



Office of the City Manager

PUBLIC HEARING
May 16, 2017

To: Honorable Mayor and Members of the City Council
 From: Dee Williams-Ridley, City Manager
 Submitted by: Paul Buddenhagen, Director, Health, Housing & Community Services Department
 Subject: Published Charges: Mental Health Clinical Services

RECOMMENDATION

Conduct a public hearing and, upon conclusion, adopt a Resolution establishing Published Charges for Mental Health Clinical Services for FY 2017. Published Charges are effective July 1, 2016.

FISCAL IMPACTS OF RECOMMENDATION

Approval of the requested action will enable Berkeley Mental Health (BMH) to comply with Short-Doyle/Medi-Cal (SD/MC) regulations and avoid federal Lower of Cost or Charges (LCC) audit disallowances. The State Department of Health Care Services will bill these charges as directed by the local mental health jurisdiction.

There is no net city cost associated with the recommended plan. Published Charges are utilized in the cost reporting process to establish Medi-Cal reimbursement for mental health services. The cost reporting process is the methodology the state and federal government require to show BMH's actual funding sources and uses and the services delivered. The cost report is based on expenses, services and funding for the previous fiscal year. In this case, the effective date of July 1, 2016 establishes the rates for the BMH's cost report for FY 2017. The City is reimbursed for allowable services at the lower of two rates— actual costs or Published Charges.

CURRENT SITUATION AND ITS EFFECTS

Berkeley Mental Health set Published Charges for FY2014 and these were adopted by the City Council on May 26, 2015 through Resolution No. 67042-N.S. In the cost report claiming process, BMH is allowed to claim Medi-Cal revenue equal to the lesser of two amounts – actual costs for service provision or Published Charges. Throughout the year, BMH is reimbursed for Medi-Cal eligible services at an Interim Rate which is an amount based on the most recently approved cost report. In the Cost Report these payments are reconciled with the total revenue for which BMH is eligible. The actual costs for FY 2016 were adjusted by the Federal Home Health Agency Market Basket Index to set the proposed Published Charges for FY2017. Current and proposed rates are detailed in Attachment 2.

BACKGROUND

The Mental Health Division of the Health, Housing and Community Services Department utilizes a cost report process to claim Medi-Cal fees for eligible mental health and case management services. This revenue is used to fund mental health expenses for a wide variety of City mental health programs. The establishment of Published Charges allows for complying with SD/MC and LCC regulations in the claiming of these funds.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with the subject of this report.

RATIONALE FOR RECOMMENDATION

Medi-Cal regulations require BMH to establish Published Charges at least annually. Federal requirements stipulate that Published Charges are determined at the mental health jurisdiction level. The recommended Published Charges comply with the SD/MC audit requirements.

As the lower of Published Charges or actual expenses are utilized in calculating the total Medi-Cal reimbursements due BMH in the Cost Report process, setting Published Charges helps the City maximize Medi-Cal revenue which supports BMH programs. The Published Charge rate does not affect the amount mental health consumers with Medi-Cal are charged for services – rather it only affects the amount BMH can charge Medi-Cal for these eligible services. For any consumer without Medi-Cal, BMH utilizes the Universal Mechanism for Determining Ability to Pay (UMDAP) and sets the fee at an affordable rate.

ALTERNATIVE ACTIONS CONSIDERED

The City can choose not to set Published Charges and continue to use the Interim Rate setting process with ACBHCS to determine Published Charges. If the City were to set Published Charges below the proposed rates, it is estimated that FY 2016 cost report derived Medi-Cal revenues will be below the actual cost associated with the delivery of such services.

CONTACT PERSON

Steven Grolnic-McClurg, Mental Health Division Manager, Health, Housing & Community Services Department, 510-981-5249

Attachments:

1: Resolution

Exhibit A: Table of City of Berkeley Medi-Cal Rates FY 2017 Published Charges

2. Table of City of Berkeley Medi-Cal Rates for FY 2016 and FY 2017 Published Charges

3. Notice of Public Hearing

RESOLUTION NO. ##,###-N.S.

ESTABLISHING FY 2017 PUBLISHED CHARGES FOR MENTAL HEALTH CLINICAL SERVICES EFFECTIVE JULY 1, 2017

WHEREAS, Published Charges are necessary to ensure that the Mental Health Clinics continues to offer specialty mental health related services to the Berkeley and Albany communities consistent with its mission; and

WHEREAS, the Published Charges will allow the City of Berkeley's Mental Health Clinics to continue to meet all Federal, State and County regulatory requirements, while providing continued community access to specialty mental health related services.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the proposed Published Charges, detailed in Exhibit A for FY 2017 are hereby fixed and established, effective July 1, 2016, for mental health clinic services offered by the Mental Health Division's Clinics of the City's Department of Health, Housing & Community Services.

Exhibits

A: Table of City of Berkeley Medi-Cal Rates FY 2017 Published Charges

Exhibit A

Table of City of Berkeley Medi-Cal Rates FY 2017 Published Charges

			FY 2017 Published Charge
Mode	SFC	Services	Cost/Unit
15	1	Case Management & Brokerage	\$6.31
15	10	Mental Health Services	\$5.22
15	30	Evaluation	\$5.60
15	40	Mental Health Services	\$5.66
15	50	Mental Health Services	\$4.33
15	60	Medication	\$9.75
15	70	Crisis	\$6.06

Attachment 2

**PUBLISHED CHARGES FOR BERKELEY MENTAL HEALTH FOR
FY 2016 AND FY 2017**

Table of City of Berkeley Medi-Cal Rates FY 2017 Published Charges

			FY 2016 Published Charge	FY 2017 Published Charge
Mode	SFC	Services	Cost/Unit	Cost/Unit
15	1	Case Management & Brokerage	\$5.51	\$6.31
15	10	Mental Health Services	\$4.78	\$5.22
15	30	Evaluation	\$4.81	\$5.60
15	40	Mental Health Services	\$4.65	\$5.66
15	50	Mental Health Services	\$3.02	\$4.33
15	60	Medication	\$9.09	\$9.75
15	70	Crisis	\$5.16	\$6.06

**NOTICE OF PUBLIC HEARING
BERKELEY CITY COUNCIL
PROPOSED PUBLISHED CHARGES FOR BERKELEY MENTAL HEALTH**

Notice is hereby given by the City Council of the City of Berkeley that a public hearing will be conducted by said City Council of the City of Berkeley at which time and place all persons may attend and be heard upon the following:

The Department of Health, Housing, and Community Services is proposing to establish Published Charges FY2017 for mental health and case management services.

Mode	SFC	Services	FY 2016 Published Charge Cost/Unit	FY 2017 Published Charge Cost/Unit
15	1	Case Management & Brokerage	\$5.51	\$6.31
15	10	Mental Health Services	\$4.78	\$5.22
15	30	Evaluation	\$4.81	\$5.60
15	40	Mental Health Services	\$4.65	\$5.66
15	50	Mental Health Services	\$3.02	\$4.33
15	60	Medication	\$9.09	\$9.75
15	70	Crisis	\$5.16	\$6.06

The hearing will be held on May 16, 2017 at 7:00 p.m. in the City Council Chambers, 2134 Martin Luther King, Jr. Way. For further information, please contact Steven Grolnic-McClurg, Mental Health Manager at 510-981-5249.

A copy of the agenda material for this hearing will be available on the City’s website at www.CityofBerkeley.info as of May 4, 2017.

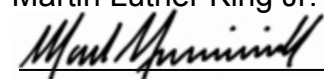
Written comments should be mailed or delivered directly to the City Clerk, 2180 Milvia Street, Berkeley, CA 94704, in order to ensure delivery to all Council members and inclusion in the agenda packet.

Communications to the Berkeley City Council are public record and will become part of the City’s electronic records, which are accessible through the City’s website. **Please note: e-mail addresses, names, addresses, and other contact information are not required, but if included in any communication to the City Council, will become part of the public record.** If you do not want your e-mail address or any other contact information to be made public, you may deliver communications via U.S. Postal Service or in person to the City Clerk. If you do not want your contact information included in the public record, please do not include that information in your communication. Please contact the City Clerk at 981-6900 or clerk@cityofberkeley.info for further information.

If you challenge the above in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City of Berkeley at, or prior to, the public hearing. Background information concerning this proposal will be available at the City Clerk Department and posted on the City of Berkeley webpage at least 12 days prior to the public hearing.

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I hereby certify that the Notice for this Public Hearing of the Berkeley City Council was posted at the display case located near the walkway in front of Council Chambers, 2134 Martin Luther King Jr. Way, as well as on the City’s website, on May 4, 2017.

  
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Mark Numainville, City Clerk