



COUNTY OF HUMBOLDT

For the meeting of: 6/16/2020

File #: 20-715

To: Board of Supervisors

From: DHHS: Mental Health

Agenda Section: Consent

SUBJECT:

Revise Mental Health Charge Rate Schedule effective January 1, 2020

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve and adopt the proposed charge rate schedule for the Department of Health and Human Services - Behavioral Health (Attachment 1) as required by the State Department of Health Care Services. This schedule shall be effective January 1, 2020 until amended.

SOURCE OF FUNDING:

Behavioral Health Fund

DISCUSSION:

Medi-Cal and Medicare regulations require the establishment of fees for services based on ability to pay, but not to exceed the actual costs incurred, as well as to ensure that a uniform rate is established for government and private payers. It also requires entities that receive this funding to establish systems for eligibility determination, billing, and collection. Both of these regulatory funding sources make payment to DHHS-Behavioral Health based on interim rates, which are ultimately settled to cost in the cost report and audit processes.

The Mental Health charge rates for Specialty Mental Health Services are based on the estimated and historical cost per unit of providing services to clients. Billing rates are further governed by Certified Public Expenditure (CPE) and the Uniform Method of Determining Ability to Pay (UMDAP) Schedule (Attachment 2) for the billing of clients.

DHHS-Behavioral Health has conducted a financial review of the impact of staffing costs, including salary and benefit costs and operating expense costs, professional & special services and medication costs. These costs have been compared to units of service for the provision of Specialty Mental Health services. Significant changes that have impacted cost per unit in this rate setting period include the implementation of an electronic health record and a restructure of DHHS-Behavioral Health medical staffing components. Changes to specialty mental health service delivery during the COVID-19 public

health emergency are also anticipated to influence cost of services.

In order to establish an interim rate for reimbursement, the State Department of Health Care Services (DHCS) requires that county mental health plans publish a schedule of usual and customary charges. Mid-year financial review supports this request to amend current rates for Mental Health Services from \$4.14 per minute to \$4.97 per minute; Case Management/Brokerage from \$3.65 per minute to \$4.38 per minute; Medication Support Services from \$7.59 per minute to \$9.11 per minute; Crisis Intervention from \$4.78 per minute to \$5.74 per minute; Crisis Stabilization from \$178.65 per hour to \$214.38 per hour and Inpatient bed day from \$1,708.50 per day to \$2,050.20 per day.

The charge schedule does not affect the financial liability of clients. Persons receiving mental health services who are not covered by Medi-Cal and Medicare, are billed according to a sliding scale based on ability to pay (UMDAP), issued by the State Department of Mental Health.

FINANCIAL IMPACT:

This rate adjustment will support the per unit cost reimbursement of providing Specialty Mental Health Services. The proposed update charge schedule will enable DHHS - Behavioral Health to maintain compliance with Medi-Cal and Medicare requirements and to maximize revenues from Medicaid and Medicare. With this rate adjustment, DHHS - Behavioral Health will secure allowable cost reimbursements based on certified public expenditure from Medicare Federal Financial Participation (FFP) for FY 2019-20 for deposit to DHHS - Behavioral Health Administration Budget 1170-424.

Following FY 2019-20 mid-year financial review, DHHS - Behavioral Health financial services staff have conducted an evaluation of projected costs per unit of service in order to make a recommendation to modify rate schedule effective January 1, 2020. It is due to the time required for this evaluation that DHHS - Behavioral Health comes to the Board of Supervisors at this time with the 2020 charge rate schedule.

Medi-Cal and Medicare require certification of public expenditure prior to submission of service claims for reimbursement. Due to the nature of Behavioral Health financing for clinical services, other revenue sources such as Realignment and Mental Health Services Act are utilized for initial financing, to the extent that resources allow. There may be temporary utilization of DHHS other financing sources pending adjudication and payment of claims, therefore there will be no impact to County General Fund.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by seeking outside funding sources to benefit Humboldt County needs [Click here to type another item\(s\) from the Strategic Framework](#), or leave as a period.

OTHER AGENCY INVOLVEMENT:

None.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

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The Board could choose not to approve the modification of the Mental Health charge rate schedule; however this is not recommended as it would challenge DHHS' ability to manage resources and ensure sustainability of services.

ATTACHMENTS:

1. DHHS Mental Health 2020 Rate Schedule
2. Uniform Method of Determining Ability to Pay (UMDAP) Schedule

PREVIOUS ACTION/REFERRAL:

Board Order No.: C-16; I-1

Meeting of: 6/27/17; 10/01/19

File No.: 17-2039; 19-1434; 20-715