



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: 6/2/15
Placement: Admin – Set Hearing
(6/2/15); Departmental
(6/16/15); Admin
(6/23/15)
Estimated Time: 20 minutes on June 16
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Alice A. Gleghorn, Ph.D., Director
Director(s) Alcohol, Drug & Mental Health Services, 681-5220
Contact Info: Chris Ribeiro, Interim CFO 681-1694; Lindsay Walter, Interim
CFO 681-5236

SUBJECT: ADMHS FY 15-16 Published Charges

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

As to form:

Recommended Actions:

That the Board of Supervisors:

Auditor-Controller Concurrence

As to form: Yes

On June 2, 2015, set a hearing for June 16, 2015 to consider the introduction (First Reading) of an Ordinance adjusting the Santa Barbara Santa Barbara County Published Charges for Psychiatric Health Facility and outpatient mental health services, effective 30 days after adoption by the Board of Supervisors;

On June 16, 2015, your Board's actions should include the following:

- a) Approve the introduction (First Reading) of an Ordinance to adjust the Santa Barbara County Published Charges for Psychiatric Health Facility 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 June 23, 2015 to consider the adoption (Second Reading) of an Ordinance adjusting the Santa Barbara County Published Charges for Psychiatric Health Facility and outpatient mental health services.

On June 23, 2015, your Board's actions should include the following:

- a) Adopt the Ordinance (Second Reading) to adjust 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;
- b) 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 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 July 2014. An analysis of the projected costs of providing these services indicates there is a need to update 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 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 in the determination of the amount of cost reimbursement ADMHS receives from Medi-Cal for costs related to providing services to Medi-Cal clients. Effective FY 12-13, Medi-Cal limits reimbursement of eligible costs to the lower of actual costs or Published Charges. It is important that the Published Charges accurately reflect ADMHS' true fully burdened costs so that ADMHS 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 ADMHS 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.

The methodology ADMHS used in developing the proposed rates includes all direct and indirect expenditures identified in the FY 15-16 Recommended Budget for County-operated programs and projected units of service based on the average actual units of service for FY 12-13, FY 13-14, and the first two quarters of FY 14-15. There is a 17% increase in the rate for inpatient acute services, which is largely a result of a more conservative utilization estimate of 15.20 beds per day compared to 15.56 beds

per day in the prior year projection and is based on a three year average of actual utilization. A more conservative approach is necessary to ensure costs are fully recuperated by ADMHS since the department is reimbursed based on the lower of cost or published charges. In the prior year, bed utilization was expected at near full capacity which lowered the rate as the cost was spread over more bed days. The projected bed usage used a three year average which ADMHS believes will more closely reflect PHF utilization for the next fiscal year. An approximate increase of \$450,000 in budgeted costs for the PHF also contributes to the rate differential. Outpatient service costs remain relatively the same with a very modest increase.

The County’s Crisis Stabilization Unit (CSU) is scheduled to open in August of 2015, and will provide a safe, nurturing, short-term emergency treatment alternative to hospitalization for individuals experiencing a mental health emergency. The County facility will accommodate up to 8 consumers for stays up to 23 hours.

ADMHS Proposed Fees Comparison				
Service	Mode	Service Function Code	FY 14-15 Fees	FY 15-16 Proposed Fees
Acute Inpatient (PHF) General Day	05	10	\$1,732.42	\$2,013.22
PHF Administrative Day	05	19	\$584.46	\$679.32
Crisis Stabilization Urgent Care	10	25	N/A	\$124.57
Case Management (Minute)	15	01	\$3.90	\$4.25
Mental Health Services (Minute)	15	10-19, 30-59	\$5.04	\$5.42
Medication Support (Minute)	15	60-69	\$9.30	\$10.15
Crisis Intervention (Minute)	15	70-79	\$7.49	\$8.14

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’ FY 15-16 Recommended budget assumes that ADMHS will receive \$350,000 from the Sherriff’s Department for these services. It is impossible to predict the level of services the Sheriff’s Department will use at the PHF and ADMHS will work with the Sheriff’s Department and CEO’s Office if the amount budgeted is not sufficient to cover the services provided.

Should ADMHS’ fees to another non-County 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 and Facilities Impacts: Revising the Published Charges does not increase or decrease ADMHS’ costs; rather it impacts ADMHS’ 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 ADMHS’ actual costs.

Special Instructions:

After the Set Hearing on June 2, 2015, direct the Clerk of the Board to:

C:\Users\cdownie\AppData\Local\Microsoft\Windows\Temporary Internet Files\Content.Outlook\XUU566CY\ADMHS Fees FY 15-16 BL FINAL.docx
 !BoardLetter2006.dot v 1106c

1. Publish notice of this hearing, as set forth in the attached Notice of Public Hearing; and
2. Send a copy of the minute order and a signed copy of the Notice of Public Hearing to:

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

After the Second Reading, direct the Clerk of the Board to:

1. Submit a certified copy of the adopted Ordinance to the ADMHS Contracts Division; and
2. 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

Attachments:

1. Ordinance Amending Santa Barbara County Psychiatric Health Facility and Outpatient Mental Health Services Fees and Fee Schedule FY 15-16
2. Notice of Public Hearing

cc:
Auditor-Controller
CEO