

COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

F A C T S H E E T

**APPROVAL OF REQUEST TO DISBURSE PAYMENT TO FEE-FOR-SERVICE
ORGANIZATIONAL MENTAL HEALTH SERVICES AGREEMENT – LEGAL ENTITY
WITH MULTISERVICE FAMILY CENTER, INC.
FOR FISCAL YEARS 2003-2004 AND 2004-2005
(SUPERVISORIAL DISTRICT 2)**

REQUEST

Approve and authorize the Director of Mental Health or his designee to prepare, sign, and execute amendments, to pay on a one-time basis, Multiservice Family Center, Inc. (MFC, Inc.), a Fee-For-Service (FFS) organizational mental health service provider, for specialty mental health services delivered in Fiscal Years (FYs) 2003-2004 and 2004-2005, pending audit resolution. This request will enable the Department of Mental Health (DMH) to reimburse MFC, Inc., in the amount of \$5,497.20 for FY 2003-2004, and \$12,639.24 for FY 2004-2005 for a combined total of \$18,136.44 that is fully funded with the FY 2004-2005 Adopted Budget's settlement funds.

CONTRACTOR

MFC, Inc. is located in 101 North La Brea Avenue, Suite 301, Inglewood, California 90301. It provides services in Mental Health Service Area 8, Supervisorial District 2. MFC, Inc. submitted claims that were paid at an incorrect rate due to billing system transition to Health Insurance Portability and Accountability Act (HIPAA) compliant claim processing.

DMH is working aggressively to make improvements to the IS to improve the workflow for contract providers, as well as make other system improvements.

DMH proposes to utilize \$18,136.44 from the FY 2004-2005 Adopted Budget's claims settlements fund account of \$841,000 to pay MFC, Inc., for specialty mental health services provided in FYs 2003-2004 and 2004-2005.

INTENT

Board approval of this request will authorize DMH to reimburse the balance of \$18,136.44 due to MFC, Inc., pending audit resolution. DMH will be reimbursed by the State of this difference in rate at a future date.

JUSTIFICATION

The financial impact for the claims during the April 2004 through September 2004 months of service is \$18,136.44. DMH will assume financial liability until such time that

the State adjusts the payment to the correct rate for claims processing related errors associated with the transition of HIPAA-compliant claiming that resulted in erroneous payment of otherwise valid specialty mental health services claims. However, the State will not reconcile and settle these claims until approximately June 2006 for FY 2003-2004 services and June 2007 for FY 2004-2005 services.

This action will generate goodwill in the provider community, which will translate into increased access to mental health care by Los Angeles County Medi-Cal eligible beneficiaries.

There is no increase in net County cost.

CONTRACTING PROCESS

This subject does not apply.