



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

VACANT
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

MONICA MONTGOMERY STEPPE
Fourth District

JIM DESMOND
Fifth District

DATE: April 22, 2025, and May 6, 2025

18

TO: Board of Supervisors

SUBJECT

APPROVE AN ORDINANCE AMENDING ARTICLE XV-B OF THE SAN DIEGO COUNTY ADMINISTRATIVE CODE RELATING TO HEALTH AND HUMAN SERVICES CHARGES AND FEES (DISTRICTS: ALL)

OVERVIEW

The County of San Diego (County) Health and Human Services Agency (HHSA) is an integrated health, housing, and social service organization with a robust service network that spans across the San Diego County region and contributes to making people's lives healthier, safer, and self-sufficient. Services provided by HHSA provide vital resources and care to some of the most vulnerable San Diego County residents. Today's action requests the San Diego County Board of Supervisors (Board) approve amendments to Article XV-B of the San Diego County Administrative Code related to fees and rates established for services delivered in two HHSA departments, Public Health Services and Behavioral Health Services. The Board last approved revisions to HHSA fees and rates on May 21, 2024 (5).

The proposed ordinance represents a comprehensive package that seeks to support the cost of providing services, while maintaining fees that are fair and reasonable for customers and the public. In accordance with Board Policy B-29 (Fees, Grants, and Revenue Contracts – Department Responsibility for Cost Recovery), HHSA recently conducted a review of HHSA fees and rates, in order to ensure costs are fully recovered for services provided to agencies or individuals. A total of 127 HHSA fees and associated costs were reviewed, resulting in proposed additions, adjustments, and determinations to maintain existing fees.

Today's action requires two steps. On April 22, 2025, it is requested that the Board consider an ordinance amending sections of the San Diego County Administrative Code related to HHSA fees. If the Board takes the action as recommended, then on May 6, 2025, the proposed ordinance will be brought back to the Board for consideration and adoption.

This item supports the County vision of a just, sustainable, and resilient future for all, specifically those communities and populations in San Diego County that have been historically left behind, as well as our ongoing commitment to the regional *Live Well San Diego* vision of healthy, safe, and thriving communities. This will be accomplished by ensuring that the County has optimized its health and social services delivery system to ensure efficiency, integration and innovation while maintaining fiscal stability.

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RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

On April 22, 2025:

Approve the introduction of the ordinance (first reading):

AN ORDINANCE AMENDING ARTICLE XV-B OF THE SAN DIEGO COUNTY ADMINISTRATIVE CODE RELATING TO HEALTH AND HUMAN SERVICES CHARGES AND FEES

If on April 22, 2025, the San Diego County Board of Supervisors takes action as recommended, then on May 6, 2025

Consider and adopt (second reading):

AN ORDINANCE AMENDING ARTICLE XV-B OF THE SAN DIEGO COUNTY ADMINISTRATIVE CODE RELATING TO HEALTH AND HUMAN SERVICES CHARGES AND FEES

EQUITY IMPACT STATEMENT

To develop the cost recovery proposal, the County of San Diego (County) Health and Human Services Agency (HHSA) performed an analysis of all services provided to customers to examine the tasks and functions performed, including the direct and indirect costs of performing those tasks in relation to the specific services. Criteria were established to determine fair and reasonable fees for direct services provided.

The proposed ordinance represents a comprehensive package that seeks to support the cost of providing HHSA services, while maintaining fees that are fair and reasonable for customers and the public. Updates include County Public Health Services, Public Health Laboratory (PHL) fees that are either tied to environmental testing, such as testing of drinking water or foodborne illness investigations, or clinical fees such as tests for communicable disease outbreaks, among others. The proposed ordinance will also include a revised rate for the Edgemoor Skilled Nursing Facility to align with updated full cost recovery information.

Today's action would update fees for services provided by the County that help to promote health and safety and have an impact on the lives of Black, Indigenous, People of Color, women, people with disabilities, immigrants, youth, the LGBTQ+ community, and other underserved groups.

SUSTAINABILITY IMPACT STATEMENT

Today's proposed action supports the County of San Diego (County) Sustainability Goal #2 to provide just and equitable access by aligning available County resources with services to maintain fiscal stability and ensure long term solvency.

FISCAL IMPACT

Funds for this request are not included in the Fiscal Year (FY) 2025-26 CAO Recommended Operational Plan in the Health and Human Services Agency. If approved, this request will result in no additional costs and an estimated increase in revenue of \$281,936 in FY 2025-26. There is no change in net General Fund cost and no additional staff years.

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BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

This item was presented to the Health Services Advisory Board as an informational item on April 1, 2025.

BACKGROUND

The County of San Diego (County) Health and Human Services Agency (HHSA) is an integrated health, housing, and social service organization with a robust service network that spans across the San Diego County region and contributes to making people's lives healthier, safer, and self-sufficient. HHSA remains committed to providing the highest quality work product and customer service, while maintaining, and whenever possible, reducing costs. Efforts to streamline and improve processes, especially using new technology as it becomes available, are continuously evaluated and operationalized when possible. Continued increases in the cost of doing business necessitate the regular evaluation of fees to align with current costs. The San Diego County Board of Supervisors (Board) last approved revisions to HHSA fees and rates on May 21, 2024 (5).

To prepare the Fiscal Year (FY) 2025-26 fee package, HHSA has reviewed 127 fees and associated costs to reassess fee level. Of the total 127 fees: 85 fees and rates were either already under County Administrative Code XV-B, Section 239, which sets the fee as the lesser of the published Medi-Cal rate or calculated County costs; previously had a less than full-cost recovery fee rate approved by the Board; or had no proposed change to the fee at this time. For the remaining 42 fees and rates charged for services by County Public Health Services and Behavioral Health Services, HHSA is proposing updated fees effective FY 2025-26 and amendment of various sections within the County Administrative Code Article XV-B to support proposed fee adjustments and additions (Attachment A). The overall analysis of the 42 fees resulted in the following recommended actions (Attachment D).

Action	Number of Fees and Rates	Division Impact
Increases	29	Public Health Services (28) Behavioral Health Services (1)
Decreases	6	Public Health Services
New	4	Public Health Services
Delete	3	Public Health Services
Total	42	

Board Policy B-29 (Fees, Grants, and Revenue Contracts – Department Responsibility for Cost Recovery) requires departments to ensure costs are fully recovered for services provided to agencies or individuals. Based on cost increases, a cost recovery proposal is being proposed that includes a fee adjustment to ensure full cost recovery for services when possible (Attachment A).

To develop the cost recovery proposal, HHSA performed an analysis of all services provided to examine the tasks and functions performed, including the direct and indirect costs of performing

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those tasks in relation to the specific services. The analysis focused on services that directly benefit an individual, group, or the general public. Criteria were established to determine fair and reasonable fees for direct services provided.

The County Auditor and Controller has reviewed and approved the supporting documentation and the methodology for establishing the fees in this proposal for FY 2025-26. The following Proposed Fee Package provides an overview of the fee adjustments, by department.

Proposed Fee Package

Public Health Services Fees

The County Public Health Services (PHS) is the local health department in San Diego County. PHS works to prevent epidemics and the spread of disease, protect against environmental hazards, prevent injuries, promote and encourage healthy behaviors, respond to disasters and assist communities in recovery, and assure the quality and accessibility of health services throughout the county. The proposed ordinance supports the cost recovery related to the PHS, Public Health Laboratory (PHL). Additionally, an update on the status of the Tobacco Retail License Fee is provided.

Public Health Laboratory Fees

PHL works in conjunction with public health clinics, local hospitals and healthcare providers, and the County Department of Environmental Health and Quality and Department of Public Works. By analyzing clinical and environmental samples, PHL participates in the core activities of surveillance, assessment, and assurance. A total of 41 PHL fees were reviewed. Of those, 37 existing testing fees require updating for PHL, which include 28 proposed increases, six proposed decreases and three deletions to reflect updated business processes.

In addition, a total of four new PHL fees are proposed related to water and clinical fees. The four fees will be added under Section 244, the portion of the ordinance that refers to water testing fees and other clinical laboratory fees not tied to Medi-Cal rates. The new fees are for tests currently being performed by PHL, which will provide future opportunity to recover costs when possible. PHL fees are primarily established for those circumstances in which costs are claimable to federal, State, and other jurisdictions.

Tobacco Retail Licensing Fee

The Tobacco Retail Licensing (TRL) Program is responsible for oversight, administration and ensuring compliance with the County TRL Ordinance that was enacted in July 2021. The Ordinance requires tobacco retailers in the unincorporated area of the county to pay an annual fee for licensing to sell tobacco products and adhere to specific sales guidelines. On June 14, 2022 (17), the Board adopted the initial annual TRL fee, with direction to the Program to seek alternative funding sources to offset the fee into the future. Revenue from the fee supports a portion of the expected annual cost recovery for direct staff, as well as general program administration and implementation costs. The current annual fee of \$730 was calculated based on 50% of full cost recovery for FY 2022-23 with the California Department of Justice (CADOJ) grant revenue covering the balance. Since FY 2022-23, Public Health Services has been successful in securing one-time Tobacco Program grants from the CADOJ to help offset and support the TRL program

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expenses and activities, allowing for the fee to remain at \$730, with no increases since its initial adoption. The availability of grant funding will continue to be assessed annually. However, if no new additional funding is identified, projections show that retailers will be expected to pay the full TRL fee, and proposed increases will be brought to the Board for consideration in the future.

TRL is an essential tool to reduce tobacco use initiation, foster health equity, and reduce access to nicotine and tobacco, through improved compliance with minimum legal sales age laws and other important tobacco sales regulations. It is a vital regulatory tool that enables states and localities to monitor tobacco sales, fund compliance efforts, and create effective penalty and suspension structures for violations. Based on educational outreach observations and current decoy operations results, retailer compliance is lower than desired. In FY 2023-24, approximately 35% of licensed retailers monitored through decoy operations sold to minors. In addition to the decoy operations, of the 250 compliance inspections completed in FY 24-25, 64% of the retailers were found to be out of compliance with the County's Ordinance.

Behavioral Health Services Rate

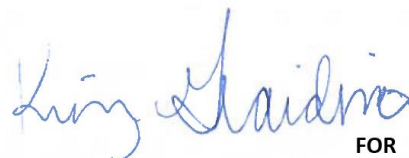
Behavioral Health Services (BHS) provides a continuum of mental health and substance use services to San Diego County residents of all ages who are Medi-Cal eligible. Services are provided through a coordinated system of County-operated and contracted community-based providers. BHS also operates two hospitals, including the San Diego County Psychiatric Hospital and Edgemoor Distinct Part Skilled Nursing Facility (DPSNF), that provide inpatient care to the region's most vulnerable adults.

Most BHS fees are aligned with Medi-Cal rates under Administrative Code XV-B, Section 239. There is a private pay rate for Edgemoor DPSNF in which an increase is proposed to align with updated full cost recovery information (Attachment A).

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed action supports the Sustainability (Economy), Equity (Health), and Empower (Transparency and Accountability) Initiatives in the County of San Diego's (County) 2025-2030 Strategic Plan. Periodically reviewing Health and Human Services Agency services and related fees ensures that the County has optimized its health and social services delivery system to ensure efficiency, integration and innovation while maintaining fiscal stability.

Respectfully submitted,



FOR

EBONY N. SHELTON
Chief Administrative Officer

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ATTACHMENT(S)

Attachment A: Summary Comparison of Current and Proposed Fees

Attachment B: An Ordinance Amending the San Diego County Administrative Code Article XV-B, Relating To Health and Human Services Charges and Fees (Clean Copy)

Attachment C: An Ordinance Amending the San Diego County Administrative Code Article XV-B, Relating To Health and Human Services Charges and Fees (Informational Copy)

Attachment D: Summary of Cost Recovery Proposal Actions and Alignment of Fees to Section 239