ATTACHMENT XV

COUNTY OF SACRAMENTO
CALIFORNIA

For the Agenda of:
March 3, 2009
Timed: 10:30 a.m.

To: Board of Supervisors

From: Department of Health and Human Services

Subject: Report Back On Services Billed To Medi-Cal, Geographic Managed Care, Family Planning Access Care And Treatment, And Private Insurance Companies For Tuberculosis, Sexually Transmitted Diseases Control And Immunization Services By The Department Of Health And Human Services Fiscal Services

Supervisorial District: All

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BACKGROUND

On February 9, 2009, Sacramento County Health Officer Dr. Glennah Trochet presented a letter to the Board of Supervisors regarding budget impacts to Maternal and Child Health, Childhood Immunizations (IZs), Sexually Transmitted Diseases (STDs) Control, and Tuberculosis (TB) Control. In this report several issues were identified regarding the collection of revenue by the Department of Health and Human Services (DHHS) Fiscal Services staff within the Office of the Director. Specifically, it was reported that services that could have been billed to Medi-Cal, Geographic Managed Care (GMC), Family Planning Access Care and Treatment (Family PACT), and private insurance companies were either billed or not billed, but were not tracked, which lead to potentially lost revenue and an inability to use the billing information within the department for business planning. This report back addresses the above concerns by clarifying what can and can not be billed and what has been billed and collected by DHHS Fiscal Services.

History of Fiscal Billing Collections and Reporting Issues

The system in place at DHHS for clinic billing is known as the Medical Services Information System (MSIS) and was originally designed in-house on an IBM iSeries (AS400) server. It was implemented in Fiscal Year 1983-84 to unite the five Health Center clinics and the Primary Care Center with a single master patient file and chart tracking capability. Circa 1987-88 a rudimentary County Medically Indigent Services Program (CMISP) Share of Cost (SOC) computation (receivable) and billing process was built to recover SOC receivables for clinic services only. CMISP patients, who became Medi-Cal eligible, were an important potential source of revenue. Development was continued on MSIS to include Medi-Cal, other private insurance billing, and reporting functions.

MSIS is currently able to bill all payors on a weekly or monthly basis depending on the payor type. However, clear and readily available reporting is still a challenge. The data is in the system but takes considerable programming (Information Technology staff time) to produce typical reports you would expect from any off the shelf medical Accounts Receivable/Accounts Payable (AR/AP) billing system.

DISCUSSION

In the February 9th letter to the Board of Supervisors several assertions were made regarding revenue potential for IZ, STD and TB services. Specifically Medi-Cal, GMC plans, Family PACT, and private insurance companies were all identified as potential revenue sources to help cover the cost of these services. The actual revenue potential is primarily with Medi-Cal and Family PACT as detailed below by service type. Medi-Cal does not pay the full cost of services provided.

GMCs and private insurance companies are billed, but they do not generally pay for any of these services because the patient has been seen by an out-of-network provider for services covered by their primary insurance. They are billed for the purpose of receiving a denial from the payor so that fiscal staff can bill the patient. Patients are notified at the time of service if they will be responsible for payment, and every effort is made to collect at the time of service whenever appropriate. Most public health services are not billable to the patient if they have no other source of payment.

Childhood Immunizations

In the "Mitigation Possibilities" identified for childhood immunizations, section B of the letter, the statement is made that the "administration of immunizations is reimbursable by GMC plans, Medi-Cal, and insurance companies. Collection of these fees could subsidize this service in part." This is partially correct. DHHS fiscal staff bills all providers, Medi-Cal, GMCs, and insurance companies. However, only Medi-Cal pays for this service. DHHS bills $11.00 and is reimbursed at the Medi-Cal rate of $11.00 per immunization. GMCs and private insurance companies deny these claims because the patient was seen by an "out-of- plan provider." The denial is used to then bill the patient as a private pay responsibility. In the last three years a significant effort has been made to notify patients, at the time of service, when their GMC or insurance will not pay for the immunization. Payments are collected at the clinic and patients are only billed when they do not pay at the time of service and their insurance denies the claim.

Sexually Transmitted Diseases Control

Under this section, the letter identifies that "STD services for non-medically indigent clients are reimbursable by the GMC programs, Medi-Cal, and Family PACT." And, "The Department does not track the amount billed or reimbursed for these services; therefore, the amount of revenue lost (if any) is unknown."

In all cases, if a patient has Medi-Cal, full scope or restricted, fiscal staff bills for all STD services rendered at all clinics. The services provided, and amounts billed and paid, are all captured in MSIS and reports can be produced to evaluate the revenue collected from these services.

Clinic staff currently work with the patient to qualify them for Family PACT. If the patient qualifies, all services are billed to Family PACT. These services are reimbursed at Medi-Cal rates.

As a rule, fiscal staff bills for all services regardless of a possible denial. STD treatments are not billed to the patient because they are mandated public health services and confidentiality maintained. These services fall under the category of "not billable" if they were not paid by Medi-Cal or Family PACT.

All services are documented by the clinics and entered into the MSIS regardless of billing status. The services provided, amounts billed/not billed, and denied/paid are also in the MSIS and can be queried as needed. The amount billed and reimbursed for these services is available. Additionally, fiscal staff maintains internal reports in Microsoft Excel and Access for reconciliation with MSIS, revenue maximization, and follow up on claims submitted.

Tuberculosis Control

It is stated under this section that, "It has been determined that the Department does not track billings and receivables in any way that is useful for business planning." This is true to the extent that the MSIS is not a true AR/AP medical billing system. However, all of the data is captured and can be queried in a report format.

Monthly reporting of specific services has not been well developed within MSIS. Ad Hoc reporting requires a programming request submitted to DHHS Information Technology staff. However, DHHS fiscal staff has developed a reporting process for using Excel and Access for tracking Family PACT and TB services.

In the "Recommendation" section for Tuberculosis Control the recommendation is made to "Move the Chest Clinic under the direct supervision and management of the Health Officer, so that Public Health has control of the budget, billing, and all contracts in the program to assure revenue reimbursement is maximized and operations are efficient and effective."

At present, clinic and fiscal staff work daily and meet regularly to maximize revenue and minimize denied claims for the Chest Clinic. All charges are documented and billed to the payor source identified. Medi-Cal is the only significant payor source. GMCs do not have to be billed directly and are paid by Medi-Cal. Private insurance companies deny these claims because the patient was seen by an "out-of-plan" provider. The majority of these services fall under the category of "not billable to the patient" because they are mandated public health services. A summary of Chest

Clinic claims for Fiscal Year 2007-08 is Medi-Cal billed charges were $1,473,851; $366,688 was collected and $100,000 was denied. We were unable to bill $633,310 because they were public health. GMC, private insurance, and individuals were billed $1,600 and we received payments totaling $1,020.

The revenue issue for the Chest Clinic is not one of poor documentation or billing practices. It is an issue of Medi-Cal reimbursement rates, the unwillingness of private providers to pay for the service, and the general make-up of the population we serve. As the provider of last resort, these public health services must be provided by the County Chest Clinic regardless of a patient's ability to pay for services.

Respectfully submitted,

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APPROVED:
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County Executive

By:_____
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