



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 1/7/2014

Agenda Placement: 7B

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Shelli Brobst for Alice Hughey - Acting Director
Health & Human Services Administration

REPORT BY: Shelli Brobst, Contracts Analyst - 253-4720

SUBJECT: Amendments with St. Helena Hospital, St. Helena Hospital Center for Behavioral Health and John M Behavioral Health Center (Managed Care & Uninsured Care)

RECOMMENDATION

Acting Director of Health and Human Services requests approval of and authorization for the Chairman to sign the following amendments to agreements for mental health services, revising each contractor's daily rate for Fiscal Year 2013-2014:

1. Managed care (Medi-Cal) inpatient services:
 - a. Amendment No. 15 to Agreement No. 3592 with St. Helena Hospital, Inc.; and
 - b. Amendment No. 9 to Agreement No. 4135 with St. Helena Hospital, dba St. Helena Hospital Center for Behavioral Health.
2. Services for uninsured clients:
 - a. Amendment No. 12 to Agreement No. 4141 with St. Helena Hospital, Inc.; and
 - b. Amendment No. 11 to Agreement No. 4142 with St. Helena Hospital, dba St. Helena Hospital Center for Behavioral Health.

EXECUTIVE SUMMARY

Approval of the recommended amendments will revise the daily rates charged by facilities that provide inpatient mental health services for managed care (Medi-Cal) clients and uninsured clients who require psychiatric hospitalizations. The provision of these services is mandated by the State and funded by Realignment and, if needed, County General Funds.

St. Helena Hospital is a local vendor. St. Helena Hospital Center for Behavioral Health is not a local vendor.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Health & Human Services Mental Health
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	No
Future fiscal impact:	Although the agreements terminate June 30, 2014, they each contain a clause that provides for automatic annual renewal, thereby enabling the County to continue services into the next fiscal year. The necessary appropriations will be budgeted accordingly.
Consequences if not approved:	If these agreements are not approved, mandatory services will not be provided, and the County will be in danger of losing Medi-Cal funding.
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Staff recommends increases in the daily rates for mandated mental health services being provided by the following contracts during Fiscal Year 2013-2014. The rate increases range from 4.32% to 5.69% and are needed to accommodate the additional costs for the provision of the mandated services. These contracts are negotiated by the host county and have annual rate increases. Rates vary among hospitals based on local market factors.

Proposed Revisions to the Daily Rates for Fiscal Year 2013-2014: Hospital:

<u>Hospital</u>	<u>FY 2012-2013</u>	<u>FY 2013-2014</u>	<u>Increase</u>
St. Helena Hospital (No. 3592)	\$1,042	\$1,087	\$45
St. Helena Center for Behavioral Health (No. 4135)	\$1,020	\$1,076	\$56
St. Helena Hospital (No. 4141)	\$1,020	\$1,078	\$58
St. Helena Center for Behavioral Health (No. 4142)	\$1,020	\$1,076	\$56

Medi-Cal Managed Care Inpatient Services, Agreements No. 3592 and 4135:

Under the Medi-Cal managed care system, and based on utilization during the previous fiscal year, the County is required to contract with inpatient mental health facilities providing significant amounts of Medi-Cal eligible services to County patients. St. Helena Hospital in Napa County provides inpatient mental health services to adults. St. Helena Hospital Center for Behavioral Health in Vallejo provides inpatient mental health services to children and adults. The managed care agreements' hospitals cover both the hospital's daily bed rate and the charges of the physicians who provide the required services at these hospitals. For hospital services, the hospitals bill Medi-Cal directly for the hospital's daily bed rate, and they receive reimbursement of 1

these costs. For Fiscal Year 2013-2014, the County is responsible for 50% of the costs for hospital services, which is fully funded by the State through Realignment. For physicians' services, the hospitals bill Napa County directly for the services provided by the physicians at these hospitals. These costs are also fully funded by the State through Realignment. Since managed care is the County's responsibility no matter what the level of expenditures is, the agreements contain no stated maximum amount.

Mental Health Services for Uninsured Clients, Agreements No. 4141 and 4142:

Although rare, clients who are not insured by Medi-Cal, Medicare, or a private insurer are also referred for inpatient mental health services when needed, in accordance with State law. These agreements continue an established procedure for hospital acceptance of the County's clients and subsequent billing to the County for the hospital and physician services provided at the hospital. The rates established for compensation cover both the hospital's daily bed rate and the charges of the physicians who provide the required services at these hospitals. These agreements are funded initially by Mental Health Realignment funds. When Realignment funds are exhausted, the costs of the services provided under these agreements are then funded with County Funds appropriated in the Health and Human Services Agency's Fiscal Year 2013-2014 budget.

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SUPPORTING DOCUMENTS

None

CEO Recommendation

Reviewed By: K