MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Violet Varona-Lukens, Executive Officer-
Clerk of the Board of Supervisors
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

Director of Mental Health

At its meeting held October 28, 2003, the Board took the following action:

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At the time and place regularly set, notice having been duly given, the following item was called up:

> Hearing on the Department of Mental Health's revised Published Charges for Fiscal Year 2003-04 to include administrative overhead costs for all services billed to non-Medi-Cal plans, to be effective November 1, 2003, as further described in the attached letter dated October 9, 2003 from the Director of Mental Health.

Opportunity was given for interested persons to address the Board. No interested persons addressed the Board.

On motion of Supervisor Knabe, seconded by Supervisor Antonovich, unanimously carried, the Board closed the hearing and approved the Department of Mental Health's revised Published Charges for Fiscal Year 2003-2004, effective November 1, 2003.

03102803-5

Attachment

Copies distributed:
Each Supervisor
Chief Administrative Officer
County Counsel
Auditor-Controller

COUNTY OF LOS ANGELES

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

SUSAN KERR
Chief Deputy Director

RODERICK SHANER, M.D.
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DEPARTMENT OF MENTAL HEALTH

http://dmh.co.la.ca.us

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

Reply To: (213) 738-4601
Fax: (213) 386-1297

October 9, 2003

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

Dear Supervisors:

HEARING ON DEPARTMENT OF MENTAL HEALTH'S REVISED PUBLISHED CHARGES FOR FISCAL YEAR 2003-2004 (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD AFTER THE PUBLIC HEARING:

Approve the revised Department of Mental Health's (DMH) Published Charges (Attachment I) for Fiscal Year (FY) 2003-2004, effective November 1, 2003, in order to comply with Federal Short-Doyle/Medi-Cal (SD/MC) Lower of Cost or Charges reimbursement (LCC) and routine cost principles' requirements.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The Board approved DMH's Published Charges for FY 2003-2004 on June 24, 2003. Since DMH's current computerized billing system only permits the use of one rate table which reflects the June 24, 2003 Board approved Published Charges, the Published Charges for Mode-Service Function Codes 10-81 through 10-89 and 15-01 through 15-79 were SD/MC rates that did not include administrative overhead costs (SD/MC administrative costs are captured separately through DMH's SD/MC Administrative claim).

With DMH's Health Insurance Portability and Accountability Act (HIPAA) compliant Integrated System effective on October 16, 2003, DMH will have the ability to bill one rate for SD/MC claims and another rate for all other funding plans. Currently all non-Medi-Cal plans are not billed the administrative overhead costs because of the current system's limitation to one rate table. The implementation of the Integrated System will include more than the one rate table.

Therefore, Board action is required to revise the Published Charges to include administrative overhead costs for all services that will be billed to non-Medi-Cal plans. The current Published Charges approved by the Board on June 24, 2003, will continue to be used for billing the Medi-Cal plan only.

The recommended Published Charges comply with Federal SD/MC audit requirements, which took effect on July 1, 1992. Federal requirements stipulate that Published Charges are to be determined at the countywide level.

Implementation of Strategic Plan Goals

The recommended Board actions are consistent with the County's fourth goal— "Fiscal Responsibility", within the County Strategic Plan. This action will ensure that Published Charges are in compliance with Medi-Cal requirements thereby averting Federal Lower Costs or Charges (LCC) audit disallowance.

FISCAL IMPACT/FINANCING

The subject does not apply.

Approval of these charges will accommodate requirements of the State Plan Amendment under Title IX of the Social Security Act for the State of California.

Federal Lower of Costs or Charges (LCC) audit disallowances will be avoided because of compliance. DMH has not included any charges, which are set by either State or Federal agencies for which it has no jurisdictional rate setting authority. DMH will bill those charges as directed by those authorities.

To the extent non-Medi-Cal plans will be billed for both the service and administrative overhead costs, because of the new schedule of Published Charges, there may be additional revenues received. It is premature to estimate any such revenues.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The original Published Charges for FY 2003-2004 were developed using actual cost report data for FY 2001-2002. This cost report data was adjusted by 1) the Federal Home Health Agency Market Basket Index, 2) DMH's Auditor-Controller approved Indirect Cost Rate Proposal (ICRP) percentages for all non SD/MC services, and 3) the State's SD/MC Maximum Allowance. The revised Published charges for FY 2003-2004 were developed using the same methodology; however, DMH's Auditor-Controller approved ICRP percentage was applied to all rates in order to capture administrative overhead costs. These charges are reflective of the present level of care.

Government Code Section 66018, added by stats. 1990, ch. 1572 (AB 3228), §20, requires the publication of notice and a public hearing to be held prior to the adoption of new fees or the increase of existing fees. Such a notice will be published at the minimum of 10 days prior to the public hearing.

CONTRACTING PROCESS

The subject does not apply since DMH's Published Charges apply only to DMH's directly operated clinics.

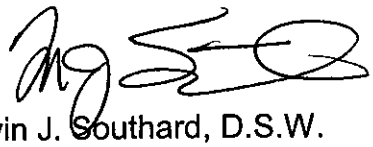
IMPACT ON CURRENT SERVICES

The recommended revised Published Charges will become effective November 1, 2003. Failure to establish these revised annual Published Charges will result in reduced revenues from non-Medi-Cal plans and/or if the charges are less than actual costs.

CONCLUSION

The Department of Mental Health will need one (1) fully executed copy of the Board's 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,



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

MJS:RK:CK:egr

Attachment

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

Bd.Ltr.Published Rate.
(revised 10/02/03)

Attachment 1

COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH

FISCAL YEAR 2003-2004 REVISED PUBLISHED CHARGES
EFFECTIVE NOVEMBER 1, 2003

SERVICE DESCRIPTION	MODE	SF CODE	SERVICE UNIT	NON-MEDI-CAL 03/04 RATES	MEDI-CAL 03/04 RATES
Jail Inpatient	05	50 - 59	Client Day	$245.32	N/A
Residential, Other	05	60 - 64	Client Day	13.14	N/A
Vocational Services	10	30 - 39	4 Hour Session	73.34	N/A
Socialization	10	41 - 47	per 4-Hour Block	83.43	N/A
Day Treatment Intensive:					
Half Day (3-4 Hours)	10	81 - 84	Half Day	135.63	$115.28
Full Day (more than 4 hours)	10	85 - 89	Full Day	175.99	149.59
Day Rehabilitation:					
Half Day (3 – 4 hours)	10	91 - 94	Half Day	73.11	62.14
Full Day (more than 4 hours)	10	95 - 99	Full Day	114.10	96.98
Case Management, Brokerage	15	01 - 09	Minute	1.71	1.46
Mental Health Services	15	10 - 59	Minute	2.20	1.87
Medication Support Srvs	15	60 - 69	Minute	4.20	3.57
Crisis Intervention	15	70 - 79	Minute	3.39	2.88
Mental Health Promotion	45	10 - 19	Staff Hour	180.38	N/A
Community Client Services	45	20 - 29	Staff Hour	166.49	N/A
Medi-Cal Admin. Activities	55	01 - 39	Minute	1.89	1.89
Conservatorship,					
Investigation	60	20 - 29	Staff Hour	97.10	N/A
Administration	60	30 - 39	Staff Hour	97.10	N/A
Life Support/Board & Care	60	40 - 49	Day	21.67	N/A
Case Mngt Support	60	60 - 69	Staff Hour	90.09	N/A

MJS:OFS:AW

Attach 1 rates 03-04r