COUNTY OF LOS ANGELES

MARVIN J. SOUTHARD, D.S.W.
Director

SUSAN KERR
Chief Deputy Director

RODERICK SHANER, M.D.
Medical Director

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

BOARD OF SUPERVISORS
GLORIA MOLINA
YVONNE B. BURKE
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DEPARTMENT OF MENTAL HEALTH

http://dmh.lacounty.info

Reply To: (213) 738-4601
Fax: (213) 381-1297

May 5, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

HEARING ON DEPARTMENT OF MENTAL HEALTH'S PUBLISHED CHARGES FOR FY 2005-2006 (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve the attached the Department of Mental Health's (DMH) Published Charges (Attachment I) for Fiscal Year (FY) 2005-2006, effective July 1, 2005, in order to comply with Federal Short-Doyle/Medi-Cal (SD/MC) Lower of Cost or Charges reimbursement (LCC) and routine cost requirements.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Board action is required to ensure that Published Charges 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, which took effect on July 1, 1992.

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.

Implementation of Strategic Plan Goals

The recommended Board action is consistent with the principles of the Countywide Strategic Plan Organizational Goal No. 4, "Fiscal Responsibility". This action will ensure that Published Charges are in compliance with Medi-Cal requirements thereby averting Federal LCC audit disallowances.

FISCAL IMPACT/FINANCING

The subject does not apply.

Federal LCC audit disallowances will be avoided because of compliance with Medi-Cal regulations. DMH has not included any charges, which are set by either State or Federal agencies, for which it has no jurisdictional rate setting authority. DMH will bill those charges as directed by those authorities.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The Published Charges for FY 2005-2006 were developed using actual cost report data for FY 2003-2004. This 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, to permit 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 will be 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.

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 10 days prior to the public hearing.

CONTRACTING PROCESS

The subject does not apply since DMH's Published Charges apply only to DMH's directly operated clinics.

IMPACT ON CURRENT SERVICES

The recommended Published Charges will become effective July 1, 2005. Failure to establish new annual Published Charges will result in reduced revenues from non-Medi-Cal, Medi-Cal, and Healthy Families plans and/or if the charges are less than actual costs.

CONCLUSION

The Department of Mental Health will need one (1) copy of the adopted Board action. It is requested that the Executive Officer of the Board notifies the Department of Mental Health's Contracts Development and Administration Division at (213) 738-4684 when this document is available.

Respectfully submitted,

Marvin J. Southard, D.S.W.
Director of Mental Health

MJS:GSK:AD:aw

Attachment

c: Chief Administrative Officer
County Counsel
Auditor-Controller
Chairperson, Mental Health Commission

BL-PUBLISHED CHARGES RATES FY 05-06

Attachment I

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

SERVICE DESCRIPTION	MODE	SF CODE	SERVICE UNIT	NON-MEDI-CAL 05/06 RATES	MEDI-CAL 05/06 RATES
Jail Inpatient	05	50 - 59	Client Day	280.47	N/A
Day Treatment Intensive:					
Half Day (3-4 Hours)	10	81 - 84	Half Day	155.05	136.51
Full Day (more than 4 hours)	10	85 - 89	Full Day	201.20	177.14
Day Rehabilitation:					
Half Day (3-4 Hours)	10	91 - 94	Half Day	83.58	73.58
Full Day (more than 4 hours)	10	95 - 99	Full Day	130.44	114.84
Targeted Case Management	15	01 - 09	Minute	1.95	1.71
Mental Health Services	15	10 - 59	Minute	2.49	2.19
Medication Support Srvs	15	60 - 69	Minute	4.80	4.23
Crisis Intervention	15	70 - 79	Minute	3.87	3.41
Mental Health Promotion	45	10 - 19	Staff Hour	204.30	N/A
Community Client Services	45	20 - 29	Staff Hour	188.57	N/A
Medi-Cal Admin. Activities	55	01 - 39	Minute	N/A	1.72
Conservatorship,					
Investigation	60	20 - 29	Staff Hour	145.11	N/A
Administration	60	30 - 39	Staff Hour	145.11	N/A
Life Support/Board & Care	60	40 - 49	Day	27.98	N/A
Case Management Support	60	60 - 69	Staff Hour	102.05	N/A

file: 05-06 published charges schedule (M. Boyle)

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DEPARTMENT OF MENTAL HEALTH

http://dmh.co.la.ca.us

May 5, 2005

LEGAL NOTICE OF HEARING

TO: Violet Varona-Lukens
Executive Officer, Board of Supervisors

FROM: Marvin J. Southard, D.S.W.
Director of Mental Health

SUBJECT: **PUBLIC NOTICE OF HEARING ON PROPOSED BILLING RATES FOR FISCAL YEAR 2005-2006**

Publishing

This matter has been set for public hearing at the regular Board meeting on May 24, 2005. Pursuant to Government Code Section 6062a, notice of this hearing must be published twice, in a newspaper, which is published once a week or more often. The first publication must be no later than _____, 2005 and the second at least six days thereafter.

Please publish the attached public notice, which has been reviewed and approved by Stephanie Farrell, Deputy County Counsel, and retain the listing of recommended billing rates for your files.

If you have any questions or require additional information, please contact me, or your staff may contact Gurubanda Singh Khalsa, Finance Specialist, at (213) 738-4608.

MJS:GSK:AD:aw

Attachment

c: Gurubunda Singh Khalsa

Hearing notice 2005-06 rates

NOTICE OF HEARING ON PROPOSED PUBLISHED CHARGES FOR PATIENT CARE SERVICES

Notice is hereby given that a public hearing will be held by the Board of Supervisors, establishing revised rates for patient care services for Fiscal Year 2005-2006. It is proposed that such rates be made effective July 1, 2005.

Said hearing will be held on May 24, 2005, at 9:30 a.m., in the Hearing Room of the Board of Supervisors, Room 381, Kenneth Hahn Hall of Administration, 500 West Temple Street (the corner of Temple Street and Grand Avenue), Los Angeles, California 90012.

The Board of Supervisors will consider and may adopt the Published Charges. Further, notice is given that the Board of Supervisors may continue this hearing from time to time.

Any person wishing to be heard on this matter may appear and make a presentation before the Board of Supervisors, at such time, regarding these proposed Published Charges. Written comments may be sent to the Executive Office of the Board of Supervisors at the above address.

The proposed Published Charges will be on file and available for review at the Clerk of the Board, Room 383, Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012, or at the Department of Mental Health, Accounting Division, 8th Floor, 550 South Vermont Avenue, Los Angeles, California 90020, from 8:00 a.m. to 5:00 p.m.

For further information regarding this matter, please telephone the County of Los Angeles, Department of Mental Health, Financial Services Bureau, at (213) 738-4717.

Si no entiende esta noticia o si necesita mas informacion favor de llamar a este numero (213) 738-4717.

VIOLET VARONA-LUKENS
EXECUTIVE OFFICER
Board of Supervisors

MJS:GSK:AD:aw

Public notice 2005-06 rates