



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#20 OCTOBER 18, 2011

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

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

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October 18, 2011

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

Dear Supervisors:

**APPROVAL OF PHYSICIAN SERVICES FOR INDIGENTS PROGRAM
REIMBURSEMENT RATE
(ALL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to reduce the reimbursement rate for the Physician Services for Indigents Program.

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services (Director), or his designee, to reduce the reimbursement rate for the Physician Services for Indigents Program (PSIP) to 12 percent for Fiscal Year (FY) 2010-11 outstanding claims; and to establish the initial reimbursement rate at 14 percent of the Official County Fee Schedule (OCFS) for FY 2011-12.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Department of Health Services (DHS) currently administers the PSIP, and physicians enroll in the program by completing an enrollment package that includes a participation agreement. Physician reimbursement rates are adjusted periodically based on available funding and claim volume.

On November 16, 2010, your Board approved a revised Emergency Physician Services Agreement effective through June 30, 2013. This new Agreement stated that the County would notify the providers of the reimbursement rate for future fiscal years.

Due to the State's elimination of the Emergency Medical Services Appropriation (EMSA) in FY 09-10, the PSIP reimbursement rate was reduced to 18 percent of OCFS. However, continuing with this rate would result in non-payment of many claims for both years. Should a significant amount of funding remain after payment of all claims, a supplemental payment will be made, not to exceed 34 percent.

Approval of the recommendation will enable the Director to reduce the reimbursement rate for outstanding FY 2010-11 claims to 12 percent of the OCFS; and establish the initial reimbursement rate at 14 percent of the OCFS effective July 1, 2011 service dates for non-County physician emergency services claims.

Implementation of Strategic Plan Goals

The recommended actions support Goal 1, Operational Effectiveness, and Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The estimated payment for the outstanding claims for FY 2010-11 is \$4.2 million; the total payment for all FY 2011-12 claims is \$20.6 million funded by SB 612 (Maddy), SB 1773, Measure B, and the South LA Preservation Fund revenues.

Funding for PSIP is included in DHS' FY 2011-12 Final Budget and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to the authority granted under California Health and Safety (H&S) Code Section 1797.98a. (b)(1) the County established an emergency medical services fund to pay for emergency medical services, including but not limited to, reimbursements to physicians, surgeons, and hospitals for indigent patients treated in non-County hospitals.

H&S Code Section 1797.98e.(a) requires an agency administering emergency medical services funds to fairly prorate, without preference, payments to each claimant at a level less than the maximum payment level, when the administering agency determines that claims for payment for physician and surgeon services are of sufficient numbers and amounts that, if paid, would exceed the total amount of funds available for payment.

The proposed rate reductions were discussed at the September 21, 2011 meeting of the EMS Commission (Commission), which served as the public hearing requested by your Board on February 17, 2009. The Physician Reimbursement Advisory Committee was also notified, and concurs with, the proposed rate reductions.

Any non-County physician providing emergency services to indigent patients at non-County hospitals is eligible to participate in the PSIP by completing the Agreement and Enrollment Form. Currently there are over 4,000 physicians enrolled in the PSIP.

For FY 2011-12 DHS anticipates a decrease in the number of patients covered by PSIP due to increased enrollment and participation in the Healthy Way LA Program; however, it is too early to factor this potential reduction in the PSIP claims projection.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of this request will ensure payment of all claims submitted for FY 2010-11 and FY 2011-12 under the PSIP.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is fluid and cursive, with the first name "Mitchell" written in a larger, more prominent script than the last name "Katz".

Mitchell H. Katz, M.D.

Director

MHK:rg

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors
Auditor-Controller