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Fifth District

November 20, 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:

DEPARTMENT OF HEALTH SERVICES: APPLICATION FOR CALIFORNIA HEALTHCARE FOR INDIGENTS PROGRAM (CHIP) FUNDING FOR FISCAL YEAR 2007-08 (All Districts) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and direct the Chair to sign the attached application for CHIP Funding for Fiscal Year (FY) 2007-08 for the County of Los Angeles.

2. Delegate authority to the Director and Chief Medical Officer of Health Services (Director), or his designee to approve and sign the following CHIP reports and documents for FY 2007-08 consistent with, and/or substantially similar to the CHIP application:

   - Description of Proposed Expenditure Report
   - CHIP Standard Agreement
   - Actual Financial Data Report
   - Amendments to the above CHIP reports or documents, and all other necessary documentation to finalize the agreement

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

In approving these actions, the Board is 1) approving the County of Los Angeles' application for CHIP Funding for FY 2007-08, and 2) delegating authority to the Director to approve and sign all remaining CHIP reports and documents for the FY 2007-08 program.

The delegated authority includes approval of all necessary documentation to process and finalize the application and amendments to the CHIP reports or documents, provided the amendments do not cause any significant fiscal impact to the County, and will not significantly impact the County's compliance with the CHIP Financial Maintenance of Effort requirements.

Execution of the CHIP application is required by Welfare and Institution Code, Section 16940 et seq., under which each county must apply for CHIP funds and ensure compliance with the provisions of the CHIP program. Monthly payments of the County's CHIP allocation will begin once the State receives and approves the CHIP application and timely submission and approval of State required reports authorize the State to begin disbursing FY 2007-08 CHIP payments to the County of Los Angeles.

FISCAL IMPACT/FINANCING

The State issued the FY 2007-08 official CHIP distribution schedule. Los Angeles County anticipates receiving a total of approximately $12.0 million, including $11.0 million for the Department of Health Services (DHS) and $1.0 million for private hospitals and physicians. Adjustments to these amounts may occur once the State finalizes the CHIP allocation in accordance with the final State budget.

The anticipated CHIP revenue has been included in the Department's FY 2007-08 Final Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On October 2, 1989, AB 75 was enacted to implement the distribution of Proposition 99 Tobacco Tax revenues from the collection of increased taxes on tobacco products. AB 75 established CHIP, a program which appropriates and allocates Tobacco Tax funds to counties based primarily on each county's share of the financial burden of providing health services to those unable to pay.

Counties participating in CHIP are required to follow the CHIP application procedures, funding conditions, reporting requirements, and time frames established by the California Department of Health Services as a condition of receiving CHIP funds.

County Counsel and the Chief Executive Office have reviewed and approved the attached CHIP application for FY 2007-08 and will be requested to review and approve all subsequent CHIP documents.

This Department requires original signatures of the Board Chair on each of the two attached CHIP application, and a Board Adopted copy of this Board letter delegating authority to the Director to approve and sign all remaining CHIP reports and documents for FY 2007-08. Delegation beyond the current FY is not allowed by the State because a new CHIP application is submitted each year.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES

The County Hospital Services Funds will be used to provide to indigent patients such health care services as emergency services, obstetrics/gynecology, pediatrics, surgery, internal medicine, intensive care, and a complete range of diagnostic services. In addition, CHIP funds allocated to private hospitals and physicians will ensure continued access for indigent patients in the private sector.

Respectfully submitted,

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SRH:SS
DRJ:LT:lbm

Attachments (1)

c: County Counsel
Director and Chief Medical Officer, Department of Health Services

112007_DHS_CHIP Funding.bl

APPLICATION
FOR
CALIFORNIA HEALTHCARE FOR INDIGENTS PROGRAM FUNDING
FOR
FISCAL YEAR 2007-08

The County of Los Angeles (hereinafter called the County), hereby applies to the California Department of Public Health (hereinafter called the Department), for its allocation of fiscal year (FY) 2007-08 California Healthcare for Indigents Program (CHIP) funds (hereinafter called CHIP funds), determined according to Chapter 5 of Part 4.7 of Division 9 of the Welfare and Institutions (W&I) Code, commencing with Section 16940.

This Application contains the assurances that the County must make in order to receive its CHIP funds. In submitting this Application, the County hereby assures the Department that it will comply with all statutory provisions applicable to the receipt and use of these funds. In the event of subsequent statutory amendment or Budget Act language to W&I Code Section 16900 et seq., the amended statute will be controlling.
(W&I Code Section 16980 (a))

As a condition of receiving CHIP funds, the County assures that:

GENERAL REQUIREMENTS

1. (a) CHIP funds will be expended to supplement existing levels of services and will not be used to fund existing levels of services.
(Section 23 of Chapter 199, Statutes of 1996 - Assembly Bill [AB] 3487)

(b) CHIP funds will not be used to support health services provided to persons detained in a county or city jail or other correctional facility.
(W&I Code Section 16995)

(c) All providers receiving any CHIP funds will not require a fee or charge before they render medically necessary services to persons entitled to services supported by CHIP funds.
(W&I Code Sections 16942(a) and 16804.1)

(d) Accepting CHIP funds does not relieve the County of its obligation to provide indigent health care as required by W&I Code Section 17000.
(W&I Code Section 16995.1)

(e) Facilities receiving CHIP funds will be required to provide individual notice at the time treatment is sought as to the availability of reduced cost health care and conspicuously post notices of the procedures for applying for reduced cost health care in all emergency rooms and patient waiting rooms for services supported by CHIP funds.
(W&I Code Sections 16942(a) and 16818)

2. (a) As a condition of receiving CHIP funds, the County will provide, or arrange and pay for, medically necessary follow-up treatment, including prescription drugs and necessary follow-up dental treatment at least equal in scope and frequency to dental services available to Medi-Cal eligible children of the same age, for any condition detected as part of a Child Health and Disability Prevention (CHDP) screen for any child eligible for services under Section 104395 of the Health and Safety Code, if the child was screened by the County, or upon referral by a CHDP Program provider, unless the child is eligible to receive care with no share of cost under the Medi-Cal Program, or is covered under another publicly funded program, or the services are payable under private insurance coverage.
(W&I Code Sections 16970(a) and (c))

(b) Noncounty hospitals which receive a formula allocation pursuant to paragraph 10, and physicians who receive payment from the Physician Services (PS) Account of the Emergency Medical Services (EMS) fund, established pursuant to paragraph 25, will not be required to comply with the CHDP treatment provisions of paragraph 2(a) as a condition of receiving those allocations or payments.
(W&I Code Section 16970(b)(1))

(c) Only providers which contract with the County and receive payments of Noncounty Hospital Discretionary, Physician New Contracts, and Other Health Services funds specified in paragraphs 12, 30, and 31 may be required to comply with the CHDP treatment provisions of paragraph 2(a), as a condition of receiving those payments.
(W&I Code Section 16970(b)(2))

(d) The CHDP treatment provisions of paragraph 2(a) will be implemented in consultation and coordination with the County's CHDP Programs.
(W&I Code Section 16970(d))

ADMINISTRATION OF FUNDS

3. Prior to transferring or expending any CHIP funds received, the County will:

(a) Deposit the CHIP funds received in a special revenue fund or trust fund (hereinafter called the Fund) established solely for the purposes of the provisions of Part 4.7 (commencing with Section 16900) of Division 9 of the W&I Code.
(W&I Code Sections 16909(a) and (b))

(b) Establish a Hospital Services Account in the Fund and deposit all hospital funds received pursuant to paragraph 9 in that account. The County further assures that it will establish a Noncounty Hospital Subaccount in the Hospital Services Account and deposit all Noncounty Hospital Formula and Discretionary funds received pursuant to paragraphs 10 and 12, in that subaccount. If the County owns and operates a county hospital, the County further assures that it will establish a County Hospital Subaccount in the Hospital Services Account and deposit all County Hospital Discretionary funds received pursuant to paragraph 15, in that subaccount.
(W&I Code Sections 16909(a) and (b))

(c) Establish a PS Account in the Fund and deposit all PS funds received pursuant to paragraph 24 in that account. The County further assures that it will establish an EMS Subaccount in the PS Account and deposit all PS funds proposed for expenditure pursuant to paragraph 25, in that subaccount prior to transferring the funds to any other account. If the County chooses to expend Physician New Contracts funds pursuant to paragraph 30, the County assures that it will establish a Physician New Contracts Subaccount in the PS Account and deposit all Physician New Contracts funds proposed for expenditure pursuant to paragraph 30, in that subaccount.
(W&I Code Sections 16909(a) and (b))

(d) Establish an Other Health Services Account in the Fund and deposit all Other Health Services funds received pursuant to paragraph 31, in that subaccount.
(W&I Code Sections 16909(a) and (b))

INTEREST EARNINGS ON THE FUND

4. (a) All interest earned on the Fund and on each account or subaccount will be accrued to the benefit of the Fund, account, or subaccount, respectively, and all accrued interest will be expended for the same purposes as the other funds in the Fund, accounts, or subaccounts, respectively.
(W&I Code Section 16909(c)(1))

(b) All interest or other increments earned on the Noncounty Hospitals Subaccount will be expended on noncounty hospitals pursuant to the provisions of paragraphs 10 and 12.
(W&I Code Section 16909(c)(2))

ADMINISTRATIVE COSTS

5. County administrative costs associated with the administration of the Fund and each account or subaccount will be reimbursed from the Fund, account, or subaccount, respectively. The County further assures that it will not reduce or utilize Noncounty Hospital Formula funds received pursuant to paragraph 10, to offset the costs of administering the Noncounty Hospital Services Subaccount.
(W&I Code Sections 16909.1 and 16946(b)(1)(E))

REPORTING

6. (a) Information on programs and services which will receive CHIP funds will be included in the County's Description of Proposed Expenditures of CHIP Funds and will be subject to review and approval by the Department for compliance with Part 4.7 (commencing with Section 16900) of Division 9 of the W&I Code.
(W&I Code Section 16980(b)(1))

(b) Indigent health care program demographic, expenditure, and utilization data will be reported as specified by the Department pursuant to the provisions of W&I Code Section 16915 and the procedures specified by the Department.
(W&I Code Section 16915)

(c) Services, associated costs, and socio-demographic characteristics of persons served under W&I Code Section 17000 and persons supported in whole or in part by CHIP funds will be incorporated into the reports required pursuant to W&I Code Section 16915.
(W&I Code Section 16942(c))

(d) The County will include an estimate of, and the costs and funding arrangement for, dental services in its Description of Proposed Expenditures of CHIP Funds.
(W&I Code Section 16980(b)(2))

(e) The County will submit reports which display cost and utilization data for each account in the Fund as specified in the W&I Code Section 16909 to the Department on a preliminary annual and a final annual basis, in a form prescribed by the Department.
(W&I Code Section 16909(d))

(f) The County will provide the Department with information the Department deems necessary to determine compliance with the provisions of Part 4.7 (commencing with Section 16900) of Division 9 of the W&I Code. The information will be provided according to the procedures and due dates established by the Department.
(W&I Code Section 16981(a))

FISCAL ASSURANCES

7. (a) CHIP funds will be accounted for as revenue in the Description of Proposed Expenditures of CHIP Funds and in other information required by the Department.
(W&I Code Sections 16990(c) and 16981)

(b) CHIP funds will not be used as county matching funds for any other program requiring a county match.
(W&I Code Section 16990(c))

(c) The County will, at a minimum, maintain a level of financial support of county funds for health services as specified in W&I Code Section 16990. This amount will not include any county funds expended pursuant to W&I Code Section 16809.3. Net disproportionate share hospital revenues will be included in computing county financial maintenance of effort only as specified in the W&I Code Section 16990.5.
(W&I Code Sections 16990 and 16990.5)

(d) In accordance with procedures established by the Department, the County may, upon notifying the Department of the transfers authorized pursuant to W&I Code Section 17600.20, reduce the level of financial maintenance of effort specified in subparagraph (c) above by the amount of funds transferred from the Health Account of the Local Revenue Fund pursuant to W&I Code Section 17600.20 for FY 2007-08.
(W&I Code Section 16990(a)(2))

(e) If the County desires to use any of its CHIP allocation for programs and costs not associated with county health services as defined in W&I Code Section 16801, the County, as a condition of using its allocation for these purposes, will maintain an amount of county funding for those programs and costs at least equal to FY 1988-89 levels.
(W&I Code Section 16990(b))

RECOUPMENT/WITHHOLD

8. (a) In the event financial support of county funds for health services is less than the amount specified in paragraph 7(c), the Department will recover the amount of the difference from the CHIP funds provided to the County proportionately from the Hospital Services Account, the PS Account, and the Other Health Services Account.
(W&I Code Sections 16981(b) and 16990(d))

(b) In the event financial support of county funds for programs and costs not associated with county health services as defined in W&I Code Section 16801 is less than the FY 1988-89 levels for those services, the Department will recover the amount of the difference from the CHIP funds provided to the County.
(W&I Code Sections 16981(b) and 16990(b))

(c) CHIP funds will be returned to the Department if they are not encumbered or expended within the fiscal year according to this Application, and the requirements of Chapter 5 (commencing with Section 16940) of Part 4.7 of Division 9 of the W&I Code.
(W&I Code Section 16981(b))

(d) The Department will withhold payment of any funds specified in this Application and W&I Code Section 16900 et seq., if any of the reports specified in this Application and W&I Code Section 16900 et seq., have not been received from the County by the dates specified therein, unless an extension for submission of such reports is formally granted by the Department. Any funds withheld from the County pursuant to this Article will be released upon receipt of the required reports by the Department.
(W&I Code Sections 16916 and 16942)

(e) The Department will conduct fiscal and program reviews to ensure County compliance with the provisions of this Application. The Department may withhold funds, up to the total amount of funds allocated under this Application, if the County fails to correct deficiencies in the program after receiving written notice of noncompliance from the Department.
(W&I Code Section 16981(a))

HOSPITAL SERVICES

9. The County will expend all of its FY 2007-08 Hospital Services funds received pursuant to W&I Code Section 16943 to support uncompensated services provided during FY 2007-08 by county and noncounty hospitals.
(W&I Code Sections 16941 and 16943(b)(c)(e) and (f))

NONCOUNTY HOSPITAL FORMULA FUNDS

10. The County will allocate all of its FY 2007-08 Noncounty Hospital Formula funds received pursuant to paragraph (1) of subdivision (b) of W&I Code Section 16946, to noncounty hospitals within the County in amounts determined pursuant to paragraph (1) of subdivision (b) of W&I Code Section 16946 for support of services provided by noncounty hospitals to any eligible patient treated at any time during the FY 2007-08.
(W&I Code Sections 16945, 16946(a)(1) and (b)(1)(A))

11. (a) Each noncounty hospital's share of Noncounty Hospital Formula funds specified in paragraph 10 will be distributed to each noncounty hospital within ten (10) working days of receipt of monthly CHIP payments.
(W&I Code Section 16948(a))

    (b) Each noncounty hospital will provide posted and individual notices pursuant to W&I Code Section 16818 for the duration of any quarter during which funds allocated pursuant to paragraph (1) of subdivision (b) of W&I Code Section 16946 are used.
(W&I Code Section 16946(b)(1)(D))

    (c) Each noncounty hospital will account for the funds on a quarterly basis.
(W&I Code Section 16946(b)(1)(B))

NONCOUNTY HOSPITAL DISCRETIONARY FUNDS

12. The County will distribute all of its FY 2007-08 Noncounty Hospital Discretionary funds received pursuant to paragraph (2) of subdivision (b) of W&I Code Section 16946 to noncounty hospitals to maintain access to emergency care and to purchase other necessary hospital services provided during FY 2007-08.
(W&I Code Sections 16945 and 16946(b)(2)(A)(i))

13. The funds specified in paragraph 12 will be distributed only after consulting with those hospitals and considering the following:

    (a) The historic and projected patterns of care provided by hospitals, by geographic catchment areas within both urban and nonurban areas.
(W&I Code Section 16946(b)(2)(B)(i))

    (b) The unique costs associated with treating disproportionate numbers of severely ill, indigent patients.
(W&I Code Section 16946(b)(2)(B)(i))

(c) The disproportionate losses sustained by hospitals in the provision of care.
(W&I Code Section 16946(b)(2)(B)(i))

(d) The patterns of care of its residents provided by Level I trauma care hospitals in contiguous counties and the County may make proportionate allocations to those trauma centers.
(W&I Code Section 16946(b)(2)(B)(ii))

(e) The use of those funds to meet emergency room patient needs and follow-up treatment, including the need for special hospital services.
(W&I Code Section 16949(c))

14. When contracting with hospitals in neighboring counties for emergency care, the County will not impose conditions to accept transfers that it does not impose on hospitals within its own boundaries.
(W&I Code Section 16946(b)(2)(A)(ii))

COUNTY HOSPITAL FUNDS

15. The County will expend all of its FY 2007-08 County Hospital funds received pursuant to subdivision (c) of W&I Code Section 16946 for payment or support of services provided in county or noncounty hospitals as determined by the County during FY 2007-08.
(W&I Code Sections 16945, 16946(a)(2) and (c))

REQUIREMENTS

16. As a condition of receiving the Hospital Services funds specified under paragraph 9, each county and noncounty hospital will be required to do all of the following:

(a) Maintain the same number and classification of emergency room permits and trauma facility designations as existed on January 1, 1990. This condition will be deemed to be met for any hospital that maintained two special permits for basic emergency services on July 1, 1989, if each of the emergency rooms was located on separate campuses of the hospital and was located not more than two miles from the other emergency room. This condition will also be deemed to be met even if one of the emergency room permits is surrendered after July 1, 1989.
(W&I Code Sections 16946(d)(1)(A) and (B)(i) and (ii)

(b) In a county that comprises not more than one-half of one percent (1%) of the total state population and in which there is a county hospital and a noncounty hospital with emergency room permits located within two miles of each other, the county hospital may surrender its emergency room permit without penalty for violation of subparagraph (a) above provided all requirements of W&I Code Section 16946(h) are met. If the Department determines that the County is not in compliance with the requirements of subdivision (h) of W&I Code Section 16946 it will require the County to recover funds and deny further payments pursuant to subdivision (e) of W&I Code Section 16946, until compliance is resumed.
(W&I Code Section 16946(h))

(c) Provide data and reports on the use and expenditure of all funds received in a form and according to procedures specified by the County and the Department.
(W&I Code Section 16946(d)(2))

(d) Assure that Noncounty Hospital Discretionary and County Hospital Discretionary funds received pursuant to paragraphs 12 and 15 are used only for services for persons who cannot afford to pay for those services, and for whom payment will not be made through any private coverage or by any program funded in whole or in part by the federal government.
(W&I Code Section 16946(d)(3))

(e) Assure that Noncounty Hospital Formula funds allocated pursuant to paragraph 10 are used only for patients who cannot afford to pay or who meet the Office of Statewide Health Planning and Development's (OSHPD) definition of charity care, as prescribed under subdivision (d) of Section 128740 of the Health and Safety Code and for whom payment will not be made through any private coverage or by any program funded in whole or in part by the federal government.
(W&I Code Sections 16946(d)(3) and 16908.5)

(f) Cease all current and waive all future collection efforts, by itself and by its agents, to obtain any payment from the patient with respect to whom the services funded with funds specified in paragraph 9 were rendered within ninety (90) days of the receipt of those funds.
(W&I Code Section 16947(a))

(g) Notify the County if the hospital receives payment from a patient or responsible third-party payer and reimburse the County in an amount equal to the amount collected from the patient or third-party payer, but not more than the amount of the payment received from the County for the patient's care.
(W&I Code Section 16947(c))

17. As a condition of receiving the hospital funds specified under paragraph 9, each noncounty hospital will be required to report to the County within thirty (30) days after the receipt of Noncounty Hospital Formula funds distributed pursuant to paragraph 10, information on patients for whom the distributions will be used, pursuant to the requirements of W&I Code Section 16909 (d) and (e).
(W&I Code Section 16948(b))

18. Hospitals receiving Noncounty Hospital Discretionary funds under paragraph 12 will be required to report to the County and OSHPD on any reduction in hospital emergency room specialist capabilities below the level which was provided at that facility on October 2, 1989.
(W&I Code Section 16949(d))

RECOVERY, WITHHOLD, AND SUSPENSION OF PAYMENTS TO HOSPITALS

19. The County will recover from any county or noncounty hospital:

    (a) That portion of funds received which equals the ratio of the number of months the hospital violates the provisions of paragraph 16(a) to twelve (12) months.
    (W&I Code Section 16946(e)(1)(A))

    (b) All funds received if the hospital violates the provisions of paragraph 16(c).
    (W&I Code Section 16946(e)(1)(B))

    (c) The difference between the amount received and the amount which the hospital can document that the funds were used according to the provisions of paragraphs 16(d) and 16(e) on a monthly basis.
    (W&I Code Section 16946(e)(1)(C))

20. Further payment of funds may be denied to a hospital which has violated the provisions of paragraphs 16 through 18 until the hospital demonstrates compliance.
(W&I Code Section 16946(e)(2))

21. Payments to any noncounty hospital will be suspended if the hospital fails to provide the information required in paragraph 17.
(W&I Code Section 16948(c))

REALLOCATION AND REDISTRIBUTION

22. Funds withheld or recovered pursuant to paragraph 19 may be reallocated and distributed according to the Noncounty Hospital Discretionary provisions contained in paragraphs 12 and 13.
(W&I Code Section 16946(f))

23. Noncounty Hospital Formula and Discretionary funds available for allocation or distribution pursuant to paragraphs 10 and 12, which are not expended because a hospital does not participate will be redistributed pursuant to the Noncounty Hospital Discretionary provisions contained in paragraph 12. If no noncounty hospitals remain to participate, the County may distribute the unexpended funds pursuant to the County Hospital Discretionary provisions contained in paragraph 15.
(W&I Code Section 16946(g))

PHYSICIAN SERVICES

24. The County will expend all of its FY 2007-08 PS funds received pursuant to subdivision (a) of W&I Code Section 16950, for the support of or payment for uncompensated services provided during FY 2007-08 by a licensed physician.
(W&I Code Sections 16908, 16941, and 16950(a))

EMERGENCY MEDICAL SERVICES FUND - PHYSICIAN SERVICES ACCOUNT

25. As a condition of receiving CHIP funds, the County will:

    (a) Establish an EMS fund as authorized by subdivision (a) of Health and Safety Code Section 1797.98a. This will not be interpreted to require the County to impose the assessment authorized by Section 1465.5 of the Penal Code.
    (W&I Code Section 16951)

    (b) Establish a PS Account within the EMS fund and deposit in the PS Account at least fifty percent (50%) of the PS amount specified in paragraph 24 and any other funds appropriated by the Legislature for the purposes of the PS Account of the EMS fund.
    (W&I Code Sections 16950(c) and 16952(a)(1))

    (c) Funds deposited in the PS Account in the EMS fund are exempt from the percentage allocations set forth in subdivision (a) of Section 1797.98a of the Health and Safety Code.
    (W&I Code Section 16952(b)(1))

EMERGENCY MEDICAL SERVICES FUND - PHYSICIAN SERVICES ACCOUNT PURPOSE AND USE OF FUNDS

26. The PS Account in the EMS fund will be used to reimburse physicians for losses incurred for services provided during FY 2007-08 and the County will:
(W&I Code Section 16952(f))

(a) Limit reimbursement to emergency services, as defined in W&I Code Section 16953, obstetric services, as defined in W&I Code Section 16905.5, and pediatric services, as defined in W&I Code Section 16907.5.
(W&I Code Section 16952(h)(1))

(b) Any physician may be reimbursed for up to 50 percent of the amount claimed pursuant to Section 16955 for the initial cycle of reimbursements in a given year. All funds remaining at the end of the fiscal year will be distributed proportionally, based on the dollar amount of claims submitted and paid to all physicians who submitted qualifying claims during that year. Funds will not be disbursed in excess of the total amount of a qualified claim.
(W&I Code Section 16952(i))

(c) Not reimburse for services provided by physicians employed by county hospitals.
(W&I Code Section 16952(b)(1))

(d) Not reimburse any physician who provides physician services in a primary care clinic which receives funds pursuant to Part 4 of Division 106 of the Health and Safety Code commencing with Section 124400.
(W&I Code Section 16952(b)(2))

(e) Limit reimbursement for losses incurred by any physician for services provided to patients who do not have health insurance coverage for emergency services and care, who cannot afford to pay for those services, and for whom payment will not be made through any private coverage or by any program funded in whole or in part by the federal government, with the exception of claims submitted for reimbursement through Section 1011 of the federal Medicare Prescription Drug, Improvement and Modernization Act of 2003, and where all of the following conditions have been met:
(W&I Code Sections 16952(f))

(i) The physician has inquired if there is a responsible third-party source of payment.
(W&I Code Section 16955(a))

(ii) The physician has billed for payment of services.
(W&I Code Section 16955(b))

(iii) A period of not less than three months has passed from the date the physician billed the patient or responsible third-party, during which time the physician has made reasonable efforts to obtain reimbursement and has not received reimbursement for any portion of the amount billed, or the physician has received actual notification from the patient or responsible third-party that no payment will be made for the services rendered by the physician.
(W&I Code Section 16955(c))

(iv) The physician has stopped any current, and waives any future, collection efforts to obtain reimbursement from the patient, upon receipt of funds from the County PS Account in the County EMS fund.
(W&I Code Section 16955(d))

(f) Physicians will be eligible to receive payment for patient care services provided by, or in conjunction with, a properly credentialed nurse practitioner or physician's assistant for care rendered under the direct supervision of a physician and surgeon who is present in the facility where the patient is being treated and who is available for immediate consultation. Payment will be limited to those claims that are substantiated by a medical record and that have been reviewed and countersigned by the supervising physician and surgeon in accordance with regulations established for the supervision of nurse practitioners and physician assistants in California.
(W&I Code Section 16952(g))

EMERGENCY MEDICAL SERVICES FUND - PHYSICIAN SERVICES ACCOUNT ADMINISTRATIVE COSTS

27. Costs of administering the account will be reimbursed by the account based on actual administrative costs, not to exceed 10 percent of the amount of the account.
(W&I Code Section 16952(d))

EMERGENCY MEDICAL SERVICES FUND - PHYSICIAN SERVICES ACCOUNT EXPENDITURES

28. The County will provide a reasonable basis for its estimate of PS Account funds in the EMS fund which are encumbered to reimburse physicians losses incurred during the fiscal year for which bills will not be received until after the fiscal year and agrees to expend or disencumber these funds prior to the submission of the report of actual expenditures required by W&I Code Section 16980 (b).
(W&I Code Section 16952(a)(2))

EMERGENCY MEDICAL SERVICES FUND - PHYSICIAN SERVICES ACCOUNT PROCEDURES

29. The County will:

(a) Establish procedures and time schedules, and a fee schedule for submission and processing of reimbursement claims submitted by physicians.
(W&I Code Sections 16953.3 and 16956(a))

(b) Establish schedules for payment which will provide for disbursement of the funds available in the PS Account of the EMS fund periodically and at least quarterly, if funds remain available for disbursement, to all physicians who have submitted claims containing accurate and complete data for payment by the dates established by the County.
(W&I Code Section 16956(b))

(c) Deny, at its discretion, claims which are not supported by records and recover any reimbursement paid to any physician for claims which lack supporting records.
(W&I Code Section 16956(c))

(d) Require a listing of patient names to accompany a physician's claim, and give full confidentiality protection to those names.
(W&I Code Section 16956(e))

(e) Require physicians to notify the administering agency if, after receiving payment from the PS Account of the EMS fund, the physicians are reimbursed by patients or responsible third-parties. In these instances, the County assures that it will reduce the physician's future payment of claims from the account or, in the event there is not a subsequent submission of a claim for reimbursement within one year, require the physicians to reimburse the PS Account of the EMS fund in an amount equal to the amount collected from the patient or third-party payer but not greater than the amount of reimbursement received from the PS Account of the EMS fund for the patient's care.
(W&I Code Section 16958)

(f) Require physicians who submit claims for funding from the PS Account of the EMS fund to keep and maintain records of the services rendered, the person to whom services were rendered, and any additional information the administering agency may require, for a period of three years after the services were provided.
(W&I Code Section 16957)

(g) Pursuant to Welfare and Institutions Code, section 16952.1, submit an annual report to the Legislature by April 15 concerning the implementation and status of the EMS Physician Services Account for the preceding fiscal year.
(W&I Code Section 16952.1)

(h) Any physician who submits any claim for reimbursement under this chapter which is inaccurate or which is not supported by records may be excluded from reimbursement of future claims under this chapter.
(W&I Code Section 16956(d))

(i) A listing of patient names will accompany a physician's claim, and those names will be given full confidentiality protections by the administering agency.
(W&I Code Section 16956(e))

(j) The administering agency will not give preferential treatment to any facility, physician, or category of physician and will not engage in practices that constitute a conflict of interest by favoring a facility or physician with which the administering officer has an operational or financial relationship.
(W&I Code Section 16956(f))

(k) Payments will be made only for emergency medical services provided on the calendar day on which emergency medical services are first provided and on the immediately following two calendar days.
(W&I Code Section 16956(g))

(l) Notwithstanding subdivision (g), if it is necessary to transfer the patient to a second facility that provides for a higher level of care for the treatment of the emergency condition, reimbursement will be available for services provided to the facility to which the patient was transferred on the calendar day of transfer and on the immediately following two calendar days.
(W&I Code Section 16956(h))

NEW CONTRACTS

30. (a) The difference between the physician services amount received in paragraph 24 and the amount transferred to the PS Account of the EMS fund pursuant to paragraph 25 will be expended by the County to pay for new contracts during FY 2007-08 with private physicians for provision of emergency, obstetric, and pediatric services in facilities which are not owned or operated by a county, and where access to those services has been severely restricted.
(W&I Code Section 16950(b))

(b) The County will require physicians who receive funds specified in subparagraph (a) to stop any current, and waive any future, collection efforts to obtain reimbursement from the patient, upon receipt of funds from the County. The contracts may provide for partial or full reimbursement for physician services provided to patients who do not have health insurance coverage for emergency services and care, who cannot afford to pay for those services, and for whom payment will not be made through any private coverage or by any program funded in whole or in part by the federal government, with the exception of claims submitted for reimbursement through Section 1011 of the federal Medicare Prescription Drug, Improvement and Modernization Act of 2003.
(W&I Code Section 16950(b))

OTHER HEALTH SERVICES FUNDS - PURPOSE

31. The County will expend all of its FY 2007-08 Other Health Services funds received pursuant to W&I Code Section 16960 to maintain and enhance health care services which are:

    (a) Provided during FY 2007-08.

    (b) Specified in W&I Code Sections 14021 and 14132, and in former Division 1 (commencing with Section 100) and the Communicable Disease Prevention and Control Act as set forth in subdivision (a) of Section 27, of the Health and Safety Code.

    (c) Provided to patients who cannot afford to pay for those services, and for whom payment will not be made through private coverage or by any program funded in whole or in part by the federal government.
    (W&I Code Sections 16941, 16960(a), and 16961)

OTHER HEALTH SERVICES FUNDS - CONSIDERATIONS AND LIMITATIONS

32. No more than five percent (5%) of the Other Health Services funds specified in paragraph 31 or fifty thousand dollars ($50,000), whichever is greater, will be expended for costs related to the purchase of equipment and fixed assets and that no single expenditure will exceed ten thousand dollars ($10,000).
    (W&I Code Section 16960(b))

33. Consideration will be given to city public health departments within the County in the use of Other Health Services funds specified in paragraph 31.
    (W&I Code Section 16960(a))

CONTRACTUAL CONSIDERATIONS AND LIMITATIONS

34. The Department or County may terminate this Application by giving at least thirty (30) days written notice to the other party. The notification will state the effective date of termination.

35. Nothing in this Application will be interpreted to require additional expenditures of County funds for health services beyond those required herein. Also, nothing in this Application will be interpreted to relieve the County of its other obligations to provide health care services to its residents.

36. The Application may be amended to conform to any applicable changes in the statutes governing the funds and programs covered in this Application.

37. Section 86 of SB 391 (Chapter 294, Statutes of 1997) is hereby incorporated by reference into this Application. Reductions in appropriations for CHIP pursuant to Section 86 will be prorated among the CHIP Counties and the allocations under paragraphs 9, 10, 12, 15, 24, and 31 will be reduced accordingly upon notification by the Department.

DISPUTE RESOLUTION PROCESS

38. A County grievance exists whenever the County believes there is a dispute arising from the Department's action in the administration of an agreement. If the County believes there is a dispute or grievance between the County and the Department, both parties will follow the procedure outlined below.

    (a) The County should first discuss the problem informally with the Department's program manager. If the problem cannot be resolved at this stage, the County will direct its grievance together with any evidence, in writing, to the program Branch Chief. The grievance will state the issues in dispute, the legal authority or other basis for the County's position and the remedy sought. The Branch Chief will make a determination on the problem within ten (10) working days after receipt of the written communication from the County. The Branch Chief will respond in writing to the County indicating the decision and reasons therefore. Should the County disagree with the Branch Chief's decision, the County may appeal to the second level.

    (b) The County must prepare a letter indicating the reasons for disagreement with the Branch Chief's decision. The County will include with the letter a copy of the County's original statement of dispute with any supporting documents and a copy of the Branch Chief's response. This letter will be sent to the Deputy Director of the division in which the branch is organized within ten (10) working days from receipt of the Branch Chief's decision. The Deputy Director of the division funding this agreement or his/her designee will meet with the County to review the issues raised. A written decision signed by the Deputy Director of the division funding this agreement or his/her designee will be returned to the County within twenty (20) working days of receipt of the County's letter.

39. Unless otherwise stipulated by the Department, dispute, grievance and/or appeal correspondence will be directed to the Department's program manager.

THIS APPLICATION FOR FUNDING HAS BEEN SIGNED BY THE COUNTY'S GOVERNING BODY AND IS HEREBY EXECUTED.

State of California	**County of** Los Angeles
Signature:	**Signature:**
Name: Nancy E. Hayward	**Name:**
Title: Chief, Office of County Health Services	**Title:**
Date:	**Date:**

FY 2007-2008 CHIP APPLICATION – COUNTY OF LOS ANGELES
ATTEST PAGE

ATTEST: Sachi A. Hamai
Executive Officer-Clerk of
the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

By: _____
Edward Morrissey
County Counsel

Date: 10/30/7

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