



Legislation Text

File #: 07-1474, **Version:** 2

Human Services and Public Health Departments recommending the Board adopt and direct said departments to implement a standardized rate structure, effective January 1, 2008, based on the current State-approved Drug Medi-Cal fee-for-service rate as the ongoing benchmark, for the purchase of therapeutic counseling and other associated or like services for clients of these departments to facilitate a more efficient and cost-effective service delivery system. (Cont'd 9/18/2007, Item 20)

FUNDING: Multiple Federal and State Allocations and Grants.

Fiscal Impact/Change to Net County Cost: : No change. While the levels of funding available to provide services will not be affected by the standardization of rates, it is expected that the contractual process will be expedited, resulting in a savings of staff time and that funds will be expended more efficiently, resulting in increased services to the community.

Background:

As a result of efforts initiated in 2005 to coordinate and strengthen services to mutual clients, the Human Services and Public Health Departments identified a significant disparity in contractual rates being paid to vendors for like services and recognized a need to establish a consistent rate setting methodology for use with non-County providers. This led to discussions with the other County departments that serve a similar clientele and the concept of a Countywide standardized rate structure. The departments evaluated the scope of services currently being utilized, the rate setting practice of each department, what requirements were being placed on the providers, and how similar counties establish their rates. The California Department of Alcohol and Drug Program uses a standard rate system for substance abuse service reimbursement, known as Drug Medi-Cal. This rate system is the most widely used for reimbursement of substance abuse services by like-sized and neighboring counties of El Dorado (Napa, Shasta, Yolo, Sacramento, and Butte). Mental Health and the District Attorneys Office participated in the initial discussions. However, it was determined that victims served by the District Attorneys Office are entitled to select their own service provider(s), which are reimbursed directly by the State. Mental Health has chosen to continue to base vendor reimbursement rates for specialty mental health services on the provisional Short-Doyle rates.

Reason for Recommendation:

The Human Service and Public Health Departments are requesting that the Board of Supervisors adopt and instruct these departments to implement a service provider reimbursement rate schedule that is based on the State-approved Drug Medi-Cal fee-for-service rate structure to ensure that a consistent and unbiased rate setting methodology is used for contracting with non-County providers for substance abuse and other therapeutic counseling and related services. These rates are appropriate for all outpatient and inpatient therapeutic counseling and most other related services provided by the two departments. Each departments individual purchase of services agreements will specify which services are billable under the agreement. The rate for any other necessary service specific to a given program or clientele will be established and included in the individual agreements.

Implementation of the Board of Supervisors adopted rate structure will be phased in, with all new purchase of services agreements or amendments that become effective on, or include a term continuing past, January 1, 2008 to reflect the most current State-approved Drug Medi-Cal fee-for-service rates. Services for clients currently eligible for Drug Medi-Cal rates shall be reimbursed at the State Drug Medi-Cal rates upon approval of the rates by the State and shall not be subject to the January 1, 2008 effective date. A phased implementation approach is necessary to prevent all contracts and amendments from expiring at the same time. The proposed Drug Medi-Cal based El Dorado County rate structure is attached.

The purchase of services agreements will include language that allows the County to automatically implement any change to the State-approved rates in the month following the month in which the change is approved.

Action to be taken following Board approval:

- Board Clerk to provide one certified Master Report each to Human Services, Social Services Division, Public Health and Procurement & Contracts
- Human Services and Public Health to commence phasing in the approved standardized rates on all new and amended purchase of services agreements

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Concurrences: N/A