



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:** Public Health  
**Department No.:** 041  
**For Agenda Of:** September 1, 2015  
**Placement:** Departmental  
Second reading:  
September 8, 2015  
**Estimated Tme:** 20 minutes  
**Continued Item:** Yes  
**If Yes, date from:** August 25, 2015  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Takashi Wada, MD, MPH, Director and Health Officer  
Director(s) Public Health Department 681- 5102  
Contact Info: Dan Reid, Assistant Deputy Director, 681-5173

**SUBJECT:** Amendment to the Public Health Department Fee Ordinance

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence: N/A

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors consider the following recommendations:

- a) Receive and file a presentation regarding proposed amendments to Ordinance 14-4904.
- b) Approve the introduction (first reading) of an amendment to Ordinance 14-4904 for Outpatient and Professional Public Health Medical Service Fees.
- c) Read the title and waive the reading of the Ordinance in full.
- d) Continue to the administrative Agenda on September 8, 2015 to:
  - i. Consider the adoption (second reading) of an amendment to Ordinance 14-4904 for Outpatient and Professional Public Health Medical Service Fees effective January 1, 2016.
- e) Determine that the above actions are organizational and administrative activities of government that are not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(5) of the CEQA Guidelines.

**Summary Text:**

This item is on the Agenda to Amend Ordinance 14-4904 for the Outpatient and Professional Public Health Medical Service Fees to make changes to the discount schedule (known as the *sliding fee scale*) to take effect January 1, 2016. These proposals have been adopted by the Public Health Department’s Health Center Board and are proposed to ensure compliance with the U.S. Department of Health and Human Services, Health Resources and Services Administration (HRSA) requirements for Federally Qualified Health Centers (FQHCs).

**Background:**

In October of 2014, as a best practice and in response to policy clarification from HRSA, the County adopted Ordinance 14-4904 as an update for its Outpatient and Professional Public Health Medical Service Fees, which included a revision to the Public Health Departments’ sliding fee scale policy.

Recently, the Public Health Department (PHD) participated in an Operational Site Visit (OSV) conducted by a team of HRSA reviewers to ensure regulatory compliance. As a result of this OSV the Public Health Department was found to be deficient in its fee scale, among other findings that have been addressed separately.

**Outpatient and Professional Public Health Medical Service Fees Ordinance**

In late 2014, shortly after Santa Barbara County adopted Ordinance 14-4904 for the Outpatient and Professional Public Health Medical Service Fees Ordinance, HRSA issued additional policy guidance and specific requirements regarding FQHC Sliding Fee Scale policies. The recently adopted Ordinance, that established fees and charges for services for patients not covered by Medi-Cal, Medicare, or other health programs – only 11.5% of all health center patients -failed to meet this guidance in two areas: 1) the use of a flat, “fixed” fee, not a percentage, for the lowest discount level (those with incomes under 100% of the federal poverty level (FPL)); and 2) the use of 3 levels of discounts for those with incomes between 100% and 200% of the FPL.

The current PHD Sliding Fee Scale in Ordinance 14-4904 includes a 72% *discount* off regular service charges for patients at or below 100% of the FPL. The most recent HRSA guidance requires either a 100% discount (no fee) or a flat, fixed fee. The department and the Health Center Board are recommending the adoption of the flat, fixed fee and through analysis of the average discounted charges for those under 100% of the FPL, it was determined that a fee of \$45 is equivalent to a 72% discount: *expressed as a fixed fee, not a percentage*. This has been reviewed and approved by the Auditor-Controller’s Office

In addition, the current Sliding Fee Scale has two levels of discounts on service charges for patients that have no insurance coverage but have incomes between 100% and 200% of the FPL. The recent HRSA guidance requires three levels of discount in this policy. The table (Table 1) below reflects the changes proposed (using our projected annual patient count of 30,000):

Table 1 PHD Proposed Sliding Fee Scale

Sliding Fee Scale (Adopted 11/4/2014)	%	Sliding Fee Scale (Proposed)	% or \$	% of Annual Patients	# of Annual Patients
0% to 100% of FPL	72%	0% to 100% of FPL	<b>\$45</b>	6%	1,800
101% to 150% of FPL	60%	101% to 150% of FPL	60%	2%	600
151% to 200% of FPL	45%	<b>151% to 175% of FPL</b>	<b>50%</b>	.5%	150
		176% to 200% of FPL	45%	.5%	150
Over 200% of FPL	0%	Over 200% of FPL	0%	2.5%	750

As noted above, uninsured patients with incomes over 200% of the Federal Poverty Level may not be offered a service charge discount, per HRSA policy. The Amended Outpatient and Professional Public Health Medical Fees Ordinance before your Board for approval updates the sliding fee scale discount schedule language to be consistent with the revised guidance. This action by your Board will correct this identified HRSA OSV program deficiency.

**Fiscal and Facilities Impacts:**

**Budgeted:** Yes

**Fiscal Analysis:**

Adopting this Ordinance Amendment will not affect the PHD FY 2015-16 Adopted Budget. The proposed changes are estimated to have a negligible effect on self-pay payments from the approximate 11.5% of the Health Center patient population who may qualify for sliding fee discounts.

**Staffing Impacts:**

No increase or decrease in staff would result as a result of adopting the proposed ordinance amendment.

**Special Instructions:**

1. Request the Clerk of the Board to publish in a newspaper, within 15 days of passage of the ordinance, the ordinance along with names of members voting for and against the ordinance, in accordance with Government Code section 25124(a).
2. Please provide one adopted ordinance and a copy of the minute order. When ready for pick-up, please contact [PHDCU@sbcphd.org](mailto:PHDCU@sbcphd.org).

**Attachments:**

1. Ordinance for PHD Medical Fees Increase (strikeout version)
2. Ordinance for PHD Medical Fees Increase (clean version)
3. Notice of CEQA Exemption
4. Notice of Public Hearing
5. Presentation for this Board Action

**Authored by:**

Dan Reid, Assistant Deputy Director, 681-5173