



Agenda Date: 11/6/2007  
Agenda Placement: 8D  
Set Time: 9:15 AM PUBLIC HEARING  
Estimated Report Time: 15 Minutes

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors  
**FROM:** Shelli Brobst for Snowden, Randolph F. - Director  
Health & Human Services  
**REPORT BY:** Shelli Brobst, Contracts Analyst, 253-4720  
**SUBJECT:** Public Hearing and Adoption of Resolution Regarding the Substance Abuse Services Fee  
Schedule for Fiscal Year 2007-2008

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### **RECOMMENDATION**

Director of Health and Human Services requests adoption of resolution establishing a Substance Abuse Services fee schedule for Fiscal Year 2007-2008.

### **EXECUTIVE SUMMARY**

Adoption of the requested resolution will enable HHSA to place into effect a Substance Abuse Services fee schedule for Fiscal Year 2007-2008. The fee schedule will add a required element to the HHSA Substance Abuse Services program structure, specifically, a schedule of stated fees for each substance abuse service that HHSA provides. The fee schedule will then be used in the process of determining how much clients should pay for the service(s) received.

### **FISCAL IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Substance Abuse Services
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	Yes
Future fiscal impact:	None. Each year, HHSA will review, update and correspondingly seek Board adoption of an appropriate fee schedule for the delivery of Substance Abuse services.

Consequences if not approved: If the resolution is not adopted, HHSA will not have a Board-authorized substance abuse services fee schedule for Fiscal Year 2007-2008 and will not be able to charge appropriate fees to its Substance Abuse clients.

Additional Information: The specific substance abuse program funding sources are federal Substance Abuse Prevention and Treatment (SAPT) block grant, Substance Abuse and Crime Prevention Act of 2000 (Proposition 36), Perinatal, Bay Area Services Network (Parolees), Drug Court, Substance Abuse Treatment and Testing Accountability (SATTA), State General Fund, Drug Medi-Cal, Medi-Cal Administrative Activities (MAA), and allocated County General Fund.

### **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**

Approval of the proposed fees will add a required element to the HHSA substance abuse services program structure -- specifically, a schedule of stated fees for each substance abuse service that HHSA provides during Fiscal Year 2007-2008, commencing with the adoption of the fee schedule. Entities that receive federal Substance Abuse Prevention and Treatment (SAPT) block grant funding are required to secure from clients payment for services in accordance with their ability to pay. California Health and Safety Code Sec. 11852.5 requires county substance abuse plans to charge fees if they are funded by Drug Medi-Cal, the state "Negotiated Net Amount" contract, or county general funds. The fee requirement does not apply to prevention and early intervention services. The fees, which must be approved by the County Alcohol and Drug Administrator, must be equitable and must not exceed the actual cost of providing services. The County must determine the liability for payment of clients according to their ability to pay. Services may not be denied because of a client's inability to pay. Priority for admission to treatment services must be given to (in this order): (1) pregnant injecting drug users; (2) pregnant substance abusers; (3) injecting drug users; and (4) all other drug users.

### **Fee Calculation**

HHSA's proposed fees are based on the average cost of delivering these services to clients. Costs include staff salaries and benefits, operating costs, drug testing, and client services (e.g., child care services and transportation). The proposed fee schedule is attached. A detailed description of the methodology used to determine the proposed fees is on file with the Clerk of the Board.

HHSA's Substance Abuse Services Division has been reorganized to deliver services more effectively and efficiently. The new fees reflect the continuum of substance abuse services that HHSA will provide under the new program structure effective September 4, 2007. If today's requested action is approved, the new fees will be made effective as of today.

The new fees are based on projections of the number of substance abuse services expected to be provided under the new program structure. Therefore, the fee schedule for Fiscal Year 2007-2008 will serve as a baseline year. Adjustments may be made in Fiscal Year 2008-2009 to reflect actual experience during Fiscal Year 2007-2008.

In addition, HHSA is implementing a new Drug Medi-Cal billing system in Fiscal Year 2007-2008. The billing system determines the correct order in which pay sources (in this case, Drug Medi-Cal) should be billed for each client. The correct order of pay sources in turn determines which clients should receive a bill for services.

Therefore, Drug Medi-Cal services must be entered in the new billing system before client fees can be billed. HHSA's proposed fees are greater than the reimbursement rates paid by Drug Medi-Cal for substance abuse services. Thus, for services provided to Drug Medi-Cal clients, HHSA will bill Drug Medi-Cal and receive reimbursement for only a portion of the cost of the service.

### **Client Payments**

In determining how much each client must pay for services, all funding sources available to HHSA are first taken into account. HHSA receives state and federal substance abuse services funding for three types of services: residential treatment, outpatient treatment and prevention services. State and federal funding include: (1) discretionary funds that can be used for a variety of substance abuse services; (2) Drug Medi-Cal funds that support narrowly defined outpatient treatment services for Medi-Cal eligible clients; and (3) categorical funds that can only be spent on specific services and/or clients (prevention services, services for pregnant or parenting women, services for parolees, youth treatment, and HIV early intervention services for clients engaged in treatment). The Substance Abuse Services program also utilizes allocated County General Fund.

After all available funding is taken into account, if there is any remaining liability for payment, it is the client's responsibility to pay. The client's liability is established on a sliding scale. Napa County will use a sliding scale developed by Kern County. The sliding scale is based on the 2007 Federal Poverty Guidelines and family size. A 50% local cost of living factor was added to the Federal Poverty Guideline to adjust for the higher cost of living in Napa County ("Napa County Poverty Guideline"). The Napa County Poverty Guideline for a family of four is \$30,975. Clients with incomes at or below the Napa County Poverty Guideline will incur no charges. For clients with incomes above the Napa County Poverty Guideline, the charges will be prorated. For every 50% increase in income above the original Napa County Poverty Guideline, the charges increase by 25% until the liability for charges reaches 100%.

Clients for whom there is no funding source available will have to pay the published fees out of pocket, but most clients seeking services have some type of funding source that defrays at least a portion of the cost of services. HHSA will offer payment plans to clients based on their ability to pay to ensure timely access to treatment. In addition, clients may seek to reduce their liability for payment by requesting a "sliding scale waiver." In some cases, non-financial factors may make it impracticable or impossible for a client to pay his or her liability for payment. For example, an unemployed spouse might have a high liability because of the income of the other spouse, but marital difficulties might make it impossible to access that income. In some cases, the fee structure itself might create a clinical barrier, preventing a particular client from accessing treatment. The waiver process allows HHSA staff to consider these factors in determining a client's liability for payment.

### **SUPPORTING DOCUMENTS**

A . Resolution

CEO Recommendation: Approve

Reviewed By: Lorenzo Zialcita