

COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

F A C T S H E E T

**APPROVAL OF REQUEST FOR APPROPRIATION ADJUSTMENT FOR
SHORT-DOYLE/MEDI-CAL SETTLEMENT PAYMENTS TO CONTRACT
PROVIDERS FOR FISCAL YEARS 2000-2001 AND 2002-2003 SERVICES
AND
APPROVAL TO AMEND 13 DEPARTMENT OF MENTAL HEALTH LEGAL
ENTITY AGREEMENTS WITH CONTRACT PROVIDERS FOR
FISCAL YEAR 2002-2003
(ALL SUPERVISORIAL DISTRICTS)
(4 VOTES)**

REQUEST

1. Approve the Request for Appropriation Adjustment for Fiscal Year (FY) 2006-2007 in the amount of \$7,272,000. The appropriation increase will be fully funded with prior year revenue from Short-Doyle/Medi-Cal (SD/MC) Federal Financial Participation (FFP) in the amount of \$3,813,000 held in the FFP Trust Account and Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) State General Funds (SGF) in the amount of \$3,459,000 held in Advances Payable. The increase in appropriation will allow the Department of Mental Health (DMH) to make the following reimbursements:
 - a. FY 2000-2001 State Audited Cost Report Settlements in the amount of \$619,000 to 32 contract providers listed on Attachment I.
 - b. FY 2002-2003 State SD/MC Reconciliation Settlement in the amount of \$6,653,000 to a total of 50 providers which include 48 contract providers and two (2) Department of Health Services (DHS) Hospitals listed on Attachment II.
2. Approve and authorize the Director of Mental Health or his designee to prepare, sign, and execute Amendments to 13 DMH Legal Entity Agreements (LE Agreements), listed in Attachment III, in order to make SD/MC Settlement Payments for FY 2002-2003 to contract providers whose payments will exceed their Maximum Contract Amount (MCA).

PURPOSE/JUSTIFICATION

The purpose of this request is for approval of an appropriation adjustment increasing FY 2006-2007 Services and Supplies (S&S) appropriation by \$7,272,000. This is a routine Board action regularly requested of the Board to reimburse contract providers at the end of the County and State SD/MC Reconciliation and EPSDT Settlement, State Audited Cost Report Settlement, and Final Cost Report Settlement processes. This appropriation adjustment will enable DMH to make the FY 2000-2001 State Audited Cost Report Settlement and FY 2002-2003 SD/MC Reconciliation Settlement payments to DHS Hospitals and contract providers as required by Federal law and the DMH LE Agreement. Subsequent steps in the State's audit and appeals processes may occur at future dates with potential adjustments to these contract provider claims.

As per the LE Agreement with mental health contract providers, if the post-contract audit conducted by County, State, and/or Federal personnel determines that the County's liability is more than the amount paid by the County to the contract provider, the County will reimburse contract providers ^{the} remaining amounts due. DMH's action to collect from or reimburse contract providers is the result of the State fulfilling its responsibilities for the management and oversight of the Federal Medicaid program, which is called Medi-Cal in California. DMH, in its capacity, acts as the fiscal intermediary. As a result, DMH will collect from or reimburse contract providers.

Further, DMH requests authority to amend its LE Agreements with 13 contract providers for FY 2002-2003, in order to pay contract providers FFP and EPSDT-SGF amount(s) in excess of their MCA. Reimbursement for FFP and EPSDT-SGF shall be one hundred percent of the program funds that are paid by County to Contractor solely in County's capacity as the fiscal intermediary. FFP and EPSDT services shall be paid as applicable on the basis of fifty percent EPSDT Title XIX services FFP funds and fifty percent State matching general funds for EPSDT and only when such EPSDT services exceed the individual Contractor's EPSDT baseline as identified in Paragraph 4 (Financial Provisions), Subparagraph A(3) (EPSDT).

BACKGROUND

The County and State SD/MC Reconciliation and EPSDT Settlement, State Audited Cost Report Settlement, and Final Cost Report Settlement processes lead to underpayment and overpayment determinations.

Medi-Cal dates of service in one (1) fiscal year can be claimed/processed by the State for up to 15 months after the close of the fiscal year in which the services were delivered. As the County operates on a July to June accounting cycle, and Medi-Cal actual cost/approvals for contract providers are not totally known during this time cycle because of Incurred But Not Reported (IBNR) claims, there is the need for budget action in subsequent fiscal year(s) to make prior year Medi-Cal payments.

In FY 2000-2001 FFP Medi-Cal funding was not part of the MCA. The FFP Medi-Cal funding was pass-through from the State to DMH. DMH, in its capacity as fiscal intermediary, has received pass-through payments of Federal funding from the State, and in turn, is required to disburse such payments to 32 contract providers. There is no requirement for contract amendments for FY 2000-2001.

The FFP Medi-Cal and EPSDT-SGF funding was part of the MCAs in FY 2002-2003. DMH, in its capacity as fiscal intermediary, has received pass-through payments from the State, and in turn, is required to disburse such payments to 48 providers and 2 DHS Hospitals. To the extent permitted by Federal law, County will pay pass-through funding only if sufficient local funds are available and identifiable within the MCA, backed by the Financial Summary or an increase in State funding for EPSDT services in order to achieve the maximum Federal reimbursement possible for Mental Health services. Thus, it requires that there be contract amendments for 13 of the 50 contract providers who exceeded their FY 2002-2003 FFP MCA, and have EPSDT matching dollars.

RK:FM

Attachments (3)

FM:fact sheet settlement board letter 9-20-06

LOS ANGELES COUNTY - DEPARTMENT OF MENTAL HEALTH			
FINANCIAL SERVICES BUREAU			
PROGRAM RECOVERY, SETTLEMENT, AND AUDIT DIVISION			
SD/MC Audit Settlement Report			
FY 2000-2001			
Count	Entity Number	Legal Entity Name	Amount Due to Provider
1	00256	1736 Family Crisis Center	\$ 179
2	00177	Alcott Center for Mental Health Services (Beverlywood)	1
3	00274	B.R.I.D.G.E.S.	1
4	00210	Child & Family Center (Santa Clarita)	17,943
5	00179	Children's Hospital of Los Angeles	8,744
6	00181	Community Family Guidance Center	316
7	00694	Counseling4Kids	28,686
8	00183	Didi Hirsch Psychiatric Service	25,125
9	00778	D'Veal Corp., dba D'Veal Family and Youth Services	11,427
10	00695	El Dorado Community Service Centers	5,708
11	00300	For The Child, Inc. (Cedar House)	717
12	00189	Fuller Theological Seminary (now Heritage Clinic)	1
13	00194	Hillview Mental Health Center	6,096
14	00699	Institute for Multicultural Counseling & Education Services, Inc. (IMCES)	390
15	00195	Intercommunity Child Guidance Center	22,001
16	00326	Koreatown Youth and Community Center, Inc.	483
17	00712	Multiservice Family Center, Inc.	765
18	00200	National Mental Health Association of Greater Los Angeles	7,902
19	00781	Optimist Boys' Home and Ranch, Inc.	1
20	00203	Pacific Clinics	239,693
21	00693	Parenting Institute	9,624
22	00711	Pediatric & Family Medical Center	105
23	00205	Portals	83,301
24	00208	San Fernando Valley Community Mental Health Center, Inc.	6,466
25	00212	Social Model Recovery Systems, Inc.	1
26	00217	St. John's Hospital & Health Center	10,355
27	00543	Star View Adolescent Center, Inc.	51,369
28	00209	Sunbridge Healthview, Inc. dba Harbor View Rehabilitation Center	197
29	00198	The Help Group Child & Family Center	2,182
30	00221	Verdugo Mental Health Center	77,647
31	00196	Vista Del Mar Child and Family Services (Jewish Orphans)	43
32	00579	WRAP Family Service (now Pacific Asian Counseling Services)	1,435
		rounding	98
		GRAND TOTAL FOR CONTRACT PROVIDERS	\$ 619,000

LOS ANGELES COUNTY - DEPARTMENT OF MENTAL HEALTH			
FINANCIAL SERVICES BUREAU			
PROGRAM RECOVERY, SETTLEMENT, AND AUDIT DIVISION			
SD/MC-EPSDT Settlement Report			
FY 2002-2003			
L.E. Count	L.E. Number	Legal Entity Name	Amount Due Provider
1	00502	LAC - DHS HARBOR/UCLA MEDICAL CENTER	\$ 10,880
2	00504	LAC - DHS USC Medical Center	360,635
		Subtotal DHS	\$ 371,515
1	00177	Alcott Center for Mental Health Services (Beverlywood)	\$ 1,524
2	00888	Aurora Charter Oak Hospital	91,440
3	01030	Caring for Children & Families with AIDS (CCFA)	83,594
4	00178	Cedars-Sinai Medical Center	2,743
5	00207	Child and Family Guidance Center (SFV)	489,218
6	00327	Clontarf Manor, Inc.	11,171
7	00779	Counseling & Research Associates, Inc., dba Masada Homes	915,071
8	00778	D'Veal Corporation, dba D'Veal Family and Youth Services	119,604
9	00995	Ettie Lee Homes, Inc.	167,278
10	00527	Exodus Recovery, Inc.	26,544
11	00993	FH & HF Torrance I, LLC c/o Health Quality Management Group	94,480
12	00300	For The Child, Inc. (Cedar House)	15,100
13	00206	Harbor View Rehabilitation Center	77,925
14	00193	Health Research Association	2,732
15	00965	Heritage Clinic and The Community Assistance Program for Seniors (formerly Gero-Net)	2,141
16	00508	Homes for Life Foundation	38,220
17	01111	Institute for Applied Behavioral Analysis	17,173
18	00326	Koreatown Youth and Community Center, Inc.	4,690
19	00317	LAMP, Inc.	14,697
20	00315	Los Angeles Unified School District	180,767
21	01034	Maryvale	684,311
22	00971	McKinley Children's Center, Inc.	902,843
23	00859	One in Long Beach, Inc.	475
24	00881	Pasadena Unified School District	43,026
25	00805	Phoenix Houses of Los Angeles, Inc.	2,535
26	00558	SHIELDS for Families	70,175
27	00212	Social Model Recovery Systems, Inc.	105,094
28	00213	South Bay Children's Health Center Association, Inc.	783
29	00506	South Central Health & Rehabilitation Program (SCHARP)	60,762
30	00784	St. Francis Medical Center	206,281
31	00217	St. John's Hospital and Health Center	227,341
32	00218	St. Joseph Center	11,123
33	01156	Tarzana Treatment Center, Inc.	865
34	00108	Telecare Corporation	360,394
35	01066	The Children's Center of the Antelope Valley	14,875
36	00472	The Devereux Foundation dba Devereux California	153,466
37	00198	The Help Group Child & Family Center	192,129
38	00199	The Los Angeles Child Guidance Clinic	27,325
39	00304	The Los Angeles Gay and Lesbian Community Services Center	10,796
40	00984	The Regents of the University of California - UCLA Ties for Adoption	28,783
41	01129	The Rehab Program at PRCC, Inc.	5,557
42	00630	Topanga-Roscoe Corporation dba Topanga West Guest Home	5,984
43	00219	Transitional Living Centers for LA County, Inc.	5,022
44	00220	United Cambodian Community, Inc.	37
45	00221	Verdugo Mental Health Center	379,054
46	01044	VIP Community Mental Health Center, Inc.	138,687
47	00196	Vista Del Mar Child and Family Services (Jewish Orphans)	287,095
48	00328	Work Orientation and Rehabilitation Center (merged with BRIDGES)	193
		rounding	162
		Subtotal Contract Providers	\$ 6,281,485
		GRAND TOTAL FOR DHS & CONTRACT PROVIDERS	\$ 6,653,000

LOS ANGELES COUNTY - DEPARTMENT OF MENTAL HEALTH						
FINANCIAL SERVICES BUREAU						
PROGRAM RECOVERY, SETTLEMENT, AND AUDIT DIVISION						
SD/MC-EPST Settlement Report						
FY 2002-2003						
Count	L.E. Number	Legal Entity Name	Maximum Contract Amount (MCA)	Increase to MCA	New MCA	
1	00177	Alcott Center for Mental Health Services (Beverlywood)	1,179,492	20,083	1,199,575	
2	00779	Counseling & Research Associates, Inc., dba Masada Homes	6,055,672	915,604	6,971,276	
3	00778	D'Veal Corporation, dba D'Veal Family and Youth Services	3,802,614	119,604	3,922,218	
4	00995	Ettie Lee Homes, Inc.	1,583,279	39,369	1,622,648	
5	00300	For The Child, Inc. (Cedar House)	562,115	15,100	577,215	
6	00508	Homes for Life Foundation	706,012	25,610	731,622	
7	00326	Koreatown Youth and Community Center, Inc.	332,000	3,462	335,462	
8	01034	Maryvale	2,365,067	684,310	3,049,377	
9	00971	McKinley Children's Center, Inc.	2,383,239	872,605	3,255,844	
10	00506	South Central Health & Rehabilitation Program (SCHARP)	5,037,453	60,762	5,098,215	
11	00217	St. John's Hospital and Health Center	2,541,000	143,073	2,684,073	
12	00984	The Regents of the University of California - UCLA Ties for Adoption	744,559	6,566	751,125	
13	00221	Verdugo Mental Health Center	5,157,055	240,511	5,397,566	
		GRAND TOTAL	32,449,557	3,146,659	35,596,216	