

**VENTURA COUNTY
HEALTH CARE AGENCY**
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M E M O R A N D U M



Date: August 14, 2000
To: Harry Hufford, Interim CAO 
From: Pierre Durand, HCA Director/VCMC Administrator
Subject: **Grand Jury Response - HCA - Behavioral Health Department**
Mental Health Billing Irregularities in Ventura County Behavioral Health Department

The Health Care Agency - Behavioral Health Department response to the above titled 1999-2000 Grand Jury report is as follows:

MENTAL HEALTH BILLING

FINDINGS

F1 thru F-10 *Concur*

F11 - In November, 1999, mental health billing supervisors attended a Medicare Part B training seminar. Although this seminar provided in-depth training in Medicare Part B requirements, it did not address billing simultaneously to two funding sources (MediCal Short Doyle and Medicare Part B) with different requirements. Simultaneous billing, while conforming to differing billing regulations, is unique to California and complicates the billing process.

Partially concur. The issue of simultaneous billing was addressed, however in future training sessions, it should be addressed in more depth.

F12 - Mental health billing personnel did not, and still do not, routinely receive all Medicare updates from the administration of Behavioral Health.

Partially concur. It is true that they did not receive these updates, but they do receive them now. Please see further comments in R-2.

F13 - When asked by the Grand Jury why billing personnel inserted the names of doctors who had not seen a patient for treatment, those responsible for appropriate billing procedures tell us "it was always done that way." This answer, without any written procedures to indicate otherwise, appears to be the only explanation available to us.

Compliance Integrity Agreement implemented

- F-14 -** When questioned by the Grand Jury, several administrators of the Behavioral Health Department, and two senior accountants stated that they did not have expertise in Medicare billing regulations.

Compliance Integrity Agreement implemented

RECOMMENDATIONS

- R-1 -** That the Behavioral Health Department identify the position with primary responsibility for implementing and updating mental health billing rules and regulations for Medicare and MediCal funding.

Mental Health Billing has now been centralized within the Finance Department of HCA. The Manager of that department is the primary person responsible for implementing and updating mental health billing rules and regulations. The Department of Behavioral Health is equally committed to the accuracy of this process and works closely with the billers and their supervisors to provide information and feedback. The Chief Operating Officer of the department is the primary contact.

- R-2 -** That a procedure be implemented by Behavioral Health Administration to circulate all Medicare/MediCal bulletins and directives to Ventura County Medical Center billing supervisors as soon as received from issuing agency.

A joint meeting of the HCA Finance Department Billing Supervisor and Manager with the Lead Management Team of BHD occurs weekly. At this meeting all Medicare and MediCal bulletins, directives and information are shared and discussed. A Policy - entitled "VCBH Review and Integration of MediCal/Medicare and Governmental Agency Notices and Bulletins" has been developed to ensure this process is maintained.

- R-3 -** That mental health billing supervisory personnel participate at the administrative level. That they be kept informed of pending legislation and be given written directives from Behavioral Health Agency Administrators regarding any change in Medicare and/or MediCal regulations that impact billing procedures.

Please see response to R-2.

Harry Hufford, Interim CAO

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R-4 - That the Director of Behavioral Health assign administrative responsibility for oversight of full and complete training for mental health billing personnel.

As mentioned in R-1, this area has been centralized in HCA's Finance Department and they now ensure training and administrative oversight of all mental health billing personnel. Again, the BHD department remains committed to the quality and accuracy of this process and assists in any means necessary.

INFORMATION SYSTEMS DEPARTMENT

FINDINGS

F-1 thru F-4 - Concur

F-5 - POR is scheduled to be replaced July 1, 2000 by STAR system which will be part of Ventura County Medical Center software program,

At this time, a RFP for a completely new MIS system, that will handle all aspects of billing, regulatory compliance, utilization review monitoring, clinical and financial reporting is being developed and anticipated implementation of this new system is July, 2001. This system will be for all Mental Health Billing, inpatient and outpatient.

F-6 thru F-7 - Concur

F-8 - Processing of mental health billing by the VCMC STAR software program should be fully operational October 2000.

Implementation plan currently under revision

RECOMMENDATIONS

R-1 - *Concur*

R-2 - That any request for change to the mental health billing programs be submitted in writing and that no verbal change order be implemented.

This process has been implemented.

R-3 - *Concur*

ADMINISTRATION

FINDINGS

F-1 thru F-3 - Concur

- F-4 -** Behavioral Health Administration hired their own staff to do utilization review. This practice effectively prevented the checks and balances provided by objective oversight.

Partially concur. While it is true that Behavioral Health hired their own utilization review staff, we do not concur that this does not allow for objective oversight. Please see comments in R-2.

F-5 thru F-7 - Concur

- F-8 -** The organizational charts for Behavioral Health Department from 1990 - 1999 indicate an inconsistent administrative relationship between mental health billing personnel and the senior accountant in the Ventura County Health Care Agency with responsibility for mental health billing.

Concur. Please see comments in R-3.

RECOMMENDATIONS

- R-1 -** That the Director of Ventura County Health Care Agency review the job description of administrative personnel of the Behavioral Health Department. If an administrator does not have the expertise required by the job description (such as knowledge of Medicare billing rules and regulations), the HCA Director should provide the employee with written guidelines as to where and how he is to acquire the expertise or create a new position, with the appropriate qualification, to fill the void.

Procedure in place

- R-2 -** That the policies and procedures for the Behavioral Health Department clearly define utilization review as a function of an objective third party who possesses the required expertise to evaluate compliance with MediCal and Medicare regulations.

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Current Utilization Review staff, are not the treatment providers, but are employed by HCA - Department of Behavioral Health. In this manner, they are able to be familiar with and understand internal processes, while at the same time, maintaining an objective stance in their reviews. This system allows for appropriate oversight, but also enables smoother and faster resolution to any outstanding issues identified by the utilization review process.

- R-3 - That the organizational relationship between mental health billing staff and the senior accountant responsible for the accuracy of mental health billing be reviewed and evaluated to ensure appropriate checks and balances are implemented.

The financial and billing personnel for HCA have been centralized to the HCA department and are under the supervision of the Chief Financial Officer of the Health Care Agency. They are no longer a part of the Behavioral Health Department. This new organization allows for increased expertise, accountability and compliance.

- R-4 - That the Ventura County Health Care Agency require that the Director of Behavioral Health and the Senior Accountant with responsibility for the accuracy of the Medicare Part B billing certify the monthly billing as compliant and accurate, prior to the computerized submission to HCFA for payment, by signing a statement similar to the statement required by Short-Doyle MediCal billing.

Procedure in place