



County of El Dorado

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Legislation Text

File #: 09-1233, Version: 1

Health Services Director requesting authorization to execute revenue-generating agreements on behalf of the County with other agencies for the provision of acute inpatient psychiatric treatment for individuals referred by the those agencies, contingent upon approval by County Counsel and Risk Management.

FUNDING: Revenues from Other Agencies.

| BUDGET SUMMARY: | | |
|---------------------------|------------|-----------|
| Total Estimated Revenue | FY 2009-10 | \$371,280 |
| Funding | | |
| Budgeted | \$371,280 | |
| New Funding | \$ | |
| Savings | \$ | |
| Other | \$ | |
| Total Funding Available | \$371,280 | |
| Change To Net County Cost | | \$0 |

Fiscal Impact/Change to Net County Cost:

No change to Net County Cost. The FY 2009-10 budget includes an estimated \$371,280 in revenues from contracts with other agencies for Psychiatric Health Facility services.

Background:

For many years, other agencies have contracted with El Dorado County Mental Health to access Psychiatric Health Facility (PHF) services for their patients that require short term inpatient mental health services. Services provided at the PHF address psychiatry, medication, clinical treatment, nursing, rehabilitation, health and records. El Dorado County Mental Health has historically contracted to provide these services to the counties of Alpine, Amador, Calaveras, Nevada, Placer, Plumas, Sacramento, Shasta, and Trinity, and to the U.S. Veterans Department of Veterans Affairs. These agreements provide revenue to offset the Mental Health Division's fixed operational costs of the PHF (required staffing levels and facility costs).

The PHF can accommodate up to 10 patients within the current facility and staffing arrangements. Mental Health staff manages the daily census and accept referrals from other agencies when space is available in order to maximize revenues and offset the fixed operational costs of the PHF. El Dorado County retains the exclusive right of refusal of referrals from the other agencies if the PHF is unable to accommodate additional patients at any time. In FY 2008-09, the average daily census for El Dorado County patients and indigents ranged from 2.8 to 8.6 per month, with an annual average of 5.6 patients per day. The average daily census for other agency patients ranged from 0.2 to 4.7 per

month, with an annual average of 2.2 patients per day. The combined daily census for all patients ranged from 5.0 to 9.2 per month, with an average of 7.75 patients per day.

Reason for Recommendation:

The Department has been working to establish a standard “boilerplate” agreement for the provision of PHF services to other agencies. The new standard agreement conforms to current County contract standards, incorporates a daily rate structure that adjusts with any changes in the State maximum allowable rates for inpatient services, and, once executed, continues until terminated by either party. Additionally, all code sections have been researched and updated, billing language has been revised and clarified, and Health Insurance Portability and Accountability Act (HIPAA) provisions have been updated. A standard PHF agreement will provide for consistency with all contracted agencies and allow for a more streamlined contracting process for PHF services.

The new standard PHF agreement will be used to replace PHF agreements as they expire (some of which may include terms that precede this Board date) and for any new agencies that may request to contract with the El Dorado County. Should any modifications to the standard agreement be necessary (i.e. to accommodate issues such as changes in code references, changes suggested by Counsel, or changes required by the other agency) those revisions must be reviewed and approved by County Counsel and Risk Management. Further, each individual agreement will be submitted to County Counsel and Risk Management for review and approval prior to execution. (Note: The agreement with the U.S. Department of Veterans Affairs is developed using a contract format required by that agency, however the Department will work to incorporate the new standard PHF agreement terms and conditions within the format provided.)

Authorization for the Health Services Director to execute the agreements will help to expedite their processing and ensure that agreements are in place as soon as possible for the purpose of providing services and generating revenues. In accordance with El Dorado County Policy C-17, the Department will present all PHF agreements to the Board on an annual basis to approve their continuation.

Action to be Taken Following Approval:

Department to develop agreements with other agencies, obtain County Counsel and Risk Management approval for each individual agreement, and execute the agreements on behalf of the County.

Contact:

Neda West, Health Services Department

Concurrences:

County Counsel and Risk Management have approved the standard “boilerplate” agreement and will review individual agreements with each agency as they are developed and processed.