental Health Services (Minute)	15	10-19/ 30-59	\$2.61	\$2.61	\$4.45
Medication Support (Minute)	15	60-69	\$4.82	\$4.82	\$8.22
Crisis Intervention (Minute)	15	70-79	\$3.88	\$3.88	\$6.62

ADMHS will regularly evaluate and adjust rates as necessary to help ensure appropriate cost recovery.

Impact to Other Departments. 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. ADMHS estimates approval of the proposed fees will result in increased cost to the Sheriff of approximately \$56,000 annually, based on historic utilization. In addition, the Probation Department and the Department of Social Services (DSS) purchase court ordered mental health evaluation services from ADMHS. The proposed rates would affect the number of services that can be provided within the current funding allocation from these departments, however, ADMHS will work with Probation and DSS to identify efficiencies to minimize the impacts.

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

Fiscal Analysis:

Revising the Published Charges does not increase or decrease ADMHS' costs; rather it impacts ADMHS' revenues. By adjusting the Published Charges, the Federal Reimbursement (revenue) through Medi-Cal will increase to more adequately cover costs.

ADMHS projects the impact to the Sheriff's Department to be an additional expense of approximately \$56,000 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:

Ordinance Amending Santa Barbara County Psychiatric Health Facility and Outpatient Mental Health Services Fees and Fee Schedule FY 12-13

cc:

Auditor-Controller
CEO