COUNTY OF LOS ANGELES

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

SHEILA A. SHIMA
Chief Deputy Director

RODERICK SHANER, M.D.
Medical Director

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

Reply To: (213) 738-4601
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BOARD OF SUPERVISORS
GLORIA MOLINA
YVONNE B. BURKE
ZEV YAROSLAVSKY
DON KNABE
MICHAEL D. ANTONOVICH

DEPARTMENT OF MENTAL HEALTH

http://dmh.lacounty.gov

June 7, 2007

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:

APPROVAL OF AMENDMENTS TO EXISTING MENTAL HEALTH SERVICES CONTRACT ALLOWABLE RATE FEE-FOR-SERVICES MEDI-CAL ACUTE PSYCHIATRIC INPATIENT HOSPITAL SERVICES AGREEMENTS TO IMPLEMENT STATE-MANDATED RATE INCREASE FOR FISCAL YEAR 2006-07
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and delegate authority to the Director of Mental Health or his designee to prepare, sign, and execute amendments to twenty-eight (28) Mental Health Services Contract Allowable Rate Fee-For-Services (FFS) Medi-Cal Acute Psychiatric Inpatient Hospital Services Agreements with current contracted FFS Medi-Cal Acute certified inpatient hospitals, as listed in Attachment I and substantially similar in format to Attachment II, for Fiscal Year (FY) 2006-07 only. These amendments will be effective August 1, 2006, and will allow the Department of Mental Health (DMH) to comply with a directive issued by the California Department of Mental Health (CDMH) to all counties to increase the administrative day rate of payment reimbursement, from $374.75 to $388.35, to contracted FFS Medi-Cal Acute certified inpatient hospitals that provide acute psychiatric inpatient services and administrative day services to the residents of the County of Los Angeles. The administrative day rate increase will be funded with the State Managed Care allocation included in DMH's FY 2006-07 Adopted Budget.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Pursuant to CDMH's directive issued on September 27, 2006, to counties (Attachment III), Board approval is required to implement this mandated administrative day rate increase effective August 1, 2006, as established by the California Department of Health Services (CDHS) and authorized pursuant to Sections 1820.110, 1820.115, and 51542, Title 9, California Code of Regulations (CCR).

Implementation of Strategic Plan Goals

The recommended Board action is consistent with the principles of the Countywide Strategic Plan Organizational Goal No. 7, "Health and Mental Health." Board approval will strengthen accessibility to contracted FFS Medi-Cal acute certified inpatient hospitals through the collaboration of government agencies and community-based hospitals.

FISCAL IMPACT/FINANCING

There is no increase in net County cost.

DMH will finance the administrative day rate increase in the amount of $214,185 with the State Managed Care allocation included in DMH's FY 2006-07 Adopted Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The State mandated counties to implement an increase in the administrative day rate for FFS Medi-Cal acute psychiatric inpatient hospital contactors dated September 27, 2006.

On December 20, 1994, your Board approved Los Angeles County's participation in the FFS Medi-Cal acute psychiatric inpatient hospital services consolidation and the transfer of State General Fund Medi-Cal match dollars to the County for payment of services and administration of the program. Chapter 633 (AB 757) of statutes of 1994 authorized the transfer of State funding for FFS Medi-Cal acute psychiatric inpatient hospital services from CDHS to CDMH.

These amendments will be effective August 1, 2006, due to FY 2006-07 notification of this rate change by CDMH. These agreements do not contain a maximum contract amount but specify contract allowable rates per day for acute psychiatric inpatient

hospital services and administrative day services. Prior to authorization of payment, all services provided are subject to the Treatment Authorization Request review process.

The Amendment format has been approved as to form by County Counsel. The Chief Administrative Office has reviewed the proposed action. Clinical and administrative staff of DMH will continue to administer and supervise the agreements, evaluate programs to ensure that quality services are being provided to clients, and ensure that Agreement provisions and departmental policies are being followed.

IMPACT ON CURRENT SERVICES

Board approval will allow FFS Medi-Cal psychiatric inpatient hospital contractors to maintain levels of administrative day services to severely mentally ill clients who reside throughout the County of Los Angeles.

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 notify the Department of Mental Health 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:RS:RK:PW
Attachments (3)

c: Chief Administrative Office
County Counsel
Chairperson, Mental Health Commission

OV:Board Letter Rate increase FFS Hospitals 5-21-07

ATTACHMENT I

COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH
CONTRACTS DEVELOPMENT AND ADMINISTRATION DIVISION

LIST OF FEE-FOR-SERVICES MEDI-CAL PSYCHIATRIC INPATIENT HOSPITALS
ADMINISTRATIVE DAY RATE INCREASE
FOR FISCAL YEAR 2006-07

CONTRACTOR	SUPV. DIST.	SERVICE AREA	CONTRACTOR PSYCHIATRIC BED CAPACITY ADULT	CHILD	ADOL.	TOTAL	TYPE OF HOSPITAL	AGREEMENT TERM	CURRENT CONTRACT ALLOWABLE RATE **ADS	PROPOSED CONTRACT ALLOWABLE RATE **ADS
Antelope Valley Hospital 1600 West Avenue J Lancaster, CA 93534 (1)	5	1	10	-	-	10	+GACH	7/1/06 - 6/30/07	$ 374.75	$ 388.35
Aurora Charter Oak Hospital 1161 E. Covina Boulevard Covina, CA 91724 (2)	5	3	50	-	32	82	++APH	7/1/06 - 6/30/07	$ 374.75	$ 388.35
Aurora Las Encinas Hospital 2900 E. Del Mar Boulevard Pasadena, CA 91107 (3)	5	3	125	-	13	138	++APH	7/1/06 - 6/30/07	$ 374.75	$ 388.35
Bellflower Medical Center 9542 E. Artesia Boulevard Bellflower, CA 90706 (4)	4	7	32	-	-	32	+GACH	7/1/06 - 6/30/07	$ 374.75	$ 388.35
BHC Alhambra Hospital 4619 Rosemead Boulevard Rosemead, CA 91770 (5)	1	3	51	34	-	85	++APH	7/1/06 - 6/30/07	$ 374.75	$ 388.35
Brotman Medical Center 3828 Delmas Terrace Culver City, CA 90231 (6)	2	5	70	-	-	70	+GACH	7/1/06 - 6/30/07	$ 374.75	$ 388.35

* Acute Psychiatric Inpatient Hospital Services (APIHS)
** Administrative Services (ADS)
\+ General Acute Care Hospital (GACH)
++ Acute Psychiatric Hospital (APH)
+++ Child beds included in Adolescent (ADOL.) column

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Cedars-Sinai Medical Center 116 N. Robertson Blvd. Suite 909 Los Angeles, CA 90048 (7)	3	4	51	-	-	51	+GACH	7/1/06-6/30/07	$ 374.75	$ 388.35
Citrus Valley Medical Center- Inter Community Campus 210 W. San Bernadino Road Covina, CA 91723 (8)	1	3	30	-	-	30	+GACH	7/1/06 - 6/30/07	$ 374.75	$ 388.35
College Hospital-Cerritos 10802 College Place Cerritos, CA 90703 (9)	4	7	90	14	30	134	++APH	7/1/06 - 6/30/07	$ 374.75	$ 388.35
College Hospital-Costa Mesa 301 Victoria Street Costa Mesa, CA 92627 (10)	Orange County	Orange County	64	-	17	81	+GACH	7/1/06 - 6/30/07	$ Orange County	$ Orange County
Community Hospital of Long Beach 1720 Termino Avenue Long Beach, CA 90804 (11)	4	8	17	6	-	23	++APH	7/1/06 - 6/30/07	$ 374.75	$ 388.35
Del Amo Hospital, Inc. 23700 Camino Del Sol Torrance, CA 90505 (12)	4	8	146	20	-	166	++APH	7/1/06 - 6/30/07	$ 374.75	$ 388.35

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East Valley Glendora Hospital, L.P. 150 West Route 66 Glendora, CA 91740 (13)	3	5	21	-	-	21	++APH	7/1/06 - 6/30/07	$ 374.75	$ 388.35
Encino – Tarzana Regional Medical Center, Encino Hospital 16237 Ventura Boulevard Encino, CA 91436 (14)	3	2	14	-	-	14	+GACH	7/1/06 - 6/30/07	$ 374.75	$ 388.35
Glendale Adventist Medical Center 1509 Wilson Terrace Glendale, CA 91206 (15)	5	2	60	-	-	60	+GACH	7/1/06 - 6/30/07	$ 374.75	$ 388.35
Huntington Memorial Hospital 100 W. California Boulevard Pasadena, CA 91109 (16)	5	3	54	-	-	54	+GACH	7/1/06 - 6/30/07	$ 374.75	$ 388.35
Intercare Health Systems, Inc. City of Angels Med. Ctr. – Ingleside Campus 1711 West Temple Street Los Angeles, CA 90026 (17)	5	3	70	-	-	70	++APH	7/1/06 - 6/30/07	$ 374.75	$ 388.35

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Little Company of Mary - San Pedro Hospital 4101 Torrance Boulevard Torrance, CA 90503 (18)	4	8	25	-	-	25	+GACH	7/1/06 - 6/30/07	$ 374.75	$ 388.35
Los Angeles Metropolitan Medical Center 2231 South Western Avenue Los Angeles, CA 90018 (19)	2	6	46	-	-	46	+GACH	7/1/06 - 6/30/07	$ 374.75	$ 388.35
Mission Community Hospital 14850 Roscoe Boulevard Panorama City, CA 91402 (20)	3	2	60	-	-	60	+GACH	7/1/06 - 6/30/07	$ 374.75	$ 388.35
Catholic Healthcare West Dba Northridge Hospital Medical Center-Roscoe Boulevard Campus 18300 Roscoe Boulevard Northridge, CA 91328 (21)	3	2	Varies with populaton		-		+GACH	7/1/06 - 6/30/07	$ 374.75	$ 388.35
Pacific Hospital of Long Beach 2776 Pacific Avenue Long Beach, CA 90806 (22)	4	8	36	-	-	36	+GACH	7/1/06 - 6/30/07	$ 374.75	$ 388.35
Pacifica Hospital of the Valley 9449 San Fernando Road Sun Valley, CA 91352 (23)	3	2	39	-	-	39	+GACH	7/1/06 - 6/30/07	$ 374.75	$ 388.35

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St. Francis Medical Center 3630 E. Imperial Highway Lynwood, CA 90262 (24)	2	6	40	-	-	40	+GACH	7/1/06 - 6/30/07	$ 374.75	$ 388.35
The Regents of The Univ. of California on behalf of UCLA Neuropsychiatric Hospital 10920 Wilshire Boulevard, Suite 1010 Los Angeles, CA 90024 (25)	3	4	20	-	19	39	++APH	7/1/06 - 6/30/07	$ 374.75	$ 388.35
USC University Hospital 15600 San Pablo Street Los Angeles, CA 90033 (26)	1	4	12	-	-	12	+GACH	7/1/06 - 6/30/07	$ 374.75	$ 388.35
Verdugo Hills Hospital 1812 Verdugo Boulevard Glendale, CA 91208 (27)	5	2	24	-	-	24	+GACH	7/1/06 - 6/30/07	$ 374.75	$ 388.35
White Memorial Medical Center 1720 E. Cesar Chavez Avenue Los Angeles, CA 90033 (28)	1	4	35	-	-	35	+GACH	7/1/06 - 6/30/07	$ 374.75	$ 388.35

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ATTACHMENT II

CONTRACT NO. _____

AMENDMENT NO. _____

THIS AMENDMENT is made and entered into this ___ day of _____, 2007, by and between the County of Los Angeles (hereafter "County") and _____ _____ (hereafter "Contractor").

WHEREAS, County and Contractor have entered into a written Agreement, dated December 7, 2004, identified as County Agreement No. _____, and any subsequent Amendments (hereafter collectively "Agreement"); and

WHEREAS, for Fiscal Year 2006-07, County and Contractor intend to amend Agreement only as described hereunder; and

WHEREAS, effective August 1, 2006, for Fiscal Year 2006-07, County and Contractor intend to amend the Mental Health Services Agreement Contract Allowable Rate Fee-For-Services Medi-Cal Acute Psychiatric Inpatient Hospital Services Agreement to increase the administrative day rate from $374.75 to $388.35 pursuant to a directive by the California Department of Mental Health (CDMH). CDMH mandates the rate increase for psychiatric inpatient hospitals providing administrative day services, as established by California Department of Health Services (CDHS) and authorized, pursuant to Sections 1820.110, 1820.115, and 51542, Title 9, California Code of Regulations.

NOW, THEREFORE, County and Contractor agree that Agreement shall be amended only as follows:

1. Paragraph 5 (FINANCIAL PROVISIONS), Subparagraph (2) shall be deleted in its entirety and the following substituted therefor:

(2) THREE HUNDRED EIGHTY-EIGHT AND 35/100 ($388.35) per day of service for each Beneficiary during the Initial Period of this Agreement as described in Paragraph 1 (TERM).

The CAR shall cover all services, including, but not limited to, medical ancillaries provided by Contractor to deliver a day of service of Administrative Day Services. Notwithstanding the foregoing, the CAR shall not include the cost of physician services and psychologist services rendered to Beneficiaries, nor shall it include the cost of transportation services incurred in providing Administrative Day Services. The cost of physician services, psychologist services, and transportation services shall not be reimbursed by the CAR.

Each Fiscal Year or portion thereof of the term of this Agreement, reimbursement for Psychiatric Inpatient Hospital Services shall be made on the basis of: (1) approximately fifty percent FFP funds which are paid by Fiscal Intermediary to Contractor pursuant to this Agreement; and (2) approximately fifty percent match from funds which are allocated by State for County specifically for Psychiatric Inpatient Hospital Services, which are paid by Fiscal Intermediary to Contractor pursuant to this Agreement, and which qualify as eligible FFP matching funds.

2. Contractor shall provide services in accordance with Contractor's Fiscal Year 2004-05 Contract Package for this Agreement and any addenda thereto approved in writing by Director.

3. Except as provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by County's Director of Mental Health or his designee, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
MARVIN J. SOUTHARD, D.S.W.
Director of Mental Health

_____
CONTRACTOR

By _____

Name _____

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT ADMINISTRATION:

DEPARTMENT OF MENTAL HEALTH

By _____
Chief, Contracts Development
and Administration Division

CALIFORNIA DEPARTMENT OF
Mental Health

1600 9th Street, Sacramento, CA 95814
(916) 654-2309

September 27, 2006

DMH INFORMATION NOTICE NO.: 06-10

TO: LOCAL MENTAL HEALTH DIRECTORS
LOCAL MENTAL HEALTH PROGRAM CHIEFS
LOCAL MENTAL HEALTH ADMINISTRATORS
COUNTY ADMINISTRATIVE OFFICERS
CHAIRPERSONS, LOCAL MENTAL HEALTH BOARDS

SUBJECT: ADMINISTRATIVE DAY RATES FOR FISCAL YEAR 2006-2007

This information notice is to notify you of the administrative day rates for Fiscal Year 2006-2007 for the Fee-for-Service/Medi-Cal (FFS/MC) hospitals only. The administrative day rate has changed from $374.75 to $388.35 effective August 1, 2006.

The Department of Mental Health (DMH) reimburses hospitals for Medi-Cal psychiatric inpatient services through either the Short-Doyle/Medi-Cal (SD/MC) claims reimbursement system or the Fee-for-Service/Medi-Cal (FFS/MC) claims reimbursement system administrated by Electronic Data Systems (EDS). The SD/MC claims reimbursement system is cost settled based on year end cost reports, whereas FFS/MC hospitals are reimbursed per diem rates that are not subject to cost settlement.

The rates for administrative day services are based on a rate established in accordance with Section 51542, Title 22, California Code of Regulations.

If you have any questions regarding the rate setting process, please contact Sharon Dorsey, Medi-Cal Operations Unit, at (916) 654-2528.

Sincerely,

original signed by:

STEPHEN W. MAYBERG, Ph.D.
Director

cc: Rollin Ives, Deputy Director, Program Compliance
Robin Mandella, Chief, Cost Reporting/Financial Support
Harriett Kiyan, Chief, Financial Services