



Agenda Date: 10/9/2007
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Continued From: October 2, 2007

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Shelli Brobst for Snowden, Randolph F. - Director
Health & Human Services
REPORT BY: Shelli Brobst, Contracts Analyst, 253-4720
SUBJECT: Amendment No. 8 to Agreement with St. Helena Hospital (Managed Care)

RECOMMENDATION

Director of Health and Human Services requests approval of and authorization for the Chair to sign Amendment No. 8 to Agreement No. 3592 with St. Helena Hospital revising the daily rates for services and removing the provision for the purchase of a dedicated inpatient bed for Fiscal Year 2007-2008.
(CONTINUED FROM OCTOBER 2, 2007)

EXECUTIVE SUMMARY

Approval of the requested action will revise the daily bed rate charged by St. Helena Hospital for State-mandated inpatient mental health services for the County's managed care (Medi-Cal) clients requiring psychiatric hospitalizations, from \$750 to \$787. The Administrative Day rate set by the State will also increase from \$296.03 to \$388.25 per day. The physician's fee, however, will remain the same as last fiscal year, \$85 per day. Approval of the requested action will also remove the provision for the County's paying for a dedicated hospital bed. Savings resulting from not paying for a dedicated bed will be used to pay for additional bed days as may be needed.

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?	No
Future fiscal impact:	Although the amended agreement will terminate on June 30, 2008, the

amended agreement contains a clause that provides for automatic annual renewal, thereby enabling the County to continue these services into the next fiscal year, in which case, the necessary appropriations will be budgeted accordingly.

Consequences if not approved: If the requested amendment is not approved, the contractor will not receive reimbursement for an increase in its daily rate and the provision regarding the purchase of a dedicated bed will remain in the agreement. Moreover, mandatory services will not be provided.

Additional Information:

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

The agreement with St. Helena Hospital (Hospital) provides inpatient psychiatric services for Napa County Health and Human Services Agency (Agency) adult Medi-Cal ("managed care") clients. Under the agreement, the Hospital serves adults who are deemed an imminent risk to themselves or others, or are gravely disabled because of a mental disorder. The Hospital also provides necessary treatment to stabilize the client's situation.

Approval of the requested action will amend the existing agreement with the Hospital to incorporate a requested five percent rate increase in the bed rate, from \$750 per day to \$787. The Administrative Day rate (the rate paid when a beneficiary's stay at the hospital must be continued beyond the need for the acute hospital service due to a temporary lack of placement options at a non-acute facility) is set by the State and has increased from \$296.03 to \$388.25 per day. The physician's fee of \$85 per day will remain the same as last fiscal year.

Approval of the requested action will also delete the current provision for the purchase of one dedicated bed. Under the current agreement, one bed is kept available for Napa County's sole use, to ensure that Napa County has enough available placement slots. Napa County is held responsible for payment for the dedicated bed, whether or not the bed is used. The Agency has determined that it is no longer necessary to maintain the practice of guaranteeing the availability of a bed. Since managed care costs are the County's responsibility no matter what the level of expenditures is, the contract contains no maximum amounts. Savings that result from not paying for a dedicated bed will be applied to additional bed days as needed.

The Agency's costs include both the Hospital's cost ("bed rate") and services provided by a physician at the hospital (collectively referred to as the hospital's "all-inclusive rate"). The Hospital bills Medi-Cal for the Hospital's daily bed rate and receives reimbursement of 50 percent of the costs. The remaining 50 percent of hospital costs is the County's responsibility, funded by an annual managed care allocation that the County receives from the State. The Hospital bills Napa County directly for the services provided by physicians at these hospitals. Medi-Cal does not pay any share of the physician's cost.

The Agency has an executed Business Associate Agreement on file with this provider.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Lorenzo Zialcita