

COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

FACT SHEET

APPROVAL OF AMENDMENT TO EXISTING DEPARTMENT OF MENTAL HEALTH AGREEMENT WITH FEE-FOR-SERVICES MEDI-CAL PSYCHIATRIC INPATIENT HOSPITAL CONTRACT PROVIDERS TO IMPLEMENT CASE RATE INCREASE FOR FISCAL YEAR 2006-2007 (ALL SUPERVISORIAL DISTRICTS)

REQUEST

Authorize the Director of Mental Health or his designee to prepare, sign, and execute an Amendment and a revised Service Exhibit to Fee-For-Services (FFS) Medi-Cal Psychiatric Inpatient Hospital agreements increasing the Contract Allowable Rate for those providers participating in the Psychiatric Outreach Diversion Program (PDP). The Amendment will increase the PDP's case rate from \$2,500 to \$3,300 per eligible admission for Fiscal Year (FY) 2006-2007. The rate increase is fully funded by Psychiatric Emergency Services (PES) net County cost (NCC) that is included in the Department's Adopted Budget for FY 2006-2007.

Delegate authority to the Director of Mental Health or his designee to prepare, sign, and execute future amendments to FFS Medi-Cal Psychiatric Inpatient Hospital agreements and establish a new applicable Contract Allowable Rate (CAR) the aggregate of each original Agreement and all amendments, provided that: 1) the County's total payments to a contractor under each Agreement for each fiscal year shall not exceed a change of 20 percent from the applicable CAR; 2) any such increase shall be used to provide additional services or to reflect program and/or policy changes; 3) the Board of Supervisors has appropriated sufficient funds for all changes; 4) approval of County Counsel and the Chief Administrative Officer or their designee is obtained prior to any such Amendment; 5) the parties may, by written Amendment, mutually agree to reduce programs or services without reference to the 20 percent limitation; and 6) the Director of Mental Health shall notify the Board of Supervisors of Agreement changes in writing within 30 days after execution of each Amendment.

PURPOSE/JUSTIFICATION

The recommended action will allow the Department of Mental Health (DMH), in collaboration with the Department of Health Services (DHS), to continue to address the overcrowding in the County Hospital PES through the PDP in accordance with the Additional PES Relief Plan approved by the Board on July 19, 2005. The PDP program diverts uninsured individuals determined by DMH Psychiatric Mobile Response Teams (PMRT) and law enforcement teams to be in need of inpatient

mental health services to private psychiatric hospitals through the DHS Medical Alert Center and the DMH ACCESS Center.

Funding in the amount of \$1,999,990 will be provided by PES NCC for FY 2006-2007. The program will remain within the allocated budget for the fiscal year.

BACKGROUND

In July of 2005, DMH anticipated utilization of approximately 16 PDP beds at any given time and projected an average length of inpatient stay of three (3) days. However, average length of stay is currently five (5) days. This Amendment increases the PDP case rate from \$2,500 to \$3,300 per eligible admission for FY 2006-2007 in order to address the increased average length of stay and requires the Board's approval since it represents a greater than 20 percent increase over the rate previously approved by the Board on July 7, 2005. The Service Exhibit has been revised to include the provision that all inpatient psychiatric beds in participating hospitals will be available for PDP clients in order to ensure increased bed availability for the program.

The PDP case rate increase and revised Service Exhibit will fund approximately 10 beds for uninsured individuals in need of inpatient mental health services at any one time while increasing provider participation and utilization in the program.

DMH Contact

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