COUNTY OF LOS ANGELES

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

ROBIN KAY, Ph.D.
Acting Chief Deputy Director

RODERICK SHANER, M.D.
Medical Director

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

BOARD OF SUPERVISORS
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YVONNE B. BURKE
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DEPARTMENT OF MENTAL HEALTH

http://dmh.lacounty.gov

Reply To: (213) 738-4601
Fax: (213) 386-1297

November 5, 2008

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 TO INCREASE THE ACUTE PSYCHIATRIC INPATIENT DAY RATE FOR FEE-FOR-SERVICES MEDI-CAL PSYCHIATRIC INPATIENT HOSPITALS FOR FISCAL YEARS 2008-09 AND 2009-10
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)

SUBJECT

Approve Amendments to increase the acute psychiatric inpatient day rate by ten percent for Fee-For-Services Medi-Cal psychiatric inpatient hospitals.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and authorize the Director of Mental Health, or his designee, to prepare and execute Amendments, substantially similar in format to Attachment I, to increase the acute psychiatric inpatient day rate (hereafter referred to as acute day rate) by ten percent for an estimated amount of $4,255,000 for the contracted Fee-For-Services (FFS) Medi-Cal psychiatric inpatient hospitals, effective upon Board approval for Fiscal Years (FYs) 2008-09 and 2009-10. The Amendments are funded by sales tax realignment and the Federal Financial Participation (FFP) Medi-Cal revenue.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Board approval is requested to amend the existing FFS Medi-Cal psychiatric inpatient hospital agreements to increase the acute day rate by ten percent.

Contract hospitals have requested a rate increase to keep up with the rising cost of hospital care. The rate increase will allow contract hospitals to continue providing quality service to the Los Angeles County Medi-Cal population. Additionally, some of the contracted hospitals have expressed concern about remaining solvent and keeping their psychiatric units open should the acute day rate not be increased. Closing acute psychiatric inpatient units at contracted hospitals will limit access to vital psychiatric inpatient services.

Furthermore, approval of the rate increase complies with the State mandate that Los Angeles County Department of Mental Health (DMH) have available acute psychiatric inpatient hospital beds and services for Los Angeles County Medi-Cal beneficiaries.

Implementation of Strategic Plan Goals

The recommended Board action is consistent with the County Strategic Plan Goal 7, "Health and Mental Health."

FISCAL IMPACT/FINANCING

There is no impact on net County cost.

The total estimated cost for this rate increase is $4,255,000, which will be funded by sales tax realignment and the FFP Medi-Cal revenue, which is included in DMH's FY 2008-09 Supplemental Budget. Funding for FY 2009-10 will be included in the annual budget process.

The FFS Medi-Cal acute day rates for FYs 2008-09 and 2009-10 are proposed as follows and as shown on Attachment II:

- Acute rate of $627 for five contracted freestanding hospitals treating Medi-Cal beneficiaries who are 21 years old and under and 65 years old and over.
- Acute rate of $523 for 19 contracted FFS Medi-Cal general acute hospital beds.
- Acute rates of $572 and $523 for Cedars-Sinai Medical Center.
- Acute rate for College Hospital Costa Mesa not applicable due to Orange County location.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed action has been reviewed and approved by the County Counsel and Chief Executive Office.

For FYs 2008-09 and 2009-10, DMH will contract with potentially 28 psychiatric inpatient hospitals (negotiations are ongoing with three hospitals) for the provisions of State mandated acute psychiatric inpatient hospital services to Los Angeles County Medi-Cal beneficiaries.

The inpatient FFS Medi-Cal system exists under medical necessity criteria established in Title 9 California Code of Regulations (CCR), Chapter 11, Section 1820.205. It provides facility and practitioner reimbursement for inpatient services to Medi-Cal beneficiaries who are a danger to self, others, or unable to provide for their own food, clothing, or shelter as a result of mental illness.

IMPACT ON CURRENT SERVICES

Significant reduction of acute psychiatric inpatient hospital services may result by not providing adequate reimbursement to contracted FFS Medi-Cal psychiatric hospitals within Los Angeles County.

CONCLUSION

DMH will need one copy of the adopted Board action. It is requested that the Executive Officer, Board of Supervisors, notify DMH's Contracts Development and Administration Division at (213) 738-4684 when this document is available.

Respectfully submitted,

Robin Kay for

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

MJS:RS:RK:PW

Attachments (2)

c: Chief Executive Officer
County Counsel
Chairperson, Mental Health Commission

ATTACHMENT I

CONTRACT NO. **MH**_____

AMENDMENT NO. _____

THIS AMENDMENT is made and entered into this ___ day of _____, 2008, by and between the COUNTY OF LOS ANGELES (hereafter "County") and _____ _____ (hereafter "Contractor").

WHEREAS, County and Contractor have entered into a written Agreement, dated May 29, 2007, identified as County Agreement No. MH_____, and any subsequent amendments (hereafter collectively "Agreement"); and

WHEREAS, for Fiscal Years (FYs) 2008-09 and 2009-10, County and Contractor intend to amend Agreement only as described hereunder; and

WHEREAS, effective _____2008, for FYs 2008-09 and 2009-10, County and Contractor intend to amend the Mental Health Services Contract Allowable Rate – Fee-For-Services Medi-Cal Psychiatric Inpatient Hospital Services Agreement to increase the daily rate for acute inpatient hospital services by 10% for each Medi-Cal Beneficiary receiving services in a 24-hour acute psychiatric inpatient hospital; and

WHEREAS, these agreements do not contain a maximum contract amount but specify contract allowable rates per day for acute psychiatric inpatient hospital services.

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

1. Paragraph 4 (FINANCIAL PROVISIONS), Subparagraph A. Contract Allowable Rates (CAR) shall be deleted in its entirety and the following substituted therefor:

"A. Contract Allowable Rates (CAR): This is a CAR agreement. Fiscal Intermediary shall reimburse Contractor during the term of this Agreement for Acute Psychiatric Inpatient Hospital Services provided to Beneficiaries in accordance with WIC Section 5775 et seq., the Medi-Cal Acute Psychiatric Inpatient Hospital Services Consolidation Emergency Regulations issued by CDMH, and this Agreement. Reimbursement for Acute Psychiatric Inpatient Hospital Services shall be at the applicable CAR for Acute Psychiatric Inpatient Hospital Services and Administrative Day Services as mutually agreed upon between Contractor and County and shown in this Subparagraph A less any available third party coverage and/or Medi-Cal Share Of Cost as determined pursuant to Subparagraph B (Billing Procedures As Conditions Precedent To Contractor's Eligibility For Reimbursement).

Acute Psychiatric Inpatient Hospital Services shall be provided in either a licensed acute psychiatric hospital or a distinct acute psychiatric part of a licensed general acute care hospital. Acute Psychiatric Inpatient Hospital Services provided in an acute psychiatric hospital which is larger than sixteen beds shall be reimbursed only for Beneficiaries age 20 or younger or 65 and older.

During the term of this Agreement, the CAR for Acute Psychiatric Inpatient Hospital Services shall be:

(1) _____ DOLLARS ($_____) per day of service for each Medi-Cal Beneficiary during the 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 Acute Psychiatric Inpatient Hospital 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 Acute Psychiatric Inpatient Hospital Services. The cost of physician services, psychologist services, and transportation services shall not be reimbursed by the CAR.

During the term of this Agreement, the Contract Allowable Rate for Administrative Day Services shall be at the reimbursement rate determined by CDMH.

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. 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 Acute 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 Acute Psychiatric Inpatient Hospital Services, which are paid by Fiscal Intermediary to Contractor pursuant to this Agreement, and which qualify as eligible FFP matching funds.

Notwithstanding any other provision of this Agreement, Contractor shall be entitled to reimbursement from Fiscal Intermediary for Acute Psychiatric Inpatient Hospital Services only: (1) if there is a Treatment Authorization Request for the particular Acute Psychiatric Inpatient Hospital Services or Administrative Day Services which has been submitted by Contractor to County as required by this Agreement and approved by County; (2) if the particular Acute Psychiatric Inpatient Hospital Services or Administrative Day Services provided pursuant to the County-approved Treatment Authorization Request are consistent with the County-approved Treatment Authorization Request and are appropriate for clinical reimbursement as determined by Director or his designee; (3) to the extent that funds allocated by State for County specifically for Acute Psychiatric Inpatient Hospital Services are available as eligible FFP matching funds; and (4) for all Los Angeles County Regional Center beneficiaries, the County, acting as the Local Mental Health Plan, shall only be responsible for authorizing a maximum reimbursement for four (4) administrative days."

2 Contractor shall provide services in accordance with the Contractor's Fiscal Year 2007-2010 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

11-5-08 Hospital 10% Increase Amendment format-oav

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

FEE-FOR-SERVICE MEDI-CAL
PSYCHIATRIC INPATIENT HOSPITAL SERVICES AGREEMENTS
FOR FISCAL YEARS 2008-09 and 2009-10

#	CONTRACTOR	Sup Dist	Srvc Area	CONTRACTOR PSYCHIATRIC BED CAPACITY					TYPE OF HOSPITAL	FY 07-08 Acute Rate	10% Increase FY 08-09 (Eff 11/1/08-6/30/09) & FY 09-10 Acute Rate
				Adult	Child	Adol	Gero	Total			
1	Antelope Valley Hospital District 1600 West Avenue J Lancaster, CA 93534 HSM30056F NPI#: 1366419517	5	1	6	0	26	0	32	+GACH	$475	$523
2	Aurora Charter Oak - Los Angeles, LLC dba Aurora Behavioral Healthcare Charter Oaks 1161 E. Covina Boulevard Covina, CA 91724 HSM34069H NPI#: 1619934114	5	3	79	8	8	0	95	++APH	$570	$627
3	Aurora Las Encinas, LLC dba Aurora Las Encinas Hospital 2900 E. Del Mar Boulevard Pasadena, CA 91107 HSM34078G NPI#: 1700843216	5	3	96	0	13	0	109	++APH	$570	$627
4	Jupiter Bellflower Doctor Hospital dba Bellflower Medical Center 9542 E. Artesia Boulevard Bellflower, CA 90706 HSM30531H NPI#: 1114021250	4	7	32	0	0	0	32	+GACH	$475	$523
5	BHC Alhambra Hospital, Inc. 4619 Rosemead Boulevard Rosemead, CA 91770 HSM34032G NPI#: 1194758623	1	3	51	0	34	0	85	++APH	$570	$627

\+ General Acute Care Hospital (GACH)
++ Acute Psychiatric Hospital (APH)

COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH
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#	CONTRACTOR	Sup Dist	Srvc Area	CONTRACTOR PSYCHIATRIC BED CAPACITY Adult	Child	Adol	Gero	Total	TYPE OF HOSPITAL	FY 07-08 Acute Rate	10% Increase FY 08-09 (Eff 11/1/08-6/30/09) & FY 09-10 Acute Rate
6	Brotman Medical Center, Inc. 3828 Delmas Terrace Culver City, CA 90231 HSM30144I NPI#: 1881788891	2	5	76	0	0	0	76	+GACH	$475	$523
7	Cedars-Sinai Medical Center 8700 Beverly Boulevard, Ste 2622 Los Angeles, CA 90048 HSM30625F NPI#: 1881637502	3	4	51	0	0	0	51	+GACH	$520 & $475	$572 & $523
8	Citrus Valley Medical Center - Inter Community Campus 210 W. San Bernardino Road Covina, CA 91723 HSM30382G NPI#: 1215063151	1	3	30	0	0	0	30	+GACH	$475	$523
9	College Hospital, Inc. dba College Hospital Cerritos 10802 College Place, Cerritos, CA 90703 HSM34055G NPI#: 1225016595	4	7	95	10	35	17	157	++APH	$570	$627
10	College Hospital, Inc. dba College Hospital Costa Mesa 301 Victoria Street Costa Mesa, CA 92627 HSM30543K NPI#: 1922039205	Orange County		105	0	35	0	140	+GACH	$ Orange	$ Orange County

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				Adult	Child	Adol	Gero	Total			
11	Community Hospital of Long Beach 1720 Termino Avenue Long Beach, CA 90804 HSM30004F NPI#: 1811951924	4	8	28	0	0	0	28	++APH	$475	$523
12	Del Amo Hospital, Inc. 23700 Camino Del Sol Torrance, CA 90505 HSM34053I NPI#: 1245203447	4	8	143	6	17	0	166	++APH	$570	$627
13	East Valley Glendora Hospital, L.P 150 West Route 66 Glendora, CA 91740 HSM30205H NPI#: 1922135680	5	2	21	0	0	0	21	++APH	$475	$523
14	Encino – Tarzana Regional Medical Center Encino Hospital 16237 Ventura Boulevard Encino, CA 91436 HSM30158L NPI#: 1659429652	3	2	0	0	0	14	14	+GACH	$475	$523
15	Glendale Adventist Medical Center 1509 Wilson Terrace Glendale, CA 91206 HSM30067F NPI#: 11336138403	5	2	60	0	0	0	60	+GACH	$475	$523

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#	CONTRACTOR	Sup Dist	Srvc Area	CONTRACTOR PSYCHIATRIC BED CAPACITY Adult	Child	Adol	Gero	Total	TYPE OF HOSPITAL	FY 07-08 Acute Rate	10% Increase FY 08-09 (Eff 11/1/08-6/30/09) & FY 09-10 Acute Rate
16	Pasadena Hospital Association, LTD Huntington Memorial Hospital 100 W. California Boulevard Pasadena, CA 91109 HSM30438F NPI#: 1437121142	5	3	36	0	0	14	50	+GACH	$475	$523
17	Intercare Health Systems, Inc dba City of Angels Med. Ctr. – Ingleside Campus 1711 West Temple Street Los Angeles, CA 90026 HSM34142F NPI#: 1104917426	1	4	100	0	0	0	100	++APH	$475	$523
18	San Pedro Peninsula Hospital dba Little Company of Mary - San Pedro Hospital 4101 Torrance Boulevard Torrance, CA 90503 HSM30078F NPI#: 1154349371	4	8	25	0	0	0	25	+GACH	$475	$523
19	Los Angeles Doctors Hospital dba Los Angeles Metropolitan Medical Center 2231 South Western Avenue Los Angeles, CA 90018 HSM30644F NPI#: 1639195175	2	6	64	0	0	34	98	+GACH	$475	$523
20	San Fernando Community Hospital dba Mission Community Hospital 14850 Roscoe Boulevard Panorama City, CA 91402 HSM30704F NPI#: 1013061597	3	2	60	0	0	0	60	+GACH	$475	$523

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				Adult	Child	Adol	Gero	Total			
21	HealthSmart Pacific, Inc. dba Pacific Hospital of Long Beach 2776 Pacific Avenue Long Beach, CA 90806 HSM30277G NPI#: 1861407637	4	8	56	0	0	17	73	+GACH	$475	$523
22	Pacifica Hospital of the Valley Corporation dba Pacifica Hospital of the Valley 9449 San Fernando Road Sun Valley, CA 91352 HSM303784I NPI#: 1730266719	3	2	32	0	0	4	36	+GACH	$475	$523
23	St. Francis Medical Center 3630 E. Imperial Highway Lynwood, CA 90262 HSM30104G NPI#: 1487697215	2	6	40	0	0	0	40	+GACH	$475	$523
24	Verdugo Hills Hospital 1812 Verdugo Boulevard Glendale, CA 91208 HSM30124G NPI#: 1528054632	5	2	24	0	0	0	24	+GACH	$475	$523
25	White Memorial Medical Center 1720 E. Cesar Chavez Avenue Los Angeles, CA 90033 HSM30103F NPI#: 1215927470	1	4	33	0	0	0	33	+GACH	$475	$523
	Total			1343	24	168	100	1635			

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#	CONTRACTOR	Sup Dist	Srvc Area	CONTRACTOR PSYCHIATRIC BED CAPACITY Adult	Child	Adol	Gero	Total	TYPE OF HOSPITAL	FY 07-08 Acute Rate	10% Increase FY 08-09 (Eff 11/1/08-6/30/09) & FY 09-10 Acute Rate
1	Catholic Healthcare West Dba Northridge Hosp Med Ctr-Roscoe Blvd Campus 18300 Roscoe Boulevard Northridge, CA 91328 HSM30299I NPI#:	3	2	46	0	0	0	46	+GACH	$475	$523
				No signed Contract							
2	The Regents of the University of California Resnick Neuropsychiatric Hospital at UCLA 10920 Wilshire Boulevard, Suite 1010 Los Angeles, CA 90024 HSM34009F NPI#: 1952308363	3	4	0	0	19	0	19	++APH	$570	$627
				No signed Contract							
3	USC University Hospital 15600 San Pablo Street Los Angeles, CA 90033 HSM NPI#:	1	4	12	0	0	0	12	+GACH	$475	$523
				No signed Contract							
	Total			58	0	19	0	77			
	Grand Total			1401	24	187	100	1712			

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