



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: 5/5/09
Placement: Set Hearing
Estimated Tme: 15 minutes on May 19
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: Tom Alvarez, Assistant ADMHS Director of Finance
805-681-5220

SUBJECT: Mental Health Services Published Charges

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 May 19, 2009 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 2, 2009).

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 2000. 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. Medi-Cal reimbursement rates are determined based on the lowest of actual computed costs; Statewide Maximum Allowance (SMA) rates; Published Charges; or Negotiated Rates. In prior years, the financial impact of not increasing Published Charges has been limited to the daily bed day rate for the PHF (inpatient services). ADMHS estimates that impact of these rates for inpatient services at the PHF, based on the recently filed FY 07-08 Cost Report, will be approximately \$440,000. Further, the FY 07-08 Cost Report indicates that the rate will begin to impact the recovery of costs for outpatient services as well. Adjusting the Published Charges will allow ADMHS to more fully recover its cost of providing mental health services.

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 \$86,000 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. Based on the FY 07-08 actual results, ADMHS estimates that the inpatient revenue increase would have been approximately \$440,000. The increase for future years would be greater based on annual CPI adjustments. The increase in Federal funding of \$440,000 has been included in ADMHS' FY 09-10 Recommended Budget.

ADMHS projects the impact to the Sheriff's Department to be an additional expense of approximately \$86,000 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

Authored by:

cc:
Auditor-Controller
CAO