



DEPARTMENT OF MENTAL HEALTH
hope. recovery. wellbeing.

JONATHAN E. SHERIN, M.D., Ph.D.
Director

Curley L. Bonds, M.D.
Chief Deputy Director
Clinical Operations

Gregory C. Polk, M.P.A.
Chief Deputy Director
Administrative Operations

May 28, 2019

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

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

3 May 28, 2019

Dear Supervisors:


CELIA ZAVALA
EXECUTIVE OFFICER

**HEARING ON PUBLISHED CHARGES FOR FISCAL YEAR 2019–20
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to establish Fiscal Year 2019–20 Published Charges for the provision of DMH directly operated specialty mental health services.

IT IS RECOMMENDED THAT THE BOARD AFTER THE PUBLIC HEARING,

1. Approve the Department of Mental Health’s proposed FY 2019–20 Published Charges, effective July 1, 2019.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended action will allow the Department of Mental Health (DMH) to make effective its proposed Published Charges, reflected in Attachment I, for use in billing the general public and third party payers for 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 III3 - 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. It is necessary for DMH to reassess its rates annually in order to ensure that interim payments from the State for claims submitted for reimbursement are sufficient to support current year cash flow, but not so high as to result in overpayments of federal financial participation and State general fund revenues.

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

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The California State Plan provides that 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, Section 1840.105 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. (42 CFR 447.271 and 405.503 (a)).

DMH contracts with 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 the 2) 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 Published Charges are determined annually based on the most recent Annual Cost Report, projected cost increases, estimated service delivery, and are adjusted by the Centers for Medicare and Medicaid Services Market Basket Index Levels.

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 2019–20 Published Charges will become effective on July 1, 2019. Since virtually all uninsured DMH patients pay less than the Published Charges as a result of applying the Uniform Method of Determining Ability to Pay as established by State law, the increase is not expected to negatively impact the public. Subsequently, there is no anticipated impact on current services.

The Honorable Board of Supervisors

5/28/2019

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Respectfully submitted,

A handwritten signature in black ink, appearing to read 'JES', is positioned above the printed name.

JONATHAN E. SHERIN, M.D., Ph.D.

Director

JES:GP:ES:SK:RLR:dg

Enclosures

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

COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH
 FISCAL YEAR 2019-20 PUBLISHED CHARGES
 EFFECTIVE JULY 01, 2019

<u>SERVICE DESCRIPTION</u>	<u>MODE</u>	<u>SERVICE FUNCTION CODE</u>	<u>SERVICE UNIT</u>	<u>NON-MEDI-CAL FY 2019-20 RATES</u>	<u>MEDI-CAL FY 2019-20 RATES</u>
Crisis Stabilization:					
Urgent Care	10	25-29	Hour	670.42	584.29
Day Treatment Intensive:					
Half Day (3-4 hours)	10	81-84	Half Day	265.16	231.10
Full Day (more than 4 hours)	10	85-89	Full Day	329.99	287.60
Day Rehabilitation:					
Half Day (3-4 hours)	10	91-94	Half Day	136.92	119.33
Full Day (more than 4 hours)	10	95-99	Full Day	213.75	186.29
Targeted Case Management	15	01-09	Minute	3.89	3.39
Mental Health Services	15	10-59	Minute	4.98	4.34
Medication Support Services	15	60-69	Minute	9.98	8.70
Crisis Intervention	15	70-79	Minute	8.03	7.00
Mental Health Promotion	45	10-19	Staff Hour	200.98	N/A
Community Client Services	45	20-29	Staff Hour	200.98	N/A
Conservatorship:					
Investigation	60	20-29	Staff Hour	198.72	N/A
Administration	60	30-39	Staff Hour	188.24	N/A
Life Support /Board & Care	60	40-49	Day	42.51	N/A
Case Management Support	60	60-69	Staff Hour	238.92	N/A

**NOTICE OF HEARING ON PUBLISHED CHARGES FOR
PATIENT CARE SERVICES FOR FISCAL YEAR 2019-20**

Notice is hereby given that a public hearing will be held by the Board of Supervisors, establishing proposed rates for Fiscal Year (FY) 2019-20. It is proposed that such rates for FY 2019-20 be effective July 1, 2019.

Said hearing will be held on May 28, 2019, at 1:00 p.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.

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.

Any person wishing to be heard on this matter may appear and make a presentation before the Board of Supervisors, at such time, regarding the proposed Published Charges. Written comments may be sent to the Executive Office of the Board of Supervisors at the above address.

The proposed Published Charges will be on file and available for review at the Clerk of the Board, Room 383, Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012, or at the Department of Mental Health, Accounting Division, 8th Floor, 550 South Vermont Avenue, Los Angeles, California 90020, from 8:00 a.m. to 5:00 p.m.

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) 738-4920.

Si no entiende esta noticia o si necesita mas informacion favor de llamar a este numero (213) 738-4920.

CELIA ZAVALA
EXECUTIVE OFFICER
Board of Supervisors