

**ORANGE COUNTY  
BOARD OF COMMISSIONERS**

**ACTION AGENDA ITEM ABSTRACT**

**Meeting Date:** January 22, 2009

**Action Agenda**

**Item No.** 4-j

**SUBJECT:** New Health Department Fees for Personal Health Services

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**DEPARTMENT:** Health

**PUBLIC HEARING: (Y/N)**

**ATTACHMENT(S):**

New Fees Proposal

**INFORMATION CONTACT:**

Rosemary Summers, 245-2411

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**PURPOSE:** To establish Health Department fees for certain personal health services to assist in cost recovery.

**BACKGROUND:** According to NCGS 130A, the Board of Health is responsible for reviewing and recommending fees to the Board of County Commissioners in order to recover costs for those services for which fees may be charged by the Health Department. Establishment of fees also allows the Health Department to recover costs from third parties such as Medicaid, Medicare, and private insurance. A standard fee must be established that is charged to a patient or client regardless of insurance status. The Health Department also has established a sliding fee scale to charge patients/clients based on income. At the November 2008 meeting, the Board of Health reviewed and approved this proposal, recommending that it move forward to Commissioners for action.

While the charge for the service is always the same, the amount collected by the Health Department varies according to the payor source. Twice a year, Medicaid reviews and makes rate adjustments based on the experience with various providers throughout the state. The Health Department reviews and adjusts its fees based on this review to ensure that the maximum income allowed by Medicaid for a certain procedure can be recovered to defray the costs for providing a particular service. The Department reviews fees annually as part of budget process, however, sometimes changes in policy at the state level means a change in the fee structure or a change in best practice for medical care dictates changes that fall outside of the budget cycle.

The first four fees noted on the attachment are related to a birth control method that provides 3 years of protection for a woman wishing to prevent pregnancy. The Department has received additional family planning funds to be able to purchase this method and offer it to clients. The next fee is related to a change in state policy that allows the Department to begin charging for oral contraceptives. The proposed fee for oral contraceptive pills will cover the direct costs of

the average contraceptives used yet still be affordable for clients. There are four fees associated with required testing for Health Department employees, volunteers, and contractors such as interpreters. These are flat fees paid by the prospective employee, volunteer or contractor. Direct service providers must show immunity to Varicella, Measles, Mumps and Rubella but often cannot provide documented vaccination. This would allow a titer (a blood test that shows immunity levels) to be drawn to establish immunity and prevents unnecessary re-vaccination. These fees allow the Department to pay the direct costs of UNC Labs that performs these tests. The Bile Acid Test is a best practice lab test for the most common form of liver disease for prenatal patients. This is also a direct cost of the test performed by UNC Labs. Reimbursement for administration of vaccines must be consistent across payors and at the present time there is a differential fee of \$5.00 for Medicare and \$11.00 for Medicaid for the administration of one vaccine. The new proposed fee brings the Medicare charge to the same level as the Medicaid administration fee. Finally, as part of a new federal policy, the Health Department is required to collect a \$3.00 co-pay from all adult Medicaid recipients and that needs to be added to the fee schedule.

**FINANCIAL IMPACT:** Since most of the fees will only recover the direct costs of providing the services, the Department does not anticipate substantially increased revenues or expenditures. The Department continues to experience a rise in service to residents that qualify for reduced payment on the sliding fee scale.

**RECOMMENDATION(S):** The Manager recommends the Board approve the additions and changes to the fee schedule for Personal Health Services in the Health Department.

Personal Health Services Division  
New Fees Proposal  
November 2008  
Final December 2008

Implanon – small, thin, implantable hormonal contraceptive that is effective for up to 3 years (J7307 CPT Code)

- Cost: \$446.51/unit
- Medicaid reimbursement: \$637.97
- **Proposed fee: \$765.00/unit\***

Insertion, non-biodegradable drug delivery (11981 CPT Code)

- Medicaid reimbursement: \$109.90
- **Proposed fee: \$132.00\***

Removal, non-biodegradable drug delivery (11982 CPT Code)

- Medicaid reimbursement: \$126.82
- **Proposed fee: \$152.00\***

Removal with re-insertion, non-biodegradable drug delivery (11983 CPT Code)

- Medicaid reimbursement: \$192.71
- **Proposed fee: \$231.00\***

Oral Contraceptive Pills (S4493 CPT Code)

- Average Cost of all: \$5.98/pack
- Average Cost of most used: \$5.56/pack
- Medicaid reimbursement: \$3.35/pack
- **Proposed fee: \$7.00**
- (WalMart Pharmacy provides at \$9/pack)

Employee Varicella Titer (LU214 CPT Code) – Flat Fee for new employees, volunteers, contractors

- UNC Lab Cost: \$78.00
- **Proposed fee: \$78.00**

Employee Measles (Rubeola) Titer (86765 CPT Code)

- UNC Lab Cost: \$48.00
- **Proposed fee: \$48.00**

Employee Mumps Titer (86735 CPT Code)

- UNC Lab Cost: \$50.00
- **Proposed fee: \$50.00**

Employee Rubella Titer (86762 CPT Code)

- UNC Lab Cost: \$75.00
- **Proposed fee: \$75.00**

Bile Acid Test - UNC Lab (82239 CPT Code)

- UNC Lab Cost: \$93.00

➤ **Proposed fee: \$93.00**

Administration of Influenza Vaccine - Medicare (G0008 CPT Code)

- Current fee: \$5.00
- **Proposed fee: \$11.00\*\***

Administration of Pneumococcal Vaccine - Medicare (G0009 CPT Code)

- Current fee: \$5.00
- **Proposed fee: \$11.00\*\***

Adult Medicaid Co-pay

- **Proposed fee: \$3.00\*\*\***

\* Fee based on 1.2% of Medicaid reimbursement

\*\* Needs to be consistent with fee for Administration of 1 vaccine (90471 CPT Code = \$11.00) per Public Health Consultant

\*\*\*Mandated by federal Medicaid rule