



# Monterey County

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## Board Report

Legistar File Number: RES 15-059

June 09, 2015

**Introduced:** 5/29/2015

**Version:** 1

**Current Status:** Consent Agenda

**Matter Type:** BoS Resolution

Adopt Resolution to:

Adopt a Resolution amending Article I.d. of the Monterey County Master Fee Resolution effective July 1, 2015, to adjust certain fees related to the Health Department's Clinic Services Bureau pursuant to the attached Fee Schedule.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

Adopt a Resolution amending Article I.d. of the Monterey County Master Fee Resolution effective July 1, 2015, to adjust certain fees related to the Health Department's Clinic Services Bureau pursuant to the attached Fee Schedule.

### SUMMARY/DISCUSSION:

The Health Department's Clinic Services Bureau (Clinic Services) operates Federally Qualified Health Center Look-Alike (FQHC-LA) clinics that are required, by the Health Resources and Services Administration (HRSA), to periodically review its fee schedule to ensure that it accurately reflects the costs of services provided and that fees are consistent with local prevailing rates or charges. In addition, effective July 2015, a new Medicare PPS methodology will require Clinic Services to bill Medicare Part B for FQHC services; with some adjustments, Medicare will pay FQHC clinics a national encounter-based rate per beneficiary per day.

The Board previously approved the Health Department's recommendations to amend specific fees and charges applicable to FQHC clinics on April 23, 2014. Recently, Clinic Services updated its schedule to be in synchronization with Medicare's FQHC PPS rules and the Policy Information Notice set by HRSA on Sliding Fee Discount and Related Billing and Collections Program Requirements. Fees for most services have been increased by average 18.1%.

To prevent the increase in fees being a barrier to patients accessing primary care services, a revised flat fee sliding scale method with larger discount levels has been drafted for eligible patients. The cost per visit will be ranged from \$0 to \$118 if a patient's income is at or below 200% of the Federal Poverty Level (FPL). FQHC-LA is not allowed to provide discounts to individuals and families with annual incomes above 200% of the FPL.

The new flat fee sliding scale discount chart and calculations and documents in support of all fee adjustments recommended herein are attached hereto and/or on file with the Clerk to the Board. In all cases, 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).

OTHER AGENCY INVOLVEMENT:

A copy of the Proposed Resolution and the Proposed fee schedule (in two formats: comparison to current and prior year amounts if applicable, and clean versions) are attached to this report and on file with the Clerk of the Board, along with additional calculations documenting the recommended fees.

FINANCING:

The recommended fee adjustments are intended to recapture the costs associated with the provision of the indicated services and do not exceed actual costs for providing these services. As such, the fees represent a charge imposed for the specific service provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the County for providing the services. The proposed fees are intended to recapture services costs, without generating additional revenue, to assure that the programs remain revenue neutral with no additional impact on the County's General Fund Contribution to the Department.

All patients under the 200% Federal Poverty Level can apply for reduced service costs as approved by FQHC regulations. The reduction in income to fully cover medical service costs are paid via FQHC prospective payment rates which do not result in increased costs to other payors. Currently, all patients visiting Clinic Services clinics are prescreened for eligibility into State and Federal programs to ensure that all patients eligible for a third party payor source are enrolled in appropriate programs. Clinic Services operates at a zero General Fund Contribution.

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Approved by: Ray Bullick, Director of Health, 4526

Attachments:

Proposed Resolution, on file with the Clerk of the Board

Proposed Article I.d. fee schedule (comparison version with previous, current and proposed fees if applicable shown for comparison) on file with the Clerk of the Board

Proposed Article I.d fee schedule (clean; effective 2015) on file with the Clerk of the Board

Clinic Services fee schedule calculations justification, on file with the Clerk of the Board