



Agenda Date: 10/9/2007
Agenda Placement: 8A
Set Time: 9:15 AM PUBLIC HEARING
Estimated Report Time: 10 Minutes

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Alice Hughey for Snowden, Randolph F. - 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 2007-2008

RECOMMENDATION

Director of Health and Human Services requests the following actions:

1. Adoption of a resolution establishing a mental health fee schedule for Fiscal Year 2007-2008; and
2. Approval of mental health billing rates for Fiscal Year 2007-2008.

EXECUTIVE SUMMARY

Board establishment of a mental health fee schedule and approval of mental health billing rates for Fiscal Year 2007-2008 are being requested. 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 the requested actions are approved, mental health fees for Fiscal Year 2007-2008 will be set at the Fiscal Year 2007-2008 Schedule of Maximum Allowances (SMA) rates published by the State Department of Mental Health, which are the maximum allowable billing rates. The fee schedule will then also serve as the County's Fiscal Year 2007-2008 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 of the Schedule of Maximum Allowances (SMA) rates for the current fiscal year (the maximum allowable fees), HHSa reviews, updates and seeks Board establishment of a mental health fee schedule and approval of 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 uniform billing to obtain reimbursement from Medicare, Medi-Cal and private insurance for services that HHSa provides.
- Consequences if not approved: If the requested actions are not approved, HHSa will not have a Board-established mental health fee schedule nor Board-approved billing rates for Fiscal Year 2007-2008. HHSa will therefore not have the authority to charge client fees or bill Medi-Cal, Medicare and private insurance for mental health services that HHSa provides.
- Additional Information: In HHSa's billing system, the State's SMA rate is rounded to the next highest dollar. However, the maximum amount of reimbursement that HHSa will receive is the SMA rate. The Fiscal Year 2007-2008 rates are approximately three percent higher than the Fiscal Year 2006-2007 rates.

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 2007-2008 is requested. Approval of the County's mental health billing rates for Fiscal Year 2007-2008 is likewise requested. If the actions being requested today are approved by the Board, both mental health fees and billing rates for Fiscal Year 2007-2008 will be set at the level of the Fiscal Year 2007-2008 SMA rates published by the State. The Fiscal Year 2007-2008 SMA rates are approximately three percent higher than the Fiscal Year 2006-2007 rates.

Approval of the requested fee schedule provides a required element of 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 for mental health services:

1. The County is mandated to set a fee schedule for the mental health services it provides. It is also required to charge fees based on the client's ability to pay. The fee schedule, once established by the Board, provides 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, once established, 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 established fees also serve as the billing rates that HHSa uses to bill all non-client pay sources - Medicare, Medi-Cal and private insurance.

Regarding the County's billing rates for Medi-Cal reimbursement, since 2004 HHSA has received Board authority to adopt and to automatically adjust the Medi-Cal billing rates each year to match the State Department of Mental Health's (DMH) Schedule of Maximum Allowances (SMA) rates. DMH sets its SMA rates annually, and HHSA has consistently recommended that the County's mental health fees and rates be set to match DMH's SMA rates.

Since federal pay sources require that the County adopt uniform fees for services, the fees and billing rates for Medi-Cal, Medicare and private insurance all have to be set as the same rates. Thus, HHSA will continue to return each year to ask the Board to establish a schedule of fees for mental health services. This schedule of fees will be set at the State's SMA rates for the particular year and used as the County's billing rates for reimbursement from Medi-Cal, Medicare and private insurance providers.

SUPPORTING DOCUMENTS

- A . Resolution
- B . Resolution (tracked version)

CEO Recommendation: Approve

Reviewed By: Lorenzo Zialcita