

COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

FACT SHEET

**APPROVAL TO INCREASE THE ACUTE PSYCHIATRIC INPATIENT DAY RATE
FOR FEE-FOR-SERVICES MEDI-CAL PSYCHIATRIC INPATIENT HOSPITALS FOR
FISCAL YEARS 2008-09 AND 2009-10
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Approve Amendments to increase the acute psychiatric inpatient day rate by ten percent for Fee-For-Services Medi-Cal psychiatric inpatient hospitals.

REQUEST

Approve and authorize the Director of Mental Health, or his designee, to prepare and execute amendments to increase the acute psychiatric inpatient day rate (hereafter, referred to as acute day rate) by ten percent for an estimated amount of \$4,255,000 for the contracted Fee-For Services (FFS) Medi-Cal psychiatric inpatient hospitals, effective November 5, 2008 for Fiscal Years (FYs) 2008-09 and 2009-10.

PURPOSE/JUSTIFICATION

Board approval is requested to amend the existing FFS Medi-Cal psychiatric inpatient hospital Agreements to increase the acute day rate by ten percent.

Contract hospitals have requested a rate increase to keep up with the rising cost of hospital care. The rate increase will allow contract hospitals to continue providing quality service to the Los Angeles County Medi-Cal population. Some of the contracted hospitals have expressed concern about remaining solvent and keeping their psychiatric units open should the acute rate not be increased. Closing acute psychiatric inpatient units at contracted hospitals will limit access to vital psychiatric inpatient services.

Furthermore, the State mandates that Los Angeles County Department of Mental Health (DMH) have available acute psychiatric inpatient hospital beds and services for Los Angeles County Medi-Cal beneficiaries.

BACKGROUND

For FY 2007-08, 2008-09 and 2009-10, DMH will contract with potentially 28 psychiatric inpatient hospitals (negotiations are ongoing with three hospitals) for the provision of State-mandated acute psychiatric inpatient hospital services to Los Angeles County Medi-Cal beneficiaries.

The inpatient FFS Medi-Cal system exists under medical necessity criteria established in Title 9 CCR, Chapter 11, Section 1820.205. It provides facility and practitioner reimbursement for inpatient services to Medi-Cal beneficiaries who are a danger to self, others, or unable to provide for their own food, clothing, or shelter as a result of mental illness.

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