



Agenda Date: 10/10/2006
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Set Time: 10:30 AM PUBLIC HEARING
Estimated Report Time: 15 Minutes

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Shelli Brobst for Randy Snowden - Director
Health & Human Services
REPORT BY: Shelli Brobst, Contracts Analyst, 253-4720
SUBJECT: Public Hearing-Mental Health Fee Schedule and Billing Rates for Fiscal Year 2006-2007

RECOMMENDATION

Director of Health and Human Services requests the following actions:

1. Discussion and possible adoption of a resolution establishing a mental health fee schedule for Fiscal Year 2006-2007; and
2. Approval of mental health billing rates for Fiscal Year 2006-2007.

EXECUTIVE SUMMARY

The requested actions provide for Board approval of a mental health fee schedule and mental health billing rates for Fiscal Year 2006-2007. The fee schedule provides a required element in the HHS mental health program structure—specifically, a schedule of stated fees for each mental health service that HHS provides. If this action is approved, mental health fees for Fiscal Year 2006-2007 will be set at the level of the Fiscal Year 2006-2007 Schedule of Maximum Allowances (SMA) rate published by the State. The fee schedule also will serve as the County's Fiscal Year 2006-2007 billing rates for Medicare, Medi-Cal and private insurance.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Mental Health
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	Yes

- Future fiscal impact:** None. Each year, following the State's issuance in September of the SMA rate for the current fiscal year, HHSa reviews, updates and seeks Board approval of the mental health fee schedule and the mental health billing rates for the particular fiscal year. The fee schedule provides a basis for determining how much clients must pay and also serves as the basis for billing and obtaining reimbursement ("billing rates") from Medicare, Medi-Cal and private insurance for services that HHSa provides.
- Consequences if not approved:** If this action is not approved, HHSa will not have a Board-approved mental health fee schedule or Board-approved billing rates for Fiscal Year 2006-2007 and will therefore not have authority to charge client fees or bill Medi-Cal, Medicare and private insurance for mental health services that HHSa provides.
- Additional Information:** Approval of the requested action will increase mental health client fees and billing rates for Medi-Cal, Medicare and private insurance by 3.43-3.59% in Fiscal Year 2006-2007 (depending on the service).

Client fees: Few clients will have to pay the published fees out of pocket, since most clients seeking mental health services have some type of third party coverage - Medicare, Medi-Cal or occasionally private insurance - that helps to pay for the services they receive. The Uniform Method for Determining the Ability to Pay (UMDAP) process is used to calculate an annual client liability, that is, an annual cap on the amount that a client must pay for all services received during a year. A client must pay for services provided by HHSa up to that cap, regardless of any other coverage the client may have. Most clients' yearly UMDAP liability is less than \$50. Therefore, the fee increase will not have a significant effect on client access to services.

Billing rates: The increase in billing rates will allow HHSa to bill Medi-Cal, Medicare and private insurance at the maximum rate allowed by the State, which is the Schedule of Maximum Allowances (SMA). This increase will result in an estimated \$85,000 in additional billing revenues in Fiscal Year 2006-2007.

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Board approval of a schedule of stated fees for mental health services provided by HHSa in Fiscal Year 2006-2007 is requested. Approval of the County's mental health billing rates for Fiscal Year 2006-2007 is likewise requested.

The proposed fees provide a required element in the HHSa mental health program structure, specifically, a schedule of stated fees for each mental health service that HHSa provides. There are two reasons for establishing a fee schedule:

1. The County is required to charge fees based on the client's ability to pay. The established fees provide a basis for determining how much each client must pay. While the actual revenue that HHSA receives from client fees is low, HHSA nevertheless is required to set and charge fees.
2. The fee schedule also serves as the billing rates that HHSA uses to obtain reimbursement from Medicare, Medi-Cal and private insurance for services that HHSA provides. Federal pay sources require that the County adopt uniform fees for services, which means that HHSA cannot bill Medi-Cal or Medicare more than HHSA charges other pay sources. Therefore, HHSA's published fees also are the billing rates that HHSA uses to bill all non-client pay sources - Medicare, Medi-Cal and private insurance.

SUPPORTING DOCUMENTS

A . Resolution

CEO Recommendation: Approve

Reviewed By: Lorenzo Zialcita