



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:** April 10, 2018  
**Placement:** Administrative (4/10/18:  
Set Hearing);  
Departmental (5/1/18:  
First Reading);  
Administrative (5/15/18:  
Second Reading)  
**Estimated Time:** 15 minutes on 5/1/18  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors

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

**SUBJECT:** Behavioral Wellness Fee Ordinance - FY 18-19 Published Charges

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**County Counsel Concurrence**

As to form: Yes

**Other Concurrence:** N/A

As to form:

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

On April 10, 2018, set a hearing for May 1, 2018 to consider the introduction (First Reading) of an Ordinance amending the Santa Barbara County Department of Behavioral Wellness Published Charges for inpatient and outpatient mental health services, effective 45 days after adoption by the Board of Supervisors.

On May 1, 2018:

- 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 May 15, 2018 to consider the adoption (Second Reading) of an Ordinance amending the Santa Barbara County Published Charges for inpatient and outpatient mental health services.

On May 15, 2018:

- 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 45 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 November 2016. 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 both Medi-Cal and Non-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 payer (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 16-17 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. Service levels were estimated based on the last full year of service plus the current year through January 2018 annualized.

When compared to November 2016, the predominant change is a 176% increase in the rate for Hospital Administrative Days. The State Department of Health Care Services indicated that the rate for a Hospital Inpatient (Acute) Day should be consistent with the rate for a Hospital Administrative Day, as there is no way to distinguish the cost of services rendered to acute clients from those awaiting discharge on administrative status. The Department modified the calculation this year to ensure the rate was same for acute and administrative days. This shifting of cost also led to a 7% reduction in the Hospital Inpatient Day rate. The Crisis Stabilization Unit (CSU) rate also decreased by 19% due to increased utilization in the years subsequent to the opening.

Rates for outpatient services were last adjusted in May 2016. Rising operational costs, primarily salary and benefits, for this two year period necessitate a 16% increase to the rate.

Behavioral Wellness Proposed Fees Comparison					
Mode	Service Function Code	Service	FY17-18 Current Fees (A)	FY18-19 Amended Fees (B)	Increase in Fees (B)-(A)
05	10	Hospital Inpatient Day	\$ 2,690.79	\$ 2,508.42	\$ (182.37)
05	19	Hospital Administrative Day	\$ 907.78	\$ 2,508.42	\$ 1,600.64
10	25	Crisis Stabilization Urgent Care	\$ 425.38	\$ 343.69	\$ (81.69)
15	01	Case Management, Brokerage	\$ 4.63	\$ 5.35	\$ 0.72
15	10-19, 30-59	Mental Health Services	\$ 5.98	\$ 6.91	\$ 0.93
15	60-69	Medication Support	\$ 11.03	\$ 12.75	\$ 1.72
15	70-79	Crisis Intervention	\$ 8.88	\$ 10.26	\$ 1.38

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). Recent changes have allowed Behavioral Wellness to claim reimbursement for jail days when the inmate is Medi-Cal eligible. Behavioral Wellness’s FY 18-19 Recommended budget assumes that Behavioral Wellness will receive \$313,700 from the Sheriff’s Department for these services. A decrease in the inpatient rate will decrease the per day cost to the Sheriff’s Department. 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:**

**Budgeted: No**

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 May 1, 2018 hearing, direct the Clerk of the Board to:

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

After the May 15, 2018 hearing:

1. Direct the Clerk of the Board to:
  - a. Submit a certified copy of the adopted Ordinance to the Behavioral Wellness Contracts Division; and
  - b. 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 19-20 into the published charges as part of the annual action that will be brought to the Board in May 2019.

**Attachments:**

1. Attachment A: Ordinance Amending Santa Barbara County Psychiatric Health Facility and Outpatient Mental Health Services Fees and Fee Schedule FY 18-19 (strikethrough version)
2. Attachment B: Ordinance Amending Santa Barbara County Psychiatric Health Facility and Outpatient Mental Health Services Fees and Fee Schedule FY 18-19 (clean version)
3. Attachment C: Behavioral Wellness Fee Ordinance Published Charges PowerPoint

**cc:**

Auditor-Controller  
CEO