



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 19, 2016
Placement: Administrative –
Set Hearing (4/19/16);
Departmental (5/10/16);
Administrative
(5/17/16)

Estimated Time: 15 minutes on May 10
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Alice A. Gleghorn, Ph.D., Director, 681-5220
Director(s) Department of Behavioral Wellness
Contact Info: Chris Ribeiro, Interim CFO 884-1694;
Lindsay Walter, Interim CFO 681-5236
SUBJECT: Behavioral Wellness Fee Ordinance - FY 16-17 Published Charges

County Counsel Concurrence

As to form: Yes

Other Concurrence:

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

On April 19, 2016, set a hearing for May 10, 2016 to consider the introduction (First Reading) of an Ordinance adjusting the Santa Barbara County Department of Behavioral Wellness Published Charges for inpatient and outpatient mental health services, effective 30 days after adoption by the Board of Supervisors;

On May 10, 2016, your Board's actions should include the following:

- A. Approve the introduction (First Reading) of an Ordinance to adjust 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; and

- C. Continue the item to the Administrative Agenda of May 17, 2016 to consider the adoption (Second Reading) of an Ordinance adjusting the Santa Barbara County Published Charges for inpatient and outpatient mental health services.

On May 17, 2016, your Board's actions should include the following:

- A. 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 30 days after adoption by the Board of Supervisors; and
- 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 Department of Behavioral Wellness, including rates for inpatient and outpatient mental health services, in June 2015. 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 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 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 payor (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 14-15 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. The Crisis Stabilization Unit (CSU) was not operational during the FY 14-15 cost report period, therefore costs were estimated using the FY 16-17 Recommended Budget and service levels were based on average hours billed per day for the most recent month of the fiscal year and annualized.

When compared to last year, there is approximately a 9% increase in the rate for inpatient services, which is largely a result of an increase in estimated costs. Outpatient rates also increased by 9% which resulted primarily from an estimated decline in service levels.

CSU rates increased quite significantly when compared to the prior year. The CSU was completed on November 18, 2015, though delays in the final stages of licensing resulted in the first client receiving services on January 11, 2016. The CSU provides 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 clients for stays up to 23 hours. The Department was conservative in estimating service levels for FY 16-17 to ensure that the rate more closely reflects actual costs as startup years have demonstrated to be more costly on a per service basis.

Behavioral Wellness Proposed Fees Comparison					
Service	Mode	Service Function Code	FY 15-16 Fees (A)	FY 16-17 Proposed Fees (B)	Increase in Fees (B) – (A)
Acute Inpatient (PHF) General Day	05	10	\$2,013.22	\$2,187.05	\$173.83
PHF Administrative Day	05	19	\$679.32	\$737.84	\$58.52
Crisis Stabilization Urgent Care	10	25	\$124.57	\$425.38	\$300.81
Case Management (Minute)	15	01	\$4.25	\$4.63	\$0.38
Mental Health Services (Minute)	15	10-19, 30-59	\$5.42	\$5.98	\$0.56
Medication Support (Minute)	15	60-69	\$10.15	\$11.03	\$0.88
Crisis Intervention (Minute)	15	70-79	\$8.14	\$8.88	\$0.74

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). Behavioral Wellness’s FY 16-17 Recommended budget assumes that Behavioral Wellness will receive \$300,000 from the Sheriff’s Department for these services. 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: 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 Set Hearing on April 19, 2016, direct the Clerk of the Board to:

1. Publish notice of this hearing, as set forth in the attached Notice of Public Hearing; and
2. Send a scanned copy of the minute order and a signed copy of the Notice of Public Hearing to admhscontractsstaff@co.santa-barbara.ca.us.

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

1. Submit a certified copy of the adopted Ordinance to the Behavioral Wellness 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:

Attachment A: Ordinance Amending Santa Barbara County Psychiatric Health Facility and Outpatient Mental Health Services Fees and Fee Schedule FY 16-17

Attachment B: Notice of Public Hearing

Authored by:

Christie Boyer

cc:

Auditor-Controller

CEO