June 15, 2010

Marin County Board of Supervisors
3501 Civic Center Drive
San Rafael, CA 94903

SUBJECT: **Division of Community Mental Health Services request to set hearing to consider adoption of a Resolution revising the Rate/Charge Schedule for FY 2010-2011 for an increase of 3%.**

Dear Supervisors:

RECOMMENDATION: Set hearing for <u>June 29, 2010 at 11:00 a.m.</u> to consider adoption of a Resolution revising the rate/charge schedule for the Division of Community Mental Health Services treatment services for FY 2010-2011. The fee study supporting this resolution will be on file for ten days prior to hearing.

SUMMARY: A fee study was conducted by the Department of Health and Human Services, Division of Community Mental Health (CMHS) which indicates that the current rates charged for CMHS services is below the actual cost of services. The current rate schedule for the Division of Community Mental Health Services was approved August 4, 2009. It is necessary to revise our rates to permit the CMHS to recover its costs up to the maximum amount permitted by and consistent with authorized State reimbursement. The increase is 3% but very few payers will be asked to pay these rates. The actual financial liability for most patients is much lower than these rates. The State requires that clients be charged on a sliding fee schedule established by the State of California, Department of Mental Health, based on income, family size, and other factors which determine a client's ability to pay. We base our rates on the maximum reimbursement rates allowed for Medi-Cal mental health services as published by the State Department of Mental Health. The fee study conducted by the department shows the requested fee increases are supported because our costs are consistent with or exceed these published rates.

FISCAL/STAFFING IMPACT: This increase will allow us to maximize potential revenue from third party payers.

REVIEWED BY:

☑	Department of Finance	☐	N/A
☑	County Counsel	☐	N/A
☐	Human Resources	☑	N/A

Sincerely,

Larry Meredith, Ph.D.
Director