

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

506



FROM: Riverside County Regional Medical Center

SUBMITTAL DATE:
June 26, 2012

SUBJECT: Medically Indigent Services Program (MISP) and Riverside County HealthCare Program (RCHC) Payments Authorization for Medical Service Providers.

RECOMMENDED MOTION: Move that the Board of Supervisors:

- 1) Authorize the Medically Indigent Services Program (MISP) and Riverside County HealthCare Program (RCHC) to pay for medical services and pharmaceuticals without securing competitive bids in accordance with Ordinance 459.4 for Fiscal Year 2012-13;
- 2) Exempt the Purchasing Agent from the requirement to report sole source agreements when adding medical services providers and pharmaceutical vendors to the existing list of providers;
- 3) Authorize the Medically Indigent Services Program (MISP)/Riverside County HealthCare Program (RCHC) to pay for medical and pharmaceutical services not to exceed the annual aggregate amount of \$16,000,000.

Douglas D. Bagley

Douglas D. Bagley, Hospital Director

| | | | | |
|---|-------------------------------|--------------|---|--------------------------|
| FINANCIAL DATA | Current F.Y. Total Cost: | \$16,000,000 | In Current Year Budget: | Yes |
| | Current F.Y. Net County Cost: | \$ 0 | Budget Adjustment: | No |
| | Annual Net County Cost FY: | \$2,224,058 | For Fiscal Year: | 12/13 |
| SOURCE OF FUNDS: Realignment/Other 84%; General Fund 16% | | | Positions To Be Deleted Per A-30 | <input type="checkbox"/> |
| | | | Requires 4/5 Vote | <input type="checkbox"/> |

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

BY: *Debra Cournoyer*
Debra Cournoyer

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Ashley, seconded by Supervisor Buster and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Benoit and Ashley
Nays: None
Absent: Stone
Date: July 17, 2012
xc: RCRMC, Purchasing

Kecia Harper-Ihem
Clerk of the Board
By: *[Signature]*
Deputy

Prev. Agn. Ref.:

District: All

Agenda Number:

3.36

Purchasing: *[Signature]*
 Mark Seller, Assistant Director
 Departmental Concurrence
 Policy Policy
 Consent Consent
 Dep't Recomm.:
 Per Exec. Ofc.:

SUBJECT: Medically Indigent Services Program (MISP) and Riverside County HealthCare Program (RCHC) Payments Authorization for Medical Services Providers.

Page 2

BACKGROUND: The MISP/RCHC budget houses the funding to pay for the Medically Indigent Services Program established in 1983 and the Low Income Health Plan (LIHP) established in January 2012. This budget also funds the cost of non-County medical providers used by Detention Health Services, First 5 Riverside, and the higher levels of care referral needs that Riverside County Regional Medical Center (RCRMC) cannot provide.

Although the transition of the majority of the MISP uninsured to the Riverside County Healthcare (RCHC) Program took place during FY2011-12, the MISP claims unit will continue to function as the fiscal intermediary for the reimbursement of medical services and pharmaceuticals rendered to the remaining medically indigent enrollees that do not qualify for the RCHC program, as well as the county adult and juvenile prisoners, and other necessary medical services that the hospital does not provide. As patients enroll in the Low Income Health Program (LIHP) there will be a need for them to access out-of-network emergency room and Hospital Facility services. Payment for out-of-network emergency and post-stabilization services are governed by the Department of Health Care Services at 30% of the "Rogers Rate". For services where there are no Medi-Cal fees available, the payment rate will be at 35% of Billed Charges. MISP/RCHC may change its payment rates to remain within the statutory payment rate requirements as set by the State of California Department of Health Care Services each year. Authorization levels are as follows:

| Fund | Dept Code | Program Code | Description | FY 12/13 Budget |
|---|------------------|---------------------|--|------------------------|
| 10000 | 4300200000 | 75300 to 98110 | MISP Providers | \$ 6,800,000 |
| 10000 | 1106000000 | 74030 | RCHC-LIHP Out-of-Network Providers | \$ 9,200,000 |
| Total Dollar Authorization Request | | | | \$ 16,000,000 |

There may be a transition of dollars between the MISP and RCHC/LIHP payment authorization levels as the continued migration of MISP to RCHC enrollment occurs.

PRICE REASONABLENESS: MISP and RCHC will continue to reimburse its providers using mostly Medi-Cal rates which are established by the State of California Department of Health Care Services. There is no negotiation regarding the reimbursement rates set as they are priced to the State Medi-Cal fee schedule and in some cases the Medicare fee schedule or a Medi-Cal equivalent rate when the Medi-Cal fee structure is too complex to implement such as Home Health Services. When there are no willing providers, a separate negotiated rate will be established. The department is requesting to continue to pay for these services without seeking competitive bids.

SUBJECT: Medically Indigent Services Program (MISP) and Riverside County HealthCare Program (RCHC) Payments Authorization for Medical Services Providers.

Page 3

FUNDING: There are sufficient revenue sources in the Department's proposed budget to fund the requested expenditures. The indigent care costs of MISP and RCHC are mainly funded through State realignment, sales taxes and vehicle license fees (California Welfare and Institutions Code 17600), Detention Health Services (DHS), RCRMC, First 5 Riverside, Low Income Health Plan (LIHP) Federal reimbursement, and other department revenues. The requested authorization for payments funding for Fiscal Year 2012-13 is \$16,000,000 which includes estimated payments to both MISP and RCHC out of county providers.

FINANCIAL IMPACT: There will be no financial impact. Funding for the program is already budgeted and there will be no new net County costs.