

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



ITEM
3.29
(ID # 5643)

MEETING DATE:

Tuesday, December 5, 2017

FROM : RIVERSIDE UNIVERSITY HEALTH SYSTEM (RUHS):

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM – MEDICAL CENTER: Approval of the Riverside University Health System Federally Qualified Health Centers (FQHC) Fee Structure; All Districts; [\$0].

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the RUHS FQHC Proposed Fee Structure Adjustment, Attachment I for medical and dental evaluation and management visit codes;
2. Authorize RUHS CEO to create new FQHC procedural codes as necessary and set rates in accordance with prevailing market rates; and
3. Authorize RUHS CEO to adjust other FQHC procedure codes to be consistent with prevailing market rates.


ACTION:


Jennifer Cruikshank, Chief Executive Officer - Health System 10/23/2017

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Washington and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: December 5, 2017
xc: RUHS-Medical Center

Kecia Harper-Ihem
Clerk of the Board
By: 
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment:	No
			For Fiscal Year:	17/18

C.E.O. RECOMMENDATION: [CEO use]

BACKGROUND:

Summary

The Health Resources and Services Administration’s (HRSA) Bureau of Primary Health Care (BPHC) is responsible for effective and efficient oversight of the Federal Health Center Program. This includes ensuring that health centers (FQHCs) comply with applicable statutory and regulatory requirements for the Health Center Program.

One of the many statutory and regulatory requirements is that health centers prepare a schedule of fees for the provision of its services consistent with locally prevailing rates or charges and designed to cover its reasonable costs of operation. (*Health Center Program Compliance Manual, Chapter 16: Billing and Collections Authority Section 330(k) (3) (E), (F), and (G) of the PHS Act; and 42 CFR 51c.303 € (f), and (g) and 42 CFR 56.303€ (f), and (g).*)

A health center demonstrates compliance with these requirement by fulfilling the following:

- a) The health center has a fee schedule for services that are within the HRSA-approved scope of project and are typically billed for in the local health care market.
- b) The health center uses data on locally prevailing rates and actual health center costs to develop and update its fee schedule.

“VI. FEE SCHEDULE

The fee schedule is intended to generate revenue to cover the health center’s costs associated with providing services and assists in ensuring the financial viability and sustainability of the health center. The health center must assure that fees are set to cover reasonable costs and are consistent with locally prevailing rates or charges for the service. The health center’s fee schedule must address all in-scope services (required and additional and be used as the basis for seeking payment from patients as well as third party payors. (Policy Information Notice 2014-02)”

In addition to a schedule of fees consistent with locally prevailing rates or charges, federal requirements mandate that health centers must operate in a manner such that no patient shall be denied service due to an individual’s inability to pay. As such, health centers must prepare a schedule of discounts, or a sliding fee discount schedule, to be applied to the payment of such

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fees or payments by which discounts are adjusted on the basis of the patient's ability to pay. Discounts are based on family income and family size. Patients with incomes at or below one-hundred percent (100%) of poverty, as published in the Federal Poverty Guidelines, will be charged a nominal fee according to the applicable sliding fee discount schedule. Patients whose income exceeds two-hundred percent (200%) of the Federal Poverty Guidelines are not eligible for discounts. This federal requirement applies to all in-scope and referral services provided by the RUHS Community Health Centers.

To assure compliance, RUHS Community Health Clinics requested that its retained consultants provide an analysis of the current fee structure in place at its ten locations. The analysis revealed that the current fee schedule for medical services is, on average, 23% lower than the median rates for the local health care market for the main Evaluation and Management medical services (E&M codes). These E&M codes generate approximately 70% of the total patient charges generated by the FQHCs. Other, less frequently used procedure codes are also significantly below market rates. Additionally, for certain dental services, the current FQHC rates are more than 50% lower than local prevailing rates.

In order to come into compliance with federal requirements that fees be consistent with locally prevailing rates and are designed to cover its reasonable costs of operation, management recommends the FQHC E&M and Dental fee schedules for medical and dental services be updated as outlined within the attached Proposed Fee Structure document. Additionally, management requests that the Board of Supervisors delegate authority to management to adjust fees for other procedural codes to be consistent with market rates, as well as establish new procedure codes, as necessary, to ensure appropriate MediCare and MediCal billing.

This approval will assure that the RUHS FQHC Fee Schedule is in compliance with Federal requirements and is consistent with prevailing market rates for services rendered.

Impact on Residents and Businesses

The ten (10) FQHC locations provide critical access to primary health care services for thousands of County residents. The adjustment of the FQHC fee structure is imperative in order to remain financially viable and compliant with Federal requirements for establishment of consistent and market-driven fees. Meeting HRSA requirements is necessary to maintain FQHC status and the corresponding grant award funding.

RUHS FQHC

Proposed Fee Structure Adjustment

MEDICAL:

CODE	DESCRIPTION	RUHS FQHC Current Fees	Proposed Fee Structure
99201	NP-1 Limited/Minor	\$67.00	\$87.28
99202	NP-2 Expanded	\$113.00	\$143.95
99203	NP-3 Detailed	\$163.00	\$209.70
99204	NP-4 Mod Comp	\$248.00	\$313.98
99205	NP-5 Comp Hist & Exam	\$307.00	\$402.39
99211	EP-1 Minimal/ Nursing Visit	\$31.00	\$49.87
99212	EP-2 Minimal/Minor	\$67.00	\$87.28
99213	EP-3 Expanded	\$110.00	\$131.49
99214	EP-4 Detailed	\$162.00	\$194.96
99215	EP-5 Comprehensive	\$217.00	\$275.44

DENTAL:

CODE	DESCRIPTION	RUHS FQHC Current Fees	Proposed Fee Structure
D0120	Periodic Oral Evaluation	\$23.00	\$54.04
D0210	Intraoral - Complete	\$72.00	\$141.24
D0220	Intraoral - Periapical 1st	\$13.00	\$30.70
D0230	Intraoral - Periapical Addl	\$9.00	\$25.79
D0240	Intraoral - Occlusal	\$18.00	\$45.44
D1120	Prophylaxis - Child	\$34.00	\$72.46