



Health Service
LOS ANGELES COUNTY

December 30, 2008

**Los Angeles County
Board of Supervisors**

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John F. Schunhoff, Ph.D.
Interim Director

Robert G. Splawn, M.D.
Interim Chief Medical Officer

TO: Each Supervisor

FROM: John F. Schunhoff, Ph.D.
Interim Director

SUBJECT: **DHS PARTICIPATION IN MEDICARE MODERNIZATION
ACT (MMA) SECTION 1011 PROGRAM**

On January 19, 2006, the Department submitted its first status report on our progress to enroll and participate in the MMA Section 1011 program which provides partial federal reimbursement for emergency services provided to undocumented immigrants. This is the latest in a series of periodic reports to inform your Board of our participation in this program.

On November 26, 2008, the Department received approximately \$2.1 million in reimbursement for Section 1011 program services provided during the Second Quarter of Federal Fiscal Year (FFY) 2008. This represents the largest single quarter reimbursement since the Third Quarter FFY 2006. Total Section 1011 program reimbursement to date (for the eleven participating quarters) exceeds \$23.0 million. Please see the attached Section 1011 billing and reimbursement schedule for more information.

As discussed in previous reports, the Section 1011 program was scheduled to terminate effective September 30, 2008 with the processing of claims for the Fourth Quarter FFY 2008. However, on the basis of a projected surplus of available Section 1011 funds, CMS has extended the program one additional quarter to include dates of service provided October 1 through December 31, 2008 (First Quarter FFY 2009). The Department will continue its billing activities through August 28, 2009 which is the payment date for eligible services provided for the additional quarter of extended Section 1011 services.

The Department is continuing its work with County Counsel and outside legal counsel to determine the impact of Medi-Cal Redesign on receipt of Section 1011 reimbursement. On December 19, 2008, the Center for Medicare and Medicaid Services released a final rule on auditing and reporting for Disproportionate Share Hospital (DSH) Payments under the State Medicaid Program, which specifically addresses how Section 1011 payments are handled in the DSH limit calculations. I will advise the Board if this rule produces any negative impact on Section 1011 reimbursement.

The Department will continue to provide periodic reports to the Board on its participation in the Section 1011 program.

Please let me know if you have questions or require additional information.

JFS:lg (1FORD\IMMA SEC 1011\BOARD STATUS REPORTS\FINAL REPORTS\STATUS REPORT NO. 14 (12-30-08)
610:001

Attachment

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

www.dhs.lacounty.gov

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COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES
MMA SECTION 1011 BILLING AND REIMBURSEMENT SUMMARY
Fourth Quarter FFY 2005 – Fourth Quarter FFY 2007
(Dates of Service July 1, 2005 through December 31, 2007)

| Federal Fiscal Year (Quarter) | Dates of Service | Total Claims Submitted | Total Gross Charges (Billed) | Total Billed Days | Average Reimbursement/Claim | Payment Date | Total Reimbursement¹ |
|--------------------------------------|--------------------------------------|-------------------------------|-------------------------------------|--------------------------|------------------------------------|---------------------------|--|
| Fourth Quarter FFY 2005 | July 1, 2005 to September 30, 2005 | 903 | \$12,412,965 | 1,683 | \$2,619 | May 29, 2006 | \$2,364,836 ² |
| First Quarter FFY 2006 | October 1, 2005 to December 30, 2005 | 1,417 | \$15,225,675 | 2,194 | \$1,705 | August 28, 2006 | \$2,416,185 ² |
| Second Quarter FFY 2006 | January 1, 2006 to March 31, 2006 | 1,048 | \$11,930,683 | 1,714 | \$2,974 | November 27, 2006 | \$3,117,348 ² |
| Third Quarter FFY 2006 | April 1, 2006 to June 30, 2006 | 921 | \$13,366,513 | 1,826 | \$3,466 | February 26, 2007 | \$3,191,822 ² |
| Fourth Quarter FFY 2006 | July 1, 2006 to September 30, 2006 | 838 | \$ 9,747,851 | 1,449 | \$2,499 | May 28, 2007 | \$2,094,219 ² |
| First Quarter FFY 2007 | October 1, 2006 to December 31, 2006 | 467 | \$ 5,851,230 | 818 | \$2,765 | August 28, 2007 | \$1,291,042 ² |
| Second Quarter FFY 2007 | January 1, 2007 to March 31, 2007 | 440 | \$ 6,169,519 | 830 | \$2,752 | November 26, 2007 | \$1,210,679 ² |
| Third Quarter FFY 2007 | April 1, 2007 to June 30, 2007 | 679 | \$8,693,288 | 1,223 | \$2,383 | February 25, 2008 | \$1,618,228 ² |
| Fourth Quarter FFY 2007 | July 1, 2007 to September 30, 2007 | 605 | \$7,602,583 | 1,094 | \$2,650 | May 27, 2008 | \$1,603,430 ² |
| First Quarter FFY 2008 | October 1, 2007 to December 31, 2007 | 809 | \$9,240,400 | 1,414 | \$2,438 | August 27, 2008 | \$1,972,106 ² |
| Fourth Quarter FFY 2008 | July 1, 2008 to September 30, 2008 | 772 | \$9,212,098 | 1,365 | \$2,778 | November 27, 2008 | \$2,144,970 ² |
| Total-to-Date | | 8,899 | \$109,452,805 | 15,610 | \$2,587 | Total all Quarters | \$23,024,865³ |

1. Reimbursement (includes both hospital and psychiatric ER services) is based on a combined Medicare Cost Report-TrailBlazer methodology which has provided an average reimbursement rate to date of 21.04%
2. Paid claims are subject to eligibility compliance and medical review that can result in repayment of a paid claim denied by TrailBlazer as part of its compliance and medical review final determination process
3. If it is determined that provisions of the proposed State Medi-Cal Redesign (or other reform proposals) preclude claiming for Section 1011 services the Department will make arrangements to return some or all of the Section 1011 payments received