El Dorado County

Health Services Department
Mental Health Division
Summary of Client Billing Status
May 2009

Avatar Mental Health Client Billing Software Application	• The first of a 9-county JPA coalition to implement the new software.
	• Transfer to this system was completed by 7/1/07.
	• Mental Health uses Avatar to produce three major types of bills for client services:
	  o Medi-Cal
	  ▪ Accounts for most of Mental Health claims
	  ▪ Billing format is 837 electronic file
	  ▪ Monthly billing cycle is current through 3/31/09
	  o Insurance and other third-party groups
	  ▪ Billing format is CMS1500 and UB04 forms
	  ▪ Monthly billing cycle is current through 3/31/09
	  o Direct to client
	  ▪ Billing format is monthly statement.
	  ▪ Billing status is in arrears 21 months—bills have not been processed on new Avatar system.

Software Conversion Process	• Basic client account demographic data transferred electronically and manually from ECHO to Avatar
	  o Electronic data transfer included only basic client demographic information.
	  o Manual data transfer included lump-sum balances displayed onto paper reports at the close of the legacy system.
	  ▪ Balances were manually keyed into Avatar without the ability to validate the posting.
	  ▪ Composite balances posted to latest client episode. Specific elements such as date(s) of service, service type, billing history, and payment history were not posted to Avatar.
	• ECHO (the legacy system) is no longer installed on EDC Mental Health computers.
	  o JPA arranged for each county to maintain 2 licenses.
	  o Have minimally accessed historic data on legacy system.
	  o Limited staff trained in use of both legacy and new software system.

Client Bills	• Last client billing was sent June 2007 from the Mental Health ECHO software system. • Current and accurate bills are unable to be generated until a write-off process is performed in Avatar. • Client bills—two types: o UMDAP (Uniform Method of Determining Ability to Pay): Sliding scale payment schedule mandated by California Department of Mental Health. o Full Pay: Clients in this status either 1) did not complete an UMDAP form or 2) were ineligible for UMDAP scale. • Avatar bill format includes: o Composite line description of "OP Conversion Balance Forward" with balance dollar amount. o Itemized list of services posted into Avatar after 7/1/07. o Total client balance due.
Profile of Client-Billed Accounts	• Most are underinsured or non-insured clients • Mainly client-billed services are for Crisis episodes o Crisis services are not reimbursable from most revenue sources (i.e. MHSA, 26.5) and therefore become the obligation of the realignment fund.

Justification for Discharge	• County Counsel has advised the statue of limitations for uncollectible accounts is 3 years. The clock starts either from Date of Service or last payment, whichever is most recent. • Without an unreasonable degree of research, composite balance transfers are unable to be categorized by Date of Service leaving a potential to bill for services that must be excluded per the statue of limitations. • Considered unreasonable to send initial bill for significantly aged accounts. • Probability of collecting on the aged accounts is minimal, including any charges that potentially could be transferred to other reimbursement sources. For example, Medi-Cal and most insurance carriers will not pay for services billed after 6 months or more.
California Law	• Discharge of Accountability is governed by Government Code Sections 25257 through 25259 • Section 25257 specifically allows any County department to "apply to the board of supervisors for a discharge from accountability for the collection thereof if the amount is too small to justify the cost of collection, the likelihood of collection does not warrant the expense involved, or the amount thereof has been otherwise lawfully compromised or adjusted."

County Collections Services	• Currently working about 400 Mental Health client accounts.
	• Minimal number of accounts have been referred since software conversion in June 2007.
	• Cost of collections versus revenue recouped:
	  o Detailed form must be completed for each individual account. Required information includes copy of client ledger, bills in default, date(s) of service. For many services, data does not exist in Avatar.
	  o Each account must be manually keyed into County Collections CUBS data base.
	  o County Collections charges Mental Health 13% for monies recovered.
	  ▪ Accounts that are referred by County Collections to an outside agency for collection services charge Mental Health 16.21%

Future Strategies	• Continue client education and referrals for accessing Medi-Cal and other public insurance options. • Client bills will be generated monthly as part of the ongoing, up-to-date billing cycle. • Ongoing coordination with County Collections to ensure timely processing of accounts in arrears. • Regular analysis of account aging reports and timely discharge of accountability for uncollectible debt as part of the regular closing process.

MENTAL HEALTH CLIENT ACCOUNTS TO BE DISCHARGED

	Fiscal Year 07/08	Fiscal Year 06/07 & Earlier	Total	Total Number of Clients		Average Account Balance
Full-Pay Client Bills	$ 107,911	$ 72,377	$ 180,288	437		$ 702
UMDAP Family Bills	59,525	122,395	181,921	864		$ 253
Total	$ 167,436	$ 194,773	$ 362,209	1,301	*	

* 17 Clients have outstanding balances in both categories, making the number of actual distinct clients 1,284.