



LOS ANGELES COUNTY DEPARTMENT OF MENTAL HEALTH
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Medical Director

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

May 27, 2014

#8 May 27, 2014

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

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

HEARING ON PUBLISHED CHARGES FOR FISCAL YEAR 2014-15 (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

SUBJECT

Request approval to establish Published Charges for Fiscal Year 2014-15 to comply with State and federal reimbursement requirements.

IT IS RECOMMENDED THAT THE BOARD AFTER THE PUBLIC HEARING,

Approve the Department of Mental Health's (DMH) proposed Published Charges (Attachment) for Fiscal Year (FY) 2014-15, effective July 1, 2014, to comply with federal and Short-Doyle/Medi-Cal (SD/MC) Lower of Cost or Charges (LCC) reimbursement and routine cost requirements.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Board action is necessary to ensure that Published Charges are established in compliance with Medi-Cal requirements. The recovery of federal revenues in compliance with State and federal regulations necessitates that Published Charges be established at least annually. Federal requirements stipulate that Published Charges are to be determined at the County level. The recommended Published Charges comply with SD/MC requirements.

Implementation of Strategic Plan Goals

The recommended action is consistent with the County's Strategic Plan Goal 3, Integrated Services Delivery.

FISCAL IMPACT/FINANCING

Approval of the requested action will enable DMH to comply with SD/MC regulations and avoid federal LCC audit disallowances. DMH has not included any charges, which are set by either State or federal agencies, for which it has no jurisdictional rate-setting authority. DMH will bill those charges as directed by those authorities.

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

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

DMH develops the Published Charges for a given fiscal year based on the most recent Annual Cost Report submitted by DMH to the State, adjusted by the federal Home Health Agency Market Basket Index (HHAMBI). Thus, under normal circumstances, the Published Charges for FY 2014-15 would be developed based on actual cost and statistical data reported in the Annual Cost Report for FY 2012-13. However, the State's delay in the FY 2010-11 and FY 2011-12 Annual Cost Report process has subsequently delayed the FY 2012-13 Annual Cost Report process. Therefore, DMH has developed Published Charges for FY 2014-15 based on the FY 2011-12 Annual Cost Report, adjusted by the federal HHAMBI. This allows DMH use of the most recent Cost Report submitted to the State to comply with the requirement to establish annual Published Charges.

When the FY 2012-13 Annual Cost Report is completed, DMH will review the current Published Charges and, if necessary, recommend to your Board revised Published Charges.

The Published Charges reflect two sets of rates. In FY 2003-04, the Board approved revised Published Charges permitting DMH to reflect a set of rates for Medi-Cal and a set of rates for non-Medi-Cal responsible financial parties. The rates for Medi-Cal plans do not include administrative overhead costs, while the non-Medi-Cal rates do include administrative overhead costs for all services that are billed to non-Medi-Cal responsible financial parties. Medi-Cal administrative overhead costs are reimbursed through a separate and specific State-mandated reimbursement method, and the methodology to calculate the Published Charges to bill Medi-Cal plans remains the same as originally approved by your Board.

The public hearing notice requirements of Government Code Section 6062a have been satisfied and the public hearing requirements of Government Code Section 66018 will be satisfied by this action.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended Published Charges for FY 2014-15 will become effective July 1, 2014. Failure to establish annual Published Charges will result in non-compliance with federal and SD/MC LCC reimbursement and routine cost requirements.

There is no anticipated impact on current services.

The Honorable Board of Supervisors

5/27/2014

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mg Southard". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

MARVIN J. SOUTHARD, D.S.W.

Director of Mental Health

MJS:MM:RK:SK;jk

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller
Chairperson, Mental Health Commission

ATTACHMENT

COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH
 FISCAL YEAR 2014-15 PUBLISHED CHARGE
 EFFECTIVE JULY 01, 2014

<u>SERVICE DESCRIPTION</u>	<u>MODE</u>	<u>SERVICE FUNCTION CODE</u>	<u>SERVICE UNIT</u>	<u>NON-MEDI-CAL FY 2014-15 RATES</u>	<u>MEDI-CAL FY 2014-15 RATES</u>
Jail Inpatient	5	50-59	Client Day	548.24	N/A
Day Treatment Intensive:					
Half Day (3-4 hours)	10	81-84	Half Day	220.70	200.29
Full Day (more than 4 hours)	10	85-89	Full Day	282.57	249.71
Day Rehabilitation:					
Half Day (3-4 hours)	10	91-94	Half Day	113.96	103.42
Full Day (more than 4 hours)	10	95-99	Full Day	177.92	161.46
Targeted Case Management	15	01-09	Minute	2.64	2.33
Mental Health Services	15	10-59	Minute	3.38	2.99
Medication Support Services	15	60-69	Minute	6.76	5.97
Crisis Intervention	15	70-79	Minute	5.44	4.81
Mental Health Promotion	45	10-19	Staff Hour	136.30	N/A
Community Client Services	45	20-29	Staff Hour	136.30	N/A
Conservatorship:					
Investigation	60	20-29	Staff Hour	140.99	N/A
Administration	60	30-39	Staff Hour	148.86	N/A
Life Support /Board & Care	60	40-49	Day	39.31	N/A
Case Management Support	60	60-69	Staff Hour	139.45	N/A