



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: 1/7/14
Placement: Administrative
Estimated Tme: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Takashi Wada, MD, MPH, Interim Director
Director(s) Alcohol, Drug and Mental Health Services
Contact Info: Michael C. Evans, CFO/Assistant Director, Finance 805-681-4517

SUBJECT: FY 13-14 Maxim Board Contract

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

1. Approve and authorize the Chair to execute a contract with Maxim Healthcare Services, Inc (not a local vendor) for temporary staffing services, to increase the total contract amount by \$250,000, for a new contract with an amount not to exceed \$350,000 through June 30, 2014 (Attachment A) that cancels, nullifies, and supersedes Purchase Order CN15561.
2. Determine that the approval of the contract is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3), finding that the activities are covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment, and where it can be seen with certainty that there is no possibility that the activities in question may have a significant effect on the environment, the activities are not subject to CEQA.

Summary Text:

ADMHS continues to face challenges in recruiting psychiatric nurses with the experience and skills needed to work with County clients. ADMHS has relied upon temporary nurses to fulfill the staffing needs of ADMHS facilities. In addition, in FY 13-14, ADMHS began using medical billing coders through Maxim to ensure proper coding of psychiatric services to allow billing to Medicare. Approval of

the above recommended actions will allow ADMHS to continue to provide clients with critical mental health services and ensure reimbursement throughout the remainder of FY 2013-14.

Background:

ADMHS previously entered into a Purchase Agreement with Maxim for the period of July 1, 2013 through June 30, 2014 in the amount of \$100,000. ADMHS anticipates a need for a greater number of services than was originally contemplated by the Purchase Agreement. It is anticipated the value of these services will exceed \$100,000 which requires Board of Supervisors approval. This contract adds \$250,000 for a total of \$350,000 for FY 13-14 and is made to cancel, nullify, and supersede said Purchase Agreement.

Maxim Healthcare Services (Maxim) temporary nurses have helped bridge the gap created by staffing shortages to provide needed mental health treatment capacity. Maxim provides temporary nursing personnel at the request of ADMHS, and the assignment of the temporary nurse ends when the need for temporary staff coverage no longer exists. Temporary nursing personnel provide additional nursing coverage at ADMHS inpatient and outpatient clinics when staffing shortages arise. The temporary nurses provide direct patient care services, such as administering medication, medication management, medication counseling and support, and patient observation. ADMHS has experienced a higher than anticipated number of nurse staffing shortages than originally contemplated by the Purchase Agreement and coverage has been provided at the Psychiatric Health Facility (PHF) and AB 109 programs. ADMHS originally anticipated \$90,000 in temporary nursing costs, but is now projecting \$100,000 in temporary nursing services for FY 13-14.

In addition to temporary nurses, in FY 13-14 Maxim began to provide ADMHS with medical billing coders. In October 2012, the Federal government announced new Current Procedural Terminology (CPT) codes for services provided by psychiatrists to clients with Medicare as of January 1, 2013. In order to receive reimbursement from Medicare, all services must be coded using the new CPT codes. The application of the new codes into ADMHS' billing software was not possible until April of 2013. As a result, ADMHS has not yet received reimbursement for a large volume of psychiatric services provided to Medicare clients. In August of 2013, ADMHS began to use medical billing coders from Maxim to review and re-code every psychiatric service using the new CPT codes, so that these services can be properly billed to Medicare for reimbursement. ADMHS foresees the need to continue to use temporary medical billing coders through the end of FY 13-14 while it determines a long term solution to reviewing CPT codes. ADMHS did not originally anticipate the need for coder services in the contract with Maxim, but now projects that \$250,000 in coder services will be provided in FY 13-14.

Key Contract Risks:

With any contractor providing temporary staffing services, there is a risk that temporary personnel will make errors, engage in misconduct, or be negligent in performance of assigned duties. The contract with Maxim allows ADMHS to immediately dismiss any temporary staff, and requires that the agency provide Professional Liability insurance to mitigate this risk.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State	\$ 175,000.00		
Federal	\$ 175,000.00		
Fees			
Other:			
Total	\$ 350,000.00	\$ -	\$ -

Narrative:

The above referenced contract is funded by Federal revenue (Medicare and Medi-Cal Federal Financial Participation) and State revenue (1991 Realignment). The funding sources have been included in the FY 2013-14 Adopted Budget. Execution of this contract will not increase the use of general fund dollars by the ADMHS Department.

Special Instructions:

Please send one (1) minute order and one (1) complete copy of the contract to:

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

Attachments:

Attachment A: Maxim Healthcare Services Contract

Authored by:

D. Spahn