



County of Monterey

Item No.

Board Report

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

Legistar File Number: RES 24-080

May 14, 2024

Introduced: 4/24/2024

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Resolution

Adopt a Resolution amending Article I.d. of the Monterey County Master Fee Resolution effective upon adoption of the resolution, to adjust and add certain fees related to the Health Department's Clinic Services Bureau (Clinic Services) pursuant to the attached Fee Schedule.

RECOMMENDATIONS:

It is recommended that the Board of Supervisors:

Adopt a Resolution amending Article I.d. of the Monterey County Master Fee Resolution effective upon adoption of the resolution, to adjust and add certain fees related to the Health Department's Clinic Services Bureau (Clinic Services) pursuant to the attached Fee Schedule.

SUMMARY/DISCUSSION:

The County of Monterey, on behalf of its Health Department Clinic Services Bureau (Clinic Services) operates Federally Qualified Health Center (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 Facktor, to assist with the analysis and fee adjustment proposal for the FY 2024-25 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 2024-25 Fee Schedule reflects an average increase of less than 1% to fees compared to the FY 2023-24 Fee Schedule. The recommended increase is 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.

Additionally, in anticipation of expanding services in FY 2024-25, the Fee Schedule includes fees for dental and chiropractic services based on locally prevailing rates for these services, incorporating the medical cost per RVU into calculations of chiropractic fees. Once actual cost data is available for these services lines, Clinic Services will update its fee schedule to incorporate these costs.

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 FY 2024-25, Clinic Services proposes no change to the SFDP discount schedule. Continuing the current level of the SFDP discount schedule would keep 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 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 County of Monterey Health Department's 2018-2024 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:

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.

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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 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:

DocuSigned by:

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Elsa Mendoza Jimenez, Director of Health Services, 755-4526

Attachments:

Board Report

Proposed Board Resolution

Clinic Services 2024 Proposed Article I.d. Fee Schedule and Analysis Methodology

Sliding Scale Discount Chart, Effective Upon Adoption of the Resolution