



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

GREG COX
First District

DIANNE JACOB
Second District

KRISTIN GASPAR
Third District

RON ROBERTS
Fourth District

BILL HORN
Fifth District

DATE: March 21, 2017 and April 25, 2017

XX

TO: Board of Supervisors

SUBJECT: 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

Today's action request that the Board of Supervisors review and approve amendments to Article XV-B of the County of San Diego Administrative Code related to fees charged for services for the following Health and Human Services Agency divisions: Public Health Services (PHS), Behavioral Health Services (BHS), and Child Welfare Services (CWS). Between 1990 and 2009, the Health and Human Services Agency has updated fees and rates for each division in separate Board actions.

Today's recommended ordinance represents a comprehensive package that seeks to support Health and Human Service Agency services and will result in fees and rates that are fair and equitable for customers and the public. The proposed changes are the result of an analysis of services provided to the public, processing times, and corresponding costs to provide those services. Over the past several months, the Health and Human Services Agency reviewed a total of 76 fees, resulting in various proposed adjustments, deletions, and determinations to maintain existing fees.

The Auditor and Controller has reviewed and approved the supporting documentation and the methodology for establishing the fees in this proposal for Fiscal Year (FY) 2017-18.

Today's action includes introducing an Ordinance amending Article XV-B of the San Diego County Administrative Code, Relating To Health And Human Services Charges And Fees (first reading) so that it can be acted upon at the April 25, 2017 meeting (second reading).

This action contributes to the *Live Well San Diego* vision by ensuring that the County has optimized its health and social services delivery system to ensure efficiency, integration and innovation from a global perspective while maintaining fiscal stability in support of a healthy, safe and thriving region.

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Recommendation(s)

CHIEF ADMINISTRATIVE OFFICER

1. Waive Board Policy B-29, Fees, Grant, Revenue Contracts-Department Responsibility for Cost Recovery, which requires full-cost recovery of fees.
2. Approve the introduction of the Ordinance (first reading), read title and waive further reading of the Ordinance:

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

If, on March 21, 2017, the Board takes the actions as recommended, then, on April 25, 2017:

Consider and adopt the Ordinance (second reading):

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

Fiscal Impact

Funds for this request are not included in the Fiscal Year 2016-18 Operational Plan in the Health and Human Services Agency but will be incorporated in the Fiscal Year 2017-19 CAO Recommended Operational Plan in the Health and Human Services Agency. If approved, this request will have no impact in Fiscal Year 2016-17 and will result in an estimated increase in revenue of \$5,035,055 in Fiscal Year 2017-18. \$4,867,410 of the fee increase will be attributable to BHS programs, and \$167,645 will be related to PHS programs. Of the total additional BHS revenue, \$4,826,530 is a result of increased federal revenue draw down capacity due to the linkage of BHS fees to the Medi-Cal rate schedule, with no impact to Medi-Cal customers' share of fees. There is no change in net General Fund cost and no additional staff years.

Business Impact Statement

N/A

Advisory Board Statement

PHS presented the Emergency Medical Services (EMS) cost recovery proposal to the Emergency Medical Care Committee (EMCC) on November 29, 2016. The EMCC has indicated their support of the cost recovery proposal.

On March 2, 2017, the Behavioral Health Advisory Board was informed of the BHS cost recovery proposal.

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PHS is scheduled to present the proposal to the Health Services Advisory Board on March 16, 2017.

Background

The Health and Human Services Agency (HHS) remains committed to maintaining the highest quality work product and customer service, while maintaining, and, whenever possible, reducing costs. HHS has conducted studies which resulted in business process improvements and greater efficiencies and cost containment with the overall goal of providing excellent customer service in an efficient manner. This has translated to increased use of technology to reduce staff time, increased capacity and accuracy through upgraded software, use of online applications and status updates for the public, acceptance of debit/credit card, use of mobile technology for efficient service delivery in the field, and innovative treatment methods. Despite overall streamlining and process improvements made as part of ongoing operations, continued increased cost of doing business has necessitated the evaluation of fees to align with current costs.

HHS has reviewed 76 fees and is proposing updated fees effective Fiscal Year 2017-18 per Attachment A and amendment of various sections within the County Administrative Code Article XV-B to support proposed fee adjustments and additions (see Attachment B). The overall review of fees result in the following recommended actions (see Attachment C for additional details):

Action	Number of Fees	Division Impact
Increases	23	<ul style="list-style-type: none"> • Public Health Services (17) • Behavioral Health Services (6)
Decreases	23	<ul style="list-style-type: none"> • Public Health Services (20) • Behavioral Health Services (3)
New	16	<ul style="list-style-type: none"> • Public Health Services (16)
Deletions	8	<ul style="list-style-type: none"> • Public Health Services (7) • Behavioral Health Services (1)
No Change	6	<ul style="list-style-type: none"> • Public Health Services (5) • Child Welfare Services (1)
Total Fees	76	

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 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, HHS performed a comprehensive analysis of all services provided to customers to examine the tasks and functions performed and their direct and indirect costs 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 a fair

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and equitable fee for direct services provided.

In addition to evaluating full cost recovery as discussed above, HHSA considered the application of the current published Medi-Cal rate schedule when reviewing Public Health Services and Behavioral Health Services fees and rates. County Administrative Code Article XV-B, Section 239 authorizes the County to bill in accordance with the Medi-Cal rate schedule, unless actual calculated County costs are less than the published Medi-Cal rate schedule.

The proposed Ordinance (Attachment B) also includes amendments to Article XV-B, Section 239 to reflect the following:

- Includes “behavioral health services”
- Allows HHSA to continuously conform its fee schedule to published Medi-Cal rates
- Includes references to specific services

The recommended amendments will allow Public Health Services and Behavioral Health Service fees and rates to be continuously adjusted to match the Medi-Cal schedule to maximize reimbursement at all times. This action ensures uniform billing of rates to State and federal programs. Staff analyzed the costs of various services and confirmed that the Medi-Cal rates do not exceed current County costs in all cases except two Public Health Laboratory test fees/rates (Chlamydia/Gonorrhea and Quantiferon Gold-TB test, cell immune measure). These exceptions will result in charging actual County costs as they are less than the current published Medi-Cal rate.

The following provides an overview of the fee and rate adjustments, by division.

Public Health Services (PHS) Fees

PHS seeks to identify and address the root causes of priority health issues to achieve health equity among all San Diego county residents which includes preventing injury, disease and disabilities; promoting wellness, healthy behaviors and access to quality care; and protection against public health threats, such as foodborne outbreaks, infectious disease epidemics, environmental hazards and disasters. Emergency medical services include planning medical response activities for bioterrorism, natural, and man-made disasters.

The Ordinance supports the cost recovery for several PHS branches including Emergency Medical Services (EMS), HIV, STD, and Hepatitis Branch (HSHB), Public Health Laboratory, Vital Records, and Regional Public Health Centers. A total of 65 PHS fees were reviewed resulting in the following (see Attachment A for details):

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Action	Number of Fees	Description
Increases	17	<ul style="list-style-type: none"> EMS fees (10) (personnel certification fee, agency fees, continuing education fee, trauma center designation fee) HSHB venereal disease fees (1) Public Health Laboratory fees (6)
Decreases	20	<ul style="list-style-type: none"> EMS fee (1) (base hospital designation fee) Public Health Laboratory fees (19)
New	16	<ul style="list-style-type: none"> Public Health Laboratory fees (16)
Deletions	7	<ul style="list-style-type: none"> EMS fees – agency - air ambulance (3) Public Health Laboratory (1) – air sampling plate count Vital Records fees (2) - Medi-Cal Marijuana Identification Card (MMIC) and Reduced Fee for MMIC Beneficiaries Regional Public Health Centers fee (1) - Immunizations
No Change	5	<ul style="list-style-type: none"> Public Health Laboratory (5)
Total Fees	65	

Of the fees presented, 11 EMS fee references are converted from prior Board Resolutions (June 12, 1990 (14C) and August 8, 1995 (5)) and added to County Administrative Code Article XV-B, Section 254.

EMS personnel and agency fees: HHSA proposes a three-year phase-in approach for EMS personnel and agency fees through FY 2019-20 to mitigate the impact of the fee increases to the provider community (Attachment D). This approach would address staggered full cost recovery for purposes of EMS personnel and agency fees.

HSHB’s venereal disease fee: HHSA recommends increasing the fee from \$15 to \$40, while continuing to allow fee waivers for customers in order to avoid discouraging testing. This rate is in line with the current market rate for insurance copays and is at a level that is not expected to deter customer visits for testing. A less than full-cost recovery fee rate is recommended because the public health benefit of lowering the barriers for getting tested far outweighs the unrecovered costs of providing the service.

Public Health Laboratory Fees and Regional Public Health Centers’ immunization fee: County Administrative Code XV-B, Section 239, sets the fee as the lesser of the published Medi-Cal rate or calculated County costs. The immunization fee will be deleted from the County Administrative Code Article XV-B, Section 242 in order to align fee with Section 239. The air sampling plate count test will also be deleted since the test is no longer performed by the County.

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In addition, a total of 16 new Public Health laboratory fees will be added. Of the total new fees, 11 fees relate to existing tests but are currently charged to internal customers without funding. This new fee structure will provide future opportunity to recover costs through available grant funding when possible. Five fees will be added to include new tests now being performed by the Public Health Laboratory.

Vital Records fees: The Ordinance will delete two fees (MMIC and Reduced Fee for MMIC Beneficiaries) to align it with Health and Safety Code, Section 11362.755. In 2016, California passed the “Control, Regulate and Tax Adult Use of Marijuana Act”, better known as Proposition 64, which caps fees charged for Medical Marijuana Cards establishing a maximum charge of \$100 and \$50 for Medi-Cal clients.

Behavioral Health Services (BHS) Fees

BHS provides a continuum of mental health, alcohol and other drug services to San Diego county residents of all ages. Services are provided by County, contracted staff, and community partners. Services are coordinated through systems of care such as “Adult & Older Adult,” and “Children, Youth & Families.” In addition, BHS operates two inpatient health services facilities: the San Diego County Psychiatric Hospital (SDCPH), and Edgemoor, a Distinct Part Skilled Nursing Facility.

The proposal includes cost recovery for inpatient and outpatient mental health services. A total of 10 BHS fees and published rates were reviewed resulting in the following recommended actions (see Attachment A for details):

Action	Number of Fees	Description
Increases	6	<ul style="list-style-type: none"> Inpatient and outpatient mental health services rates (5) Edgemoor private pay fee (1)
Decreases	3	<ul style="list-style-type: none"> Inpatient and outpatient mental health services rates (3)
Deletions	1	<ul style="list-style-type: none"> Patient advocacy fee (1)
Total Fees	10	

The Edgemoor private pay fee will be added to County Administrative Code Article XV-B, Section 255. Of the remaining rates presented, the eight BHS inpatient and outpatient mental health rates referenced above will be converted from a prior Board resolution (October 19, 1993 (8)) and aligned to Section 239. This alignment of rates with Medi-Cal published rates will allow County behavioral health service rates to be continuously adjusted to match the State published Medi-Cal rates. This will result in an additional \$4,826,530 of federal revenue draw down capacity due to the linkage of BHS fees to the Medi-Cal rate schedule, with no impact to customers’ share of fees. The patient advocacy fee will be deleted in order to eliminate financial hardship as a barrier to service to ensure accessible advocacy rights services.

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Child Welfare Services (CWS) Fees

CWS provides services to families and communities within the county by responding to, reducing and preventing child abuse and neglect. CWS is committed to strengthening families and maintains the highest ethical standards while protecting children. The County of San Diego’s Adoptions Program is committed to providing high quality services to strengthen families in the community to further the County’s commitment to assist community members to grow, thrive, and enjoy the highest quality of life. The proposed changes to the Ordinance will result in no change for stepparent adoption services fee (see Attachment A for details):

Action	Number of Fees	Description
No Change	1	• Stepparent adoption fee (1)
Total Fees	1	

HHSa recommends maintaining the stepparent adoption fee at the current rate (\$270) per County Administrative Code XX, Section 364 in order to limit the impact to the community and the effect an increase may have on children being adopted by stepparents, who are considered part of their permanent connection. The State of California limits the fees counties may charge for this service to no more than \$700, per California Family Code Section 9001.

Linkage to the County of San Diego Strategic Plan

Today’s proposed actions support the Operational Excellence and Healthy Families initiatives in the County of San Diego’s 2017-2022 Strategic Plan. Periodically reviewing HHSa services and related fees ensures that the County has optimized its health and social services delivery system to ensure efficiency, integration and innovation from a global perspective while maintaining fiscal stability.

Respectfully submitted,

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HELEN N. ROBBINS-MEYER
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 B-1: 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 C: Summary of Cost Recovery Proposal Actions and Alignment of Fees to Section

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Attachment D: Three Year Phase in Plan for PHS EMS Proposed Fees

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AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: [] Yes [x] No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED

[] Yes [x] No

PREVIOUS RELEVANT BOARD ACTIONS:

07/21/2009 (20) establishing Medical Marijuana Identification Card Program and fee; 05/21/2003 (22) amending ordinance for immunizations service fee; 06/18/2002 (33) amending ordinance to improve efficiency in billing of public health fees; 10/07/1997 (26) adoption of ordinance establishing the Health and Human Services Agency; 8/8/1995 (5) amending ordinance for EMS agency fees; 10/19/1993 (8) establishing rates for mental health services; 6/12/1990 (14C) establishing EMS personnel fees.

BOARD POLICIES APPLICABLE:

B-29 Fees, Grants, Revenue Contracts—Department Responsibility for Cost Recovery

BOARD POLICY STATEMENTS:

Board Policy B-29 mandates that departments seek to recover the full cost of all services they provide to agencies or individuals outside the County of San Diego organization. Reimbursement by fees will be for the full cost of all services, with certain exceptions: EMS personnel fees, EMS agency fees, venereal disease services fee, and stepparent adoptions fee. The EMS personnel fee and agency fee will be less than full cost recovery based on a three-year phase-in approach for fees through FY 2019-20 to mitigate the impact of fee increases to the provider community. The venereal disease services fee will be less than full cost recovery to allow for customer waiver and to not discourage examination and testing. The stepparent adoption fee will be less than full cost recovery to limit impact to the community and the effect an increase may have on children being adopted.

MANDATORY COMPLIANCE:

N/A

ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):

N/A

ORIGINATING DEPARTMENT: Health and Human Services Agency

OTHER CONCURRENCES(S): Auditor and Controller

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