COUNTY OF LOS ANGELES

MARVIN J. SOUTHARD, D.S.W.
Director

SUSAN KERR
Chief Deputy Director

RODERICK SHANER, M.D.
Medical Director

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

BOARD OF SUPERVISORS
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DEPARTMENT OF MENTAL HEALTH

http://dmh.lacounty.info

Reply To: (213) 738-4601
Fax: (213) 381-1297

May 19, 2005

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

56 MAY 3 1 2005

Violet Varona-Lukens
VIOLET VARONA-LUKENS
EXECUTIVE OFFICER

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

APPROVAL OF AMENDMENT TO LEGAL ENTITY MENTAL HEALTH SERVICES AGREEMENT WITH PENNY LANE CENTERS FOR FISCAL YEAR 2002-2003 AND AUTHORIZATION OF DISBURSEMENT TO PENNY LANE CENTERS (SUPERVISORIAL DISTRICTS 1, 3 AND 5) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Director of Mental Health or his designee to prepare, sign, and execute an Amendment (substantially similar to the Attachment) to the Department of Mental Health (DMH) Fiscal Year (FY) 2002-2003 Legal Entity (LE) Mental Health Services Agreement Number DMH–01243 with Penny Lane Centers (Penny Lane). The Amendment will enable DMH to shift $34,715 from the Federal Financial Participation (FFP) funding category to the unrestricted County General Fund (CGF) category. There will be no change to the Maximum Contract Amount (MCA). The Amendment will be effective upon Board approval.

2. Authorize the Director of Mental Health or his designee to pay, on a one-time basis, $34,715 to Penny Lane for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) services provided in FY 2002-2003 for which the agency has not yet been paid. The $34,715 is fully funded with FY 2004-2005 Adopted Budget's settlement funds.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Your Board's approval of this request will enable DMH to reimburse Penny Lane for three (3) months of FY 2002-2003 EPSDT Medi-Cal services for which the agency has not yet been paid due to a duplicate match Identification (ID) numbers error and Medi-Cal Certification administrative delay error. Relevant details are provided in the Facts and Provisions/Legal Requirements section. These claims cannot be re-billed to the State due to the State's twelve-month Medi-Cal claiming statute. Since these claims have not been processed nor denied by the State, they will not be allowed by the State for consideration during the settlement process. The agency's claims for services provided in July, October, and November 2002 is $34,715:

Month of Service	Claim Amount
July 2002	$25,908
October 2002	2,434
November 2002	6,373
Total	$34,715

DMH is requesting your Board's authorization to reimburse Penny Lane $34,715 for EPSDT Medi-Cal services provided in the FY 2002-2003. This action will generate goodwill in the provider community, which DMH feels will translate into maintaining access to mental health care by Los Angeles County Medi-Cal eligible beneficiaries.

Implementation of Strategic Plan Goals

The recommended Board action is consistent with the principles of the Countywide Strategic Plan Organizational Goal No. 4, "Fiscal Responsibility." Board approval of this request will authorize reimbursement to Penny Lane for services rendered.

FISCAL IMPACT/FINANCING

There will be no change to the MCA for FY 2002-2003. The Amendment will shift an equal amount of $34,715 from the FFP funding category to the Realignment funding category in the Legal Entity Agreement's Financial Exhibit so DMH can reimburse Penny Lane $34,715 for the EPSDT Medi-Cal services provided in FY 2002-2003. The payment is fully funded with the FY 2004-2005 Adopted Budget's claims settlements funds account.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Penny Lane has not yet received its reimbursement for July, October, and November of 2002 Medi-Cal claims due to errors caused by duplicate match ID numbers and a Medi-Cal Certification administrative delay. These claims cannot be re-billed due to the State's twelve-month Medi-Cal claiming statute. Since these claims are ineligible under the State's twelve-month submission requirement, they will not be allowed by the State for consideration during the settlement process.

July 2002 Claims Error:

The July 2002 claims, totaling $25,908, were not submitted to the State. DMH's Mental Health Management Information System (MHMIS) rejected the July 2002 claims and placed them in the suspend files category, because the claim ID numbers assigned to these claims had already been used for previously entered claims. In other words, the same claim ID numbers previously used were again re-assigned by the MHMIS to the July 2002 claims.

The duplication of claim ID numbers occurred during the claims processing. Normally when the MHMIS crashes, the Internal Services Department (ISD) restarts its jobs. If the system crashes during the time the claim IDs are being assigned and ISD needs to restart the system, the counter for the claim ID begins where it left off. This did not happen and consequently, duplicate claim IDs were assigned to two (2) different transactions. One set of the claims was submitted and approved by the State and the other, in this case the July 2002 claims, were denied by the DMH's MHMIS and placed in the suspend files. This correction has been made in the MHMIS. However, this is no longer an issue since the contract provider is now using the new Health Insurance Portability and Accountability Act (HIPAA) compliant Integrated System (IS) for data entry and fiscal claiming.

October and November 2002 Claims Error:

The October and November 2002 claims were not submitted to Medi-Cal due to a Medi-Cal certification error. The contract provider's certification effective date was July 1, 2002; however, due to the Department's administrative process delay in certification, DMH's MHMIS blocked the claims submission with the error message "Provider Profile Error," which indicated that the contract provider was not Medi-Cal certified. The contract provider was unable to bill Medi-Cal until December 2003. Although the correction has been made in the MHMIS, these claims cannot be re-billed due to the State's twelve-month Medi-Cal claiming statute.

Approval of this action will resolve the payment issues which, given the circumstances, were one-time occurrences.

The Amendment format has been approved as to form by County Counsel. In addition, the Chief Administrative Office and DMH's Fiscal, Program Administrations, and Chief Information Office have reviewed and approved the proposed action.

CONTRACTING PROCESS

This subject does not apply.

IMPACT ON CURRENT SERVICES

There is no impact on current services. Board approval of this request will enable DMH to make a $34,715 payment to Penny Lane for FY 2002-2003 EPSDT Medi-Cal services not reimbursed by the State due to the above referenced errors.

CONCLUSION

The Department of Mental Health will need one (1) copy of the adopted Board action. It is requested that the Executive Officer of the Board notifies the Department of Mental Health's Contracts Development and Administration Division at (213) 738-4684 when this document is available.

Respectfully submitted,

Susan Kerr for

Marvin J. Southard, D.S.W.
Director of Mental Health

MJS:RK:AW:cc

Attachment

c: Chief Administrative Officer
County Counsel
Auditor-Controller
Chairperson, Mental Health Commission

Pennylane 02-03 settlement bl 5-19-05

Attachment I

CONTRACT NO. DMH-01243

AMENDMENT NO. 11

THIS AMENDMENT is made and entered into this ____ day of _____, 2005, by and between the COUNTY OF LOS ANGELES (hereafter "County") and Penny Lane Centers dba Penny Lane (hereafter "Contractor").

WHEREAS, County and Contractor have entered into a written Agreement, dated October 1, 2002, identified as County Agreement No. DMH-01243, and any subsequent amendments (hereafter collectively "Agreement"); and

WHEREAS, for Fiscal Year 2002-2003 only, County and Contractor intend to amend Agreement only as described hereunder; and

WHEREAS, for Fiscal Year 2002-2003 only, County and Contractor intend to amend Agreement to shift Federal Financial Participation (FFP) funds in the amount of $37,415 to Realignment funds. There will be no change to the Maximum Contract Amount of $14,156,021 .

NOW, THEREFORE, County and Contractor agree that Agreement shall be amended only as follows:

1. Financial Summary -10 for Fiscal Year 2002-2003 shall be deleted in its entirety and replaced with Financial Summary -11 for Fiscal Year 2002-2003 attached hereto and incorporated herein by reference. All references in Agreement

to Financial Summary –10 for Fiscal Year 2002-2003 shall be deemed amended to state Financial Summary – 11 for Fiscal Year 2002-2003.

2. Contractor shall provide services in accordance with the Contractor's Fiscal Year 2002-2003 Negotiation Package for this Agreement and any addenda thereto approved in writing by Director.

3. Except as provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by County's Director of Mental Health or his designee, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
MARVIN J. SOUTHARD, D.S.W.
Director of Mental Health

Penny Lane Centers dba Penny Lane
CONTRACTOR

By _____

Name **Rosana La Fianza**

Title **Director of Clinic Operations**
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT ADMINISTRATION:

DEPARTMENT OF MENTAL HEALTH

By _____
Chief, Contracts Development
and Administration Division

cc\myfiles\pennylane02-03 amend #11 funding shift

Contractor Name : Penny Lane Centers
dba Penny Lane

DMH Legal Entity Agreement (Financial summary-11 Page)
Fiscal Year: 2002-2003

Attachment II
Amendment # 11

Legal Entity No : 00201

Period : July 1, 2002 Through June 30, 2003

Categories		CSOC	CSOC	CSOC	CSOC	CSOC									Sources of Funding Totals
Provider Number (s)		Northhill 6863	Palmdale 7455	Downey 7511	Northhill/ Palmdale 6863/ 7455	6863/ 7455									
Reimbursement Method		NR	NR/CR	NR	NR	NR									
Financial Exhibits (FE):		A	B	C	D	E									
	Eligible for FFP Match														
A. Allocations:															
1. Realignment	Yes	$ 634,687	$ 43,066	$ -		$ 144									$ 677,897
2. Other/DCFS-KidSTEP	Yes	72,000	-	-											72,000
3. Other-DCFS-Family Preservation	Yes	-	53,451												53,451
4. Other-STOP	Yes	8,394	59,307	-											67,701
5. Other-Schiff-Cardenas	Yes	99,175													99,175
6. Other-CalWORKs	Yes		205,000												205,000
7. Tobacco	Yes				$ 45,583										45,583
B. Pass Through:															
1. FFP															7,980,085
2. EPSDT--SGF															4,879,104
3. SB90	Yes														76,025
4. Other															$ -
C. Third Party:															
1. Medicare															$ -
2. Patient Fees															$ -
3. Insurance															$ -
4. Other															$ -

Maximum Contract Amount/Net Program Budget (A+B): $ $ 14,156,021

Gross Program Budget (A+B+C): $ $ 14,156,021

Amendment actions:

Funding Shift from FFP category to Realignment category:
Increase: Realignment funding by $37,415 under North Hills Provider No. 6863 Column to show $634,687.
Decrease: FFP funding by $37,415 under "Sources of Funding Totals" to show $7,980,085.
There is no change to FY 2002-2003 MCA at $14,156,021.

Contractor Name : Penny Lane Centers
dba Penny Lane
Legal Entity No : 00201

DMH Legal Entity Agreement (Rate Summary Page)

Fiscal Year: 2002-2003
Period : July 1, 2002 Through June 30, 2003

ATTACHMENT II

Amendment 11

MENTAL HEALTH SERVICES		Mode of Service	SFC RANGE	Rates	FE for 6863	FE for 7455	FE for TBA	FE for 7455 6863	FE for 7455 6863	FE for	FE for	FE for	FE for	FE for	FE for
A. 24 - HOUR SERVICES :															
Hospital Inpatient		05	10 - 18												
Hospital Administrative Day		05	19												
Psychiatric Health Facility (PHF)		05	20 - 29												
SNF Intensive		05	30 -34												
IMD/STP Basic (No Patch)	Beds 1-59	05	35												
	Beds 60 & over	05	35												
Patch for IMD		05	36 - 39												
Mentally Ill Offenders	Indigent	05	36 - 39												
	Regular	05	36 - 39												
IMD - Like		05	36 - 39												
IMD (W/Patch) Sub-Acute (60 days)		05	38												
Adult Crisis Residential		05	40 - 49												
Residential Other		05	60 - 64												
Adult Residential		05	65 - 79												
Semi - Supervised Living		05	80 - 84												
Independent Living		05	85 - 89												
MH Rehab Centers		05	90 - 94												
B. DAY SERVICES :															
Vocational Services		10	30 - 39												
Socialization		10	40 - 49												
SNF Augmentation		10	60 - 69												
Day Treatment Intensive: Half Day		10	81-84												
Day Treatment Intensive: Full Day		10	85-89	$ 125.36	A										
Day Rehabilitative : Half Day		10	91-94												
Day Rehabilitative : Full Day		10	95-99	$ 101.96	A										
C. OUTPATIENT SERVICES :															
Case Management, Brokerage		15	01 - 09	$ 1.46	A	B	C	D	E						
Mental Health Services		15	10 - 19 /30-59	$ 2.00	A	B	C	D	E						
Therapeutic Behavioral Services (TBS)		15	58	$ 2.00	A	B									
Medication Support		15	60 - 69	$ 4.05	A	B	C	D	E						
Crisis Intervention		15	70 - 79												
D. OUTREACH SERVICES :															
Mental Health Promotion		45	10 - 19	$ 60.00		B									
Community Client Services		45	20 - 29	$ 50.00		B									
E. SUPPORT SERVICES :															
Life Support/Board & Care		60	40 - 49												
Case Management Support		60	60 - 69	$ 84.60		B									
Flexible Funding (Cost Reimbursement) Identify the applicable FE column(s)		60	64												
F. HEALTHY FAMILIES :															
Alcohol/Drug Abuse Counseling and Ed. Srvcs.															

Abbreviations: SFC - Service Function Code; FE - Financial Exhibit