



DEPARTMENT OF MENTAL HEALTH
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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

7 August 30, 2022

August 30, 2022

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:

CELIA ZAVALA
EXECUTIVE OFFICER

**HEARING ON PUBLISHED CHARGES AND NON-MEDI-CAL BILLING RATES FOR
FISCAL YEAR 2022-23
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to establish Fiscal Year 2022-2023 Published Charges and non-Medi-Cal billing rates for the provision of specialty mental health services provided by the Department of Mental Health's directly-operated clinics.

IT IS RECOMMENDED THAT YOUR BOARD, AFTER THE PUBLIC HEARING:

Approve the Department of Mental Health's (DMH) proposed Fiscal Year (FY) 2022-23 Published Charges and non-Medi-Cal (nMC) billing rates, effective July 1, 2022.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended action will allow DMH to make effective its proposed Published Charges and ~~non-Medi-Cal (nMC)~~ nMC billing rates, reflected in Attachment I, for use in billing the general public and third party payers for specialty mental health services provided by DMH directly-operated clinics, as permitted by law.

Implementation of Strategic Plan Goals

The recommended action is consistent with the County's Strategic Plan Goal III, Realize Tomorrow's Government Today, specifically Strategy III.3 - Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability.

FISCAL IMPACT/FINANCING

Approval of the requested action will enable DMH to establish a reasonable approximation of actual costs for specialty mental health services rendered.

There is no net County cost impact associated with the recommended action.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The State Plan provides that Short-Doyle/Medi-Cal (SD/MC) services are to be paid at the lower of actual costs or customary charges, which is consistent with federal Medicare rules. The State has implemented such provision in the California Code of Regulations Title 9 and in its cost reporting instructions. The term "customary charges" is synonymous with the term "Published Charges", which is defined as the usual and customary charges prevalent in the public mental health sector that are used to bill the general public, insurers, and other non-Title XIX payers.

DMH contracts with the State Department of Health Care Services (DHCS) as the local Mental Health Plan (MHP) and provides specialty mental health services to Medi-Cal beneficiaries under a section 1915(b) waiver. DHCS claims federal reimbursement for Medi-Cal specialty mental health services based on public expenditures certified by the MHPs. When a MHP submits an interim claim for reimbursement, it should either reflect the MHP's actual cost or a reasonable approximation of the MHP's actual cost. When the claim for reimbursement is for a specialty mental health service rendered by a county owned and operated facility, the MHP is not expected to know its actual cost. The MHP will not know its actual cost until the fiscal year is over and it has completed its cost finding and cost allocation through the specialty mental health services cost report. Consequently, the interim claim for reimbursement of services rendered by county-owned and operated providers will be based upon a reasonable approximation of the MHP's actual cost, which are typically the lower of 1) Published Charges or 2) the County Interim Rates, which are set by DHCS and based on the most recent certified cost report submitted by the MHP. DHCS will settle these interim payments to actual cost when the MHP files its certified cost report.

DMH's SD/MC Published Charges are determined annually based on the FY 2021-22 estimated patient care expenditures, projected cost increases, and estimated service delivery. DMH's nMC billing rates for the Public Guardian are based on the most recent Auditor-Controller (AC) approved base rates for investigation and administration, adjusted by the Centers for Medicare and Medicaid Services Market Basket Index Level rate of change. DMH's nMC billing rates include indirect administrative overhead costs as approved by the AC.

In accordance with Government Code Section 66018, a public hearing will be held as required, prior to the approval of a change to an existing fee. Special notice of that public hearing (Attachment II), in compliance with Government Code Section 6062a, has been published by the Executive Office.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

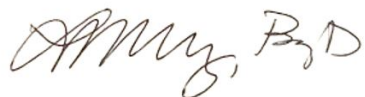
The recommended FY 2022-23 Published Charges will become effective on July 1, 2022. This increase is not expected to negatively impact the public. With the application of the Uniform Method of Determining Ability to Pay, as established by State law, all uninsured DMH patients will likely pay less than the Published Charges. Subsequently, there is no anticipated impact on current services.

The Honorable Board of Supervisors

8/30/2022

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lisa H. Wong, Psy.D.", written in a cursive style.

LISA H. WONG, Psy.D.

Acting Director

LHW:CDD:KN MK:ZW:atm

Enclosures

c: Executive Officer, Board of Supervisors
Chief Executive Office
County Counsel
Chairperson, Mental Health Commission

COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH
 FISCAL YEAR 2022-23 MEDI-CAL PUBLISHED CHARGES AND NON-MEDICAL BILLING RATES
 EFFECTIVE JULY 01, 2022

SERVICE DESCRIPTION	MODE	SERVICE FUNCTION CODE	SERVICE UNIT	NON-MEDI-CAL FY 2022-23 RATES ¹	MEDI-CAL FY 2022-23 RATES ²
Crisis Stabilization: Urgent Care	10	25-29	Hour	\$ 2,028.58	\$ 1,800.26
Targeted Case Management	15	01-09	Minute	\$ 5.12	\$ 4.55
Mental Health Services	15	10-59	Minute	\$ 7.49	\$ 6.65
Medication Support Services	15	60-69	Minute	\$ 12.54	\$ 11.13
Crisis Intervention	15	70-79	Minute	\$ 5.61	\$ 4.98
Mental Health Promotion ³	45	10-19	Staff Hour	\$ 460.57	N/A
Community Client Services ³	45	20-29	Staff Hour	\$ 440.46	N/A
Conservatorship: Investigation ³	60	20-29	Staff Hour	\$ 204.95	N/A
Administration ³	60	30-39	Staff Hour	\$ 194.14	N/A
Case Management Support ³	60	60-69	Staff Hour	\$ 93.15	N/A

Footnote(s)

¹ Non-Medi-Cal rates include departmental indirect administrative overhead costs.

² Medi-Cal rates do not include departmental indirect administrative overhead costs since reimbursement for such costs are computed through a separate claiming process.

³ Services are non-MC only.

**NOTICE OF HEARING ON PUBLISHED CHARGES FOR
SPECIALITY MENTAL HEALTH SERVICES FOR FISCAL YEAR 2022-23**

Notice is hereby given that a public hearing will be held by the Board of Supervisors, establishing proposed rates for specialty mental health services for Fiscal Year (FY) 2022-23. It is proposed that such rates for FY 2022-23 be effective July 1, 2022.

Said hearing will be held on August 30, 2022, 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. For current Board Meeting information, including Health Orders affecting public access to the Board Hearing Room, please visit <http://bos.lacounty.gov>. **Please note that due to the COVID-19 pandemic, a virtual public hearing may be held.** Any member of the public wishing to participate may do so by submitting written comments, objections, or statements to the Executive Office of the Board of Supervisors at PublicComments@bos.lacounty.gov.

To listen by telephone call (877) 873-8017 (enter the access code when prompted; for English: 111111, for Spanish: 222222). To view via web: <http://bos.lacounty.gov/Board-Meeting/Live-Broadcast>.

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.

The proposed Published Charges will be on file and available for review online at <https://dmh.lacounty.gov/about/board-correspondence/>.

For further information regarding this matter, please telephone the County of Los Angeles, Department of Mental Health, Office of the Chief Deputy Director at (213) 738-4926.

Si no entiende esta noticia o si necesita mas informacion favor de llamar a este numero (213) 738-4926.

CELIA ZAVALA
EXECUTIVE OFFICER
Board of Supervisors