



**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:** 6/3/14  
**Placement:** Admin - Set Hearing  
(6/3/14); Departmental  
(6/17/14); Admin  
(7/1/14)  
**Estimated Tme:** 20 minutes on June 17  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors

**FROM:** Department Takashi Wada, MD, MPH, Interim Director  
Director(s) Alcohol, Drug & Mental Health Services 681-5220  
Contact Info: Michael C. Evans, CFO/Deputy Director, Finance 805-681-4517

**SUBJECT: ADMHS FY 14-15 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 June 3, 2014, set a hearing for June 17, 2014 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 17, 2014, your Board's actions should include the following:

- a) Receive a presentation regarding ADMHS Published Charges for Psychiatric Health Facility and outpatient mental health services;
- b) 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;

- c) Read the title and waive further reading of the Ordinance;
- d) Continue the item to the Administrative Agenda of July 1, 2014 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 July 1, 2014, 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 2013. 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. 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 since 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 14-15 Recommended Budget for County-operated programs and projected units of service based on the average actual units of service for FY 11-12, FY 12-13, and the first two quarters of FY 13-14. The percent decrease for inpatient services (-31%) is largely due to the increased utilization of beds at the Psychiatric Health Facility (PHF) during FY 13-14, which is expected

to continue in FY 14-15. The increase for outpatient services rates (29%) is due to a drop in services provided in the first two quarters of FY 13-14 and estimated for the remainder of the year due to implementation of the System Change and staffing changes.

ADMHS Proposed Fees Comparison				
Service	Mode	SFC	FY 13-14 Fees	FY 14-15 Proposed Fees
Acute Inpatient (PHF) General (Day)	05	10	\$2,496.24	\$1,732.42
PHF Administrative Day	05	19	\$842.30	\$584.46
Case Management (Minute)	15	01	\$3.02	\$3.90
Mental Health Services (Minute)	15	10-19, 30-59	\$3.90	\$5.04
Medication Support (Minute)	15	60-69	\$7.20	\$9.30
Crisis Intervention (Minute)	15	70-79	\$5.80	\$7.49

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 14-15 Recommended budget assumes that ADMHS will receive \$300,000 from the Sheriff'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 Analysis:**

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 3, 2014, direct the Clerk of the Board to:

1. Publish notice of this hearing, as set forth in the attached Notice of Public Hearing
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
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 14-15
2. Notice of Public Hearing

**cc:**

Auditor-Controller  
CEO