



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

NORA VARGAS
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

MONICA MONTGOMERY STEPPE
Fourth District

JIM DESMOND
Fifth District

DATE: April 30, 2024 and May 21, 2024

30

TO: Board of Supervisors

SUBJECT

APPROVE AN ORDINANCE AMENDING ARTICLE XV-B OF THE SAN DIEGO COUNTY ADMINISTRATIVE CODE RELATING TO HEALTH AND HUMAN SERVICES CHARGES AND FEES (DISTRICTS: ALL)

OVERVIEW

The County of San Diego (County) Health and Human Services Agency (HHS) is an integrated health, housing, and social service organization with a robust service network that spans across the San Diego County region and contributes to making people's lives healthier, safer, and self-sufficient. Services provided by HHS are delivered by eight service departments to provide vital resources and care to some of the most vulnerable San Diego County residents. Today's action requests the San Diego County Board of Supervisors (Board) approve amendments to Article XV-B of the San Diego County Administrative Code related to fees and rates established for services delivered in three HHS departments, Public Health Services, Medical Care Services, and Behavioral Health Services. The Board last approved revisions to HHS fees and rates on May 23, 2023 (4).

The proposed ordinance represents a comprehensive package that seeks to support the cost of providing services, while maintaining fees that are fair and reasonable for customers and the public. In accordance with Board Policy B-29 (Fees, Grants, and Revenue Contracts – Department Responsibility for Cost Recovery), HHS recently conducted a review of HHS fees and rates, in order to ensure costs are fully recovered for services provided to agencies or individuals. A total of 93 HHS fees and associated costs were reviewed, resulting in proposed additions, adjustments, and determinations to maintain existing fees.

Today's action requires two steps: on April 30, 2024, it is requested that the Board consider an ordinance amending sections of the San Diego County Administrative Code related to HHS fees. If the Board takes the action as recommended, then on May 21, 2024, the proposed ordinance will be brought back to the Board for consideration and adoption.

This item supports the County vision of a just, sustainable, and resilient future for all, specifically those communities and populations in San Diego County that have been historically left behind, as well as our ongoing commitment to the regional *Live Well San Diego* vision of healthy, safe, and thriving communities. This will be accomplished by ensuring that the County has optimized its health and social services delivery system to ensure efficiency, integration and innovation while maintaining fiscal stability.

SUBJECT: APPROVE AN ORDINANCE AMENDING ARTICLE XV-B OF THE SAN DIEGO COUNTY ADMINISTRATIVE CODE RELATING TO HEALTH AND HUMAN SERVICES CHARGES AND FEES (DISTRICTS: ALL)

RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER

On April 30, 2024:

Approve the introduction of the ordinance (first reading):

AN ORDINANCE AMENDING ARTICLE XV-B OF THE SAN DIEGO COUNTY ADMINISTRATIVE CODE RELATING TO HEALTH AND HUMAN SERVICES CHARGES AND FEES

If on April 30, 2024, the San Diego County Board of Supervisors takes action as recommended, then on May 21, 2024

Consider and adopt (second reading):

AN ORDINANCE AMENDING ARTICLE XV-B OF THE SAN DIEGO COUNTY ADMINISTRATIVE CODE RELATING TO HEALTH AND HUMAN SERVICES CHARGES AND FEES

EQUITY IMPACT STATEMENT

To develop the cost recovery proposal, the County of San Diego (County) Health and Human Services Agency (HHS) performed an analysis of all services provided to customers to examine the tasks and functions performed, including the direct and indirect costs of performing those tasks in relation to the specific services. Criteria were established to determine fair and reasonable fees for direct services provided.

The proposed ordinance represents a comprehensive package that seeks to support the cost of providing HHS services, while maintaining fees that are fair and reasonable for customers and the public. Updates include County Public Health Services, Public Health Laboratory (PHL) fees that are either tied to environmental testing, such as testing of drinking water or foodborne illness investigations, or clinical fees such as tests for communicable disease outbreaks, among others. Additionally, County Medical Care Services will clarify language in Administrative Code XV-B, Section 239 to explicitly add the existing pharmacy dispensing fee. Lastly, the proposed ordinance includes a revision to a rate for the Edgemoor Skilled Nursing Facility to align with updated full cost recovery information.

Today's action would update fees for services provided by the County that help to promote health and safety and have an impact on the lives of Black, Indigenous, People of Color, women, people with disabilities, immigrants, youth, the LGBTQ+ community, and other underserved groups.

SUSTAINABILITY IMPACT STATEMENT

Today's proposed action supports the County of San Diego (County) Sustainability Goal #2 to provide just and equitable access by aligning available County resources with services to maintain fiscal stability and ensure long term solvency.

FISCAL IMPACT

Funds for this request are not included in the Fiscal Year (FY) 2024-25 CAO Recommended Operational Plan in the Health and Human Services Agency. If approved, this request will result

SUBJECT: APPROVE AN ORDINANCE AMENDING ARTICLE XV-B OF THE SAN DIEGO COUNTY ADMINISTRATIVE CODE RELATING TO HEALTH AND HUMAN SERVICES CHARGES AND FEES (DISTRICTS: ALL)

in an estimated increase in revenue of \$109,919 in FY 2024-25. There is no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

This item was presented to the Health Services Advisory Board as an informational item on April 2, 2024.

BACKGROUND

The County of San Diego (County) Health and Human Services Agency (HHS) is an integrated health, housing, and social service organization with a robust service network that spans across the San Diego County region and contributes to making people’s lives healthier, safer, and self-sufficient. HHS remains committed to providing the highest quality work product and customer service, while maintaining, and whenever possible, reducing costs. Efforts to streamline and improve processes, especially using new technology as it becomes available, are continuously evaluated and operationalized when possible. Continued increases in the cost of doing business necessitate the regular evaluation of fees to align with current costs. The San Diego County Board of Supervisors (Board) last approved revisions to HHS fees and rates on May 23, 2023 (4).

To prepare the Fiscal Year 2024-25 fee package, HHS has reviewed 93 fees and associated costs to reassess fee level. Of those, 46 fees and rates were either already under County Administrative Code XV-B, Section 239, which sets the fee as the lesser of the published Medi-Cal rate or calculated County costs, previously had a less than full-cost recovery fee rate approved by the Board or had no proposed change to the fee at this time. For the remaining 47 fees and rates charged for services by County Public Health Services, Medical Care Services, and Behavioral Health Services, HHS is proposing updated fees effective Fiscal Year (FY) 2024-25 and amendment of various sections within the County Administrative Code Article XV-B to support proposed fee adjustments and additions (Attachment A). The overall analysis of the 47 fees resulted in the following recommended actions (Attachment D for additional details):

Action	Number of Fees and Rates	Division Impact
Increases	30	Public Health Services (28) Behavioral Health Services (1) Medical Care Services (1)
Decreases	7	Public Health Services (7)
New	6	Public Health Services (6)
Delete	4	Public Health Services (4)
Total	47	

Board Policy B-29 (Fees, Grants, and Revenue Contracts - Department Responsibility for Cost Recovery) requires departments to ensure costs are fully recovered for services provided to

SUBJECT: APPROVE AN ORDINANCE AMENDING ARTICLE XV-B OF THE SAN DIEGO COUNTY ADMINISTRATIVE CODE RELATING TO HEALTH AND HUMAN SERVICES CHARGES AND FEES (DISTRICTS: ALL)

agencies or individuals. Based on cost increases, a cost recovery proposal is being presented that includes a fee adjustment to ensure full cost recovery for services when possible.

To develop the cost recovery proposal, HHSa performed an analysis of all services provided to examine the tasks and functions performed, including the direct and indirect costs of performing those tasks in relation to the specific services. The analysis focused on services that directly benefit an individual, group, or the general public. Criteria were established to determine fair and reasonable fees for direct services provided.

The County Auditor and Controller has reviewed and approved the supporting documentation and the methodology for establishing the fees in this proposal for FY 2024-25. The following Proposed Fee Package provides an overview of the fee adjustments, by department.

Proposed Fee Package

Public Health Services Fees

The County Public Health Services (PHS) is the local health department in San Diego County. PHS works to prevent epidemics and the spread of disease, protect against environmental hazards, prevent injuries, promote and encourage healthy behaviors, respond to disasters and assist communities in recovery, and assure the quality and accessibility of health services throughout the county. The proposed ordinance supports the cost recovery related to the PHS, Public Health Laboratory (PHL). Additionally, an update on the status of the *Tobacco Retail License Fee* is provided.

Public Health Laboratory Fees

PHL works in conjunction with public health clinics, local hospitals and healthcare providers, and the County Department of Environmental Health and Quality. By analyzing clinical and environmental samples, PHL participates in the core activities of surveillance, assessment, and assurance. A total of 45 PHS fees were reviewed resulting in the following recommended actions. Of those, 39 existing testing fees require updating for PHL, which include 28 proposed increases, seven proposed decreases and four deletions to reflect updated business processes.

In addition, a total of six new PHL fees are proposed related to water and clinical fees. Of the six, three fees will be added under County Administrative Code XV-B, Section 239 and three will be added in Section 244, the portion of the ordinance that refers to water testing fees and other clinical laboratory fees not tied to Medi-Cal rates. The new fees are for tests currently being performed by PHL which will provide future opportunity to recover costs when possible. PHL fees are primarily established for those circumstances in which costs are claimable to federal, State, and other jurisdictions.

Tobacco Retail License Fee

The Tobacco Retail Licensing (TRL) Program is responsible for oversight, administration and ensuring compliance with the County TRL Ordinance that was enacted in July 2021. The Ordinance requires tobacco retailers in the unincorporated area of the county to pay an annual fee for a TRL. On June 14, 2022 (17), the Board adopted a three-year phase in plan for the TRL program, with direction to seek alternative funding sources to offset the fee into the future.

SUBJECT: APPROVE AN ORDINANCE AMENDING ARTICLE XV-B OF THE SAN DIEGO COUNTY ADMINISTRATIVE CODE RELATING TO HEALTH AND HUMAN SERVICES CHARGES AND FEES (DISTRICTS: ALL)

Revenue from the fee supports a portion of the expected annual cost recovery for 3.05 FTE staff, as well as general program administration and implementation costs. The current annual fee of \$730 was calculated based on 50% of full cost recovery for FY 2022-23 with realignment revenue covering the balance. For FY 2024-25, two one-time Tobacco Program grants from the California Department of Justice (DOJ) have been identified to offset and support the TRL program expenses and activities, allowing for the fee to remain at \$730. The availability of grant funding will be assessed annually and proposed increases in the TRL fee will be brought to the Board for consideration in the future should grant funding no longer be available. For example, in FY 2025-26, due to the ending of DOJ grant funding, the TRL fee is expected to increase. In FY 2026-27, projections show that retailers will be expected to pay the full TRL fee cost implementation, as the DOJ grants will have ended.

Behavioral Health Services Rate

Behavioral Health Services (BHS) provides a continuum of mental health and substance use services to San Diego County residents of all ages who are Medi-Cal eligible. Services are provided through a coordinated system of County-operated and contracted community-based providers. BHS also operates two hospitals, including the San Diego County Psychiatric Hospital and Edgemoor Distinct Part Skilled Nursing Facility (DPSNF), that provide inpatient care to the region's most vulnerable adults.

Most BHS fees are aligned with Medi-Cal rates under Administrative Code XV-B, Section 239. There is a private pay rate for Edgemoor DPSNF in which an increase is proposed to align with updated full cost recovery information.

Medical Care Services Fee

Medical Care Services (MCS) supports access to evidence-based care through a variety of programs. This includes quality assurance and improvement efforts for HHSA medical services; providing nursing services; providing pharmaceutical services to HHSA programs and facilities; and developing, implementing, and monitoring policy and standards of practice for HHSA nurses. The MCS Pharmacy provides direct services for the San Diego County Psychiatric Hospital, Edgemoor DPSNF, clinic services, and other programs. The MCS Pharmacy coordinates with County programs to implement best practices and ongoing staff development to ensure patient safety and access to medications.

The pharmacy dispensing fee is an existing fee charged primarily to County departments and public payors for dispensing medications, which is tied to Administrative Code XV-B, Section 239 (38) Other related health services that are included in the Medi-Cal schedule. Today's action will add clarifying language to include this fee as a distinct category within Administrative Code XV-B, Section 239. Additionally, this fee is proposed to increase tied to the Section 239.

The County Auditor and Controller has reviewed and approved the supporting documentation and the methodology for establishing the fees in this proposal for FY 2024-25.

SUBJECT: APPROVE AN ORDINANCE AMENDING ARTICLE XV-B OF THE SAN DIEGO COUNTY ADMINISTRATIVE CODE RELATING TO HEALTH AND HUMAN SERVICES CHARGES AND FEES (DISTRICTS: ALL)

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's actions support the Sustainability (Economy), Equity (Health), and Empower (Transparency and Accountability) Strategic Initiatives in the County of San Diego's (County) 2024-2029 Strategic Plan. Periodically reviewing Health and Human Services Agency services and related fees ensures that the County has optimized its health and social services delivery system to ensure efficiency, integration and innovation while maintaining fiscal stability.

Respectfully submitted,



SARAH E. AGHASSI
Interim Chief Administrative Officer

ATTACHMENT(S)

Attachment A - Summary Comparison of Current and Proposed Fees

Attachment B - An Ordinance Amending Article XV-B of the San Diego County Administrative Code, Relating to Health and Human Services Charges and Fees (Clean Copy)

Attachment C - An Ordinance Amending Article XV-B of the San Diego County Administrative Code, Relating to Health and Human Services Charges and Fees (Informational Copy)

Attachment D - Summary of Cost Recovery Proposal Actions and Alignment of Fees to Section 239