

COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH

F A C T S H E E T

**HEARING ON DEPARTMENT OF MENTAL HEALTH'S
PUBLISHED CHARGES FOR FISCAL YEARS 2005-2006 AND 2006-2007
(ALL SUPERVISORIAL DISTRICTS)**

REQUEST

1. Request Board approval of the Department of Mental Health's (DMH) revised Published Charges (Attachment I) for Fiscal Year (FY) 2005-2006, effective June 1, 2006, to adjust rates based on DMH's mid-year evaluation of published rates.
2. Request Board approval of DMH's proposed Published Charges (Attachment II) for FY 2006-2007, effective July 1, 2006, in order to comply with Federal Short-Doyle/Medi-Cal (SD/MC) Lower of Cost or Charges (LCC) reimbursement and routine cost requirements.

PURPOSE/JUSTIFICATION

Board approval is required to revise the FY 2005-2006 Published Charges, which were previously adopted by the Board on June 28, 2005, for patient care services to allow DMH to use more recent cost report information and the most recent State Maximum Allowable (SMA) rates adjusted by the Life Support Index. Failure to increase rates at this time will result in reduced revenue since charges are currently less than actual cost.

Additionally, Board action is required to ensure that Published Charges for FY 2006-2007 are established to assure compliance with Medi-Cal requirements. The recovery of Federal revenues in compliance with State and Federal regulations necessitates that Published Charges be established at least annually. Federal requirements stipulate that Published Charges are to be determined at the Countywide level. The recommended Published Charges comply with SD/MC audit requirements.

BACKGROUND

At the time the Published Charges for FY 2005-2006 were calculated, DMH used various information, including the available cost report information and the SMA rates adjusted by the Life Support Index. Since that time, it became apparent to DMH that the cost per unit as compared to current billing rates indicated that the FY 2005-2006 rates should be revised based on most recent available information. Consequently, DMH revised the rates for FY 2005-2006, using more recent cost report information and updated SMA rate information.

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FY 05-06 Published Charges
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Published Charges for FY 2006-2007 were developed using actual cost report data for FY 2004-2005. The cost report data was adjusted by the Federal Home Health Agency Market Basket Index.

In FY 2003-2004, the Board approved DMH's revised Published Charges on October 28, 2003, permitting DMH to reflect two (2) sets of rates, a rate for Medi-Cal and a rate for non-Medi-Cal responsible financial parties. The non-Medi-Cal rates include administrative overhead costs for all services that are billed to non-Medi-Cal responsible financial parties. For Medi-Cal plans, the methodology to calculate the Published Charges to bill Medi-Cal plans remains the same as originally approved by the Board on June 24, 2003. The rates for Medi-Cal plans do not include administrative overhead costs. Medi-Cal administrative costs are reimbursed through a separate and specific mandated State reimbursement methodology.

DMH's Health Insurance Portability and Accountability Act (HIPAA) compliant Integrated System has the capability to bill one (1) rate for SD/MC claims and another rate for all other funding plans, thereby ensuring that DMH is in compliance with Federal requirements

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 ten (10) days prior to the public hearing.

RK:KT:mm

Attachments (2)

**COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH
FISCAL YEAR 2005-2006 REVISED PUBLISHED CHARGES
EFFECTIVE JUNE 1, 2006**

| SERVICE DESCRIPTION | MODE | SERVICE FUNCTION CODE | SERVICE UNIT | NON-MEDI-CAL 05/06 RATES | MEDI-CAL 05/06 RATES |
|--------------------------------------|-------------|--------------------------------------|---------------------|-------------------------------------|---------------------------------|
| Jail Inpatient | 05 | 50 - 59 | Client Day | \$313.60 | N/A |
| Day Treatment Intensive: | | | | | |
| Half Day (3-4 Hours) | 10 | 81 - 84 | Half Day | \$177.30 | \$156.46 |
| Full Day (more than 4 hours) | 10 | 85 - 89 | Full Day | \$230.07 | \$203.03 |
| Day Rehabilitation: | | | | | |
| Half Day (3-4 Hours) | 10 | 91 - 94 | Half Day | \$95.55 | \$84.32 |
| Full Day (more than 4 hours) | 10 | 95 - 99 | Full Day | \$149.15 | \$131.62 |
| Targeted Case Management Services | 15 | 01 - 09 | Minute | \$2.20 | \$1.94 |
| Mental Health Services | 15 | 10 - 59 | Minute | \$2.82 | \$2.49 |
| Medication Support Services | 15 | 60 - 69 | Minute | \$5.47 | \$4.83 |
| Crisis Intervention | 15 | 70 - 79 | Minute | \$4.41 | \$3.89 |
| Mental Health Promotion | 45 | 10 - 19 | Staff Hour | \$228.98 | N/A |
| Community Client Services | 45 | 20 - 29 | Staff Hour | \$211.35 | N/A |
| Medi-Cal Admin. Activities (MAA) | 55 | 01 - 39 | Minute | N/A | \$1.93 |
| Conservatorship, Investigation | 60 | 20 - 29 | Staff Hour | \$168.94 | N/A |
| Administration | 60 | 30 - 39 | Staff Hour | \$168.94 | N/A |
| Life Support/Board & Care | 60 | 40 - 49 | Day | \$40.43 | N/A |
| Case Management Support | 60 | 60 - 69 | Staff Hour | \$114.36 | N/A |

**COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH
FISCAL YEAR 2006-2007 PUBLISHED CHARGES
EFFECTIVE JULY 1, 2006**

| SERVICE DESCRIPTION | MODE | SF CODE | SERVICE UNIT | NON-MEDI-CAL 06/07 RATES | MEDI-CAL 06/07 RATES |
|--------------------------------------|-------------|----------------|---------------------|-------------------------------------|---------------------------------|
| Jail Inpatient | 05 | 50 - 59 | Client Day | \$323.94 | N/A |
| Day Treatment Intensive: | | | | | |
| Half Day (3-4 Hours) | 10 | 81 - 84 | Half Day | \$183.14 | \$161.62 |
| Full Day (more than 4 hours) | 10 | 85 - 89 | Full Day | \$237.66 | \$209.73 |
| Day Rehabilitation: | | | | | |
| Half Day (3-4 Hours) | 10 | 91 - 94 | Half Day | \$98.70 | \$87.10 |
| Full Day (more than 4 hours) | 10 | 95 - 99 | Full Day | \$154.07 | \$135.96 |
| Targeted Case Management Services | 15 | 01 - 09 | Minute | \$2.27 | \$2.00 |
| Mental Health Services | 15 | 10 - 59 | Minute | \$2.91 | \$2.57 |
| Medication Support Services | 15 | 60 - 69 | Minute | \$5.65 | \$4.99 |
| Crisis Intervention | 15 | 70 - 79 | Minute | \$4.56 | \$4.02 |
| Mental Health Promotion | 45 | 10 - 19 | Staff Hour | \$236.54 | N/A |
| Community Client Services | 45 | 20 - 29 | Staff Hour | \$218.32 | N/A |
| Medi-Cal Admin. Activities (MAA) | 55 | 01 - 39 | Minute | N/A | \$1.99 |
| Conservatorship, Investigation | 60 | 20 - 29 | Staff Hour | \$174.51 | N/A |
| Administration | 60 | 30 - 39 | Staff Hour | \$174.51 | N/A |
| Life Support/Board & Care | 60 | 40 - 49 | Day | \$41.77 | N/A |
| Case Management Support | 60 | 60 - 69 | Staff Hour | \$118.13 | N/A |