



# Monterey County

**Item No.**

## Board Report

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

**Legistar File Number: RES 22-089**

**May 24, 2022**

**Introduced:** 4/22/2022

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** BoS Resolution

Adopt a Resolution to:

Amend Article I.d. of the Monterey County Master Fee Resolution effective July 1, 2022, to adjust certain fees related to the Health Department's Clinic Services Bureau (Clinic Services) pursuant to the attached Fee Schedule.

RECOMMENDATION:

It is recommended that the Board of Supervisors Adopt a Resolution to:

Amend Article I.d. of the Monterey County Master Fee Resolution effective July 1, 2022, to adjust certain fees related to the Health Department's Clinic Services Bureau (Clinic Services) pursuant to the attached Fee Schedule.

SUMMARY/DISCUSSION:

The Health Department's Clinic Services Bureau (Clinic Services) operates Federally Qualified Health Center Look (FQHC) clinics that are required, by the Health Resources and Services Administration (HRSA), to periodically review its fee schedule to ensure that it accurately reflects costs of services rendered and that fees are consistent with local prevailing rates or charges. In compliance with the requirements, Clinic Services has been reviewing and adjusting its fee schedules annually.

Clinic Services engaged the services of Greg Faktor & Associates (GFA), to assist with the analysis and fee adjustment proposal to FY 2022-23 Fee Schedule. Proposed adjustments were based on Local Prevailing Rate and Cost Based Rate methodologies obtained from data collected from Center for Medicare & Medicaid Services (CMS), in compliance with HRSA requirements.

The proposed FY 22-23 Fee Schedule reflects an average increase of 4.7% to fees compared to the FY21-22 Fee Schedule. The recommended increase applies to 34 existing Fees based on health center costs and locally prevailing rates and is applicable to existing Fees that did not adequately account for health center costs based on an analysis of the distribution of health center costs across Relative Value Units (RVU) used in the past year. GFA's recommendations are for a capped increase in costs based on this analysis.

Additionally, Clinic Services is mandated by HRSA to offer Sliding Fee Discount Program (SFDP) for patients whose income is at or below 200% of the Federal Poverty Level (FPL). For FY22-23, Clinic Services proposes no change to the SFDP discount schedule. Continuing the current level of the SFDP discount schedule would keep services in Clinic Services affordable for patients as well as comply with HRSA's requirements of reflecting costs of services in charges and increased efforts in maximizing revenue.

The proposed fees reflect no more than the actual, reasonable, fully loaded costs of the services provided

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to the payor/applicant. By definition, these service charges are not a 'tax' and are exempt from voter approval pursuant to Article XIII C section 1(e)(1)-(2) of the California Constitution ('Prop. 26': charge imposed for specific benefit conferred/ privilege/ service or product provided or granted to the payor).

This work supports the Monterey County Health Department's 2018-2022 Strategic Plan Goals: 1. Empower the community to improve health; and 3. Ensure access to culturally and linguistically appropriate, customer-friendly, quality health services. It also supports the following of the ten essential public health services, specifically: 5. Develop policies and plans that support individual and community health efforts; and 7. Link people to needed personal health services and assure the provision of health care when otherwise unavailable.

OTHER AGENCY INVOLVEMENT:

The office of the County Counsel and Auditor-Controller have reviewed and approved as to legal form and fiscal provisions, respectively.

FINANCING:

The recommended fee adjustments are intended to recapture service costs with considerations of operation cost, payor reimbursements and prevailing local charges, without generating additional revenue. It is to assure that the programs remain revenue neutral with no additional impact on the County's General Fund Contribution to the Department. The fee increase is also intended to stay compliant with HRSA's requirements. FQHCs reimbursements by Medi-Cal and Medicare is Perspective Payment System (PPS), which will not be affected by the proposed fee schedule. Similarly, Clinic Services does not expect significant increase in revenue from patients resulting from the fee increases.

Currently, all patients visiting Clinic Services clinics are screened for eligibility into State and Federal programs to ensure that all patients eligible for a third-party payor source are enrolled in appropriate programs. All patients can apply for the SFDP and eligible for the discounts if they are under the 200% Federal Poverty Level, as approved by FQHC regulations.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Check the related Board of Supervisors Strategic Initiatives:

Economic Development:

- Through collaboration, strengthen economic development to ensure a diversified and healthy economy.

Administration:

- Promote an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability and transparency.

Health & Human Services:

- Improve health and quality of life through County supported policies, programs, and services; promoting access to equitable opportunities for healthy choices and healthy environments in collaboration with communities.

Infrastructure:

- Plan and develop a sustainable, physical infrastructure that improves the quality of life for County residents and supports economic development results.

Public Safety:

- Create a safe environment for people to achieve their potential, leading businesses and


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communities to thrive and grow by reducing violent crimes as well as crimes in general.

Prepared by: Prashant Shinde, Bureau Chief, 796-1370

Approved by:

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Date: 5/2/2022 | 3:02 PM PDT

Elsa Mendoza Jimenez, Director of Health, 755-4526

Attachments:

Proposed Board Resolution

Proposed Article I.d. Fee Schedule

Sliding Scale Discount Chart

Clinic Services 2022 Fee Analysis Methodology