June 18, 2013

Board of Supervisors
Kern County Administrative Center
1115 Truxtun Avenue
Bakersfield, CA 93301

REQUEST FOR RELIEF OF ACCOUNTABILITY OF ACCOUNTS RECEIVABLE
(Fiscal Impact: $886,751.09; General Fund; Not Budgeted; Discretionary)

The purpose of this letter is to request your Board's approval of the proposal to obtain relief from accountability for and collection of 9,235 accounts totaling $886,751.09.

The Department has thoroughly reviewed all accounts with an outstanding balance and categorized the accounts appropriately. The following seven categories were deemed uncollectable by the Department; therefore, the Department is requesting to be relieved of accountability of these accounts.

*Childhood Immunizations:*

The Department has an executed agreement with the California Department of Public Health to provide immunizations to children for the prevention of childhood disease prior to school admittance in accordance with California Health and Safety Code Sections 120325-120380. Per the terms of this agreement, the Department may not charge patients or parents for the cost of the vaccine and charges for the administration of the vaccine are discouraged. The Department currently has 688 accounts dated November 4, 2001 through May 16, 2013 with balances totaling $40,740.37 for the administration of childhood immunizations. Given the terms in this agreement and the importance of immunizing the children in our community, the Department is requesting relief from accountability of these charges.

*Insurance – Age of Receivable:*

The Department entered into an agreement with the California Department of Public Health to develop an innovative reimbursement plan for services provided in the Public Health Department’s clinics. Under this partnership, the Department was able to obtain multiple agreements with insurance providers for reimbursement of services. This reimbursement model did not exist prior to the Department’s implementation. Due to the learning curve for the staff within the Department, many denials were incurred in the beginning stages of the billing process. Through this process, the Department has written reports to review charges and coding prior to submission for reimbursement in an attempt to minimize denial rates and maximize collection efforts. Staff has also been trained to review denials timely in order to correct, resubmit, and maximize collection on resubmission. The Department currently has 7,778 accounts dated February 3, 2005 through December 1, 2012 with balances totaling
$778,465.69 for insurance denials, which are aged beyond the dates allowable for reimbursement through insurance providers.

*California Family Code Sections 6920 – 6929:*

Per California Family Code Section 6926, a minor who may have come into contract with an infectious, contagious, or communicable disease may consent to medical care related to the diagnosis or treatment of the disease and may consent to medical care related to the prevention of a sexually transmitted disease. The Family Code further indicates that the minor's parents or guardians are not liable for the payment of such medical care provided. The Department currently has eight accounts dated June 10, 2008 through November 26, 2012 with balances totaling $563. Per the stipulations of the Family Code, the Department does not have any legal authority to pursue billing for these services.

*Confidential Clinic Services:*

As a part of the Public Health Services Department’s mission, we provide testing, treatment, and surveillance of sexually transmitted diseases in an effort to prevent disease and protect the health of Kern County residents. Providing these testing and treatment services is crucial in surveying and minimizing the spread of these diseases throughout our high-risk community. Currently, the Department has 23 accounts for services rendered from January 11, 2011 through June 11, 2012 totaling $2,051. Due to the sensitive nature of these mission critical services, clients who cannot afford to pay for the service in full are asked to complete a payment plan form and check a box as to whether they will allow the Department to bill them for the services. The accounts included in this request are for those clients who did not agree to the Department sending them a bill.

*Age of Receivable:*

The Department also has 714 accounts with balances initiated prior to January 1, 2011 totaling $64,351.03. Due to the age of these accounts, the Department feels that the likelihood of collection does not warrant the expense and staff time involved. California Government Code Section 25257 gives your Board the authority to discharge accounts under these circumstances. The Department has implemented procedures to follow up timely on accounts with remaining balances and to assign past due accounts to a collection agency to increase the likelihood of collection.

*Services No Longer Federally Reimbursed:*

The Department has 21 accounts totaling $420 for reimbursement for medical records photocopies furnished to determine eligibility for disability. These balances were initiated from July 31, 2008 through December 6, 2010. Due to the age of these receivables and the fact that they are no longer authorized as federally reimbursable, the Department feels that the likelihood of collection does not warrant the expense and staff time involved.

*Checkbusters*

The Department has 3 accounts for services provided from August 10, 2011 through January 4, 2012. These services were paid for with a check, which bounced, totaling $140. The Department turned these accounts over to the District Attorney's Office; however, they were
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unable to collect. The Department has exhausted all means to collect on these accounts and the likelihood of collection does not warrant any future expenses or staff time.

Therefore, IT IS RECOMMENDED your Board relieve the Department from accountability and collection of 9,235 accounts totaling $886,751.09.

Respectfully submitted,

[Signature]
Matthew Constantine  
Director of Public Health Services

MC:bnm  
Attachment  
C: Each Supervisor  
County Administrative Office