

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0220-03658-0002

Date: November 2, 2018

To: The City Council

From: Richard H. Llewellyn, Jr., City Administrative Officer

Wendy G. Macy, General Manager – Personnel Department

Subject: **REIMBURSEMENT RATE INCREASE FOR FORENSIC EVIDENTIARY EXAMINATIONS (C.F. 18-0728)**

RECOMMENDATIONS

It is recommended that the City Council:

1. AUTHORIZE and INSTRUCT the Personnel Department to increase the reimbursement rate for all completed sexual assault and child abuse victim forensic examinations from \$730 to \$1,020 per exam;
2. AUTHORIZE and INSTRUCT the Personnel Department to increase the reimbursement rate for all suspect forensic examinations from \$200 to \$1,020 per exam;
3. AUTHORIZE and INSTRUCT the Personnel Department to increase the reimbursement rate for incomplete forensic examinations from \$200 to \$300 per exam;
4. AUTHORIZE and INSTRUCT the reimbursement rates for all forensic sexual assault and child abuse evidentiary examinations to be adjusted annually beginning in 2019-20 by the lesser of the Consumer Price Index (CPI) for medical care in the West Urban Area for the preceding 12 months or three (3) percent, unless the CPI declines, in which case the rate shall remain unchanged; and,
5. INSTRUCT the City Administrative Officer (CAO), with the assistance of the Personnel Department, to monitor the fiscal impact of the revised reimbursement rate and to report to Council as part of the Financial Status Report (FSR) on ways to address any account shortages resulting from the revised reimbursement rate.

SUMMARY

On August 15, 2018, the Personnel and Animal Welfare (PAW) Committee considered a Motion (Martinez – Krekorian / C.F. 18-0728) regarding a proposed increase to the reimbursement rate for all forensic evidentiary examinations conducted by Sexual Assault Response Team (SART) Centers.

Council took action to instruct the CAO, with the assistance of the Personnel Department, to

report back on (i) the fiscal impact of approving the proposed increase in the reimbursement rates for these evidentiary examinations to be aligned with the rates adopted on May 1, 2018 by Los Angeles County (LA County) and (ii) whether the City should conduct a fee study in connection with the proposed reimbursement rate.

Reimbursement Rate

California Penal Code 13823.95 requires local governments to reimburse medical centers for sexual assault evidentiary exams, although it does not specify an amount. The Personnel Department currently remits payment on behalf of the City for these evidentiary exams to SART Centers based on rates approved by Council on April 25, 2001 (C.F. 01-0682). The current reimbursement rates provide \$730 for victim exams and \$200 for suspect/in custody exams. Total payments to SART Centers in Fiscal Years 2016-17 and 2017-18 were \$1.45 million and \$1.52 million, respectively.

Adjusting the City's reimbursement rates to be aligned with the LA County will increase the exam amounts from \$730 to \$1,020 for victims of sexual assault and child abuse, from \$200 to \$1,020 for suspects/in custody, and from \$200 to \$300 for incomplete examinations. The 2018-19 Adopted Budget includes \$1.4 million for all exam reimbursements. Approval of the proposed reimbursement rates is anticipated to result in a total cost of approximately \$3.75 million resulting in an additional annual expenditure of approximately \$2.35 million. Assuming Council approval of the proposed rate increase by the end of November 2018, the estimated 2018-19 budget shortfall is \$1.37 million. The Personnel Department is directed to monitor its Contractual Services account and report any shortages in future FSRs which may include requests for additional General Fund appropriations to support the proposed reimbursement rates.

The following table illustrates the number of exams and the associated costs for the prior five years. The projected cost for 2018-19 with both the current and proposed reimbursement rates is shown below.

FISCAL YEAR	SUSPECTS / IN CUSTODY			VICTIMS			TOTAL	
	Exams	\$/Exam	Cost	Exams	\$/Exam	Cost	Exams	Cost
2013-14	2,187	\$200	\$437,400	1,244	\$730	\$908,120	3,431	\$1,345,520
2014-15	2,451	\$200	\$490,200	1,327	\$730	\$968,710	3,778	\$1,458,910
2015-16	2,532	\$200	\$506,400	1,260	\$730	\$919,800	3,792	\$1,426,200
2016-17	2,182	\$200	\$436,400	1,393	\$730	\$1,016,890	3,575	\$1,453,290
2017-18	2,349	\$200	\$469,800	1,441	\$730	\$1,051,930	3,790	\$1,521,730
2018-19 Projected Costs (with Current Rates)*	2,340	\$200	\$468,040	1,333	\$730	\$973,090	3,673	\$1,441,130
2018-19 Projected Costs (with Proposed Rates)*	2,340	\$1,020	\$2,386,800	1,333	\$1,020	\$1,359,660	3,673	\$3,746,460
2018-19 ADOPTED BUDGET								\$1,400,000
ANNUAL BUDGET SHORTFALL (Proposed Costs - Budget)								\$2,346,460
ESTIMATED 2018-19 SHORTFALL (Seven months)								\$1,368,750

* Number of exams for 2018-19 is projected based on the average of the prior five years.

SART Centers assert the current reimbursement amount is not sufficient to support the actual costs associated with performing evidentiary exams and request the City consider increasing the reimbursement rates consistent with the recently increased amounts approved by LA County. SART Centers are funded through a combination of fundraising and the reimbursement payments provided by local jurisdictions. Approval of the higher reimbursement rates will support the continued availability of these resources in the City.

Reimbursement Fee Study

There are currently 11 SART Centers operating within LA County. In 2017, a survey of 10 SART Centers (excluding one center operated by LA County) was conducted by the LA County Emergency Medical Services (EMS) Agency to determine the costs associated with SART evidentiary exams. Responses providing cost information were received from nine of the ten SART Centers surveyed.

The average reported cost per evidentiary exam was \$1,020. This amount includes both personnel and non-personnel costs such as equipment, supplies, facility costs, and nominal costs associated with preparing for and testifying in court cases. SART Centers reported conducting sexual assault and child abuse forensic examinations for over 40 government agencies in LA County, including exams reimbursed by the City.

Based on the results of the cost survey, on May 1, 2018, the LA County Board of Supervisors (Board) approved an increase in the exam reimbursement rate from \$730 to \$1,020 for both victim and suspect/in custody exams. Additionally, the Board increased the reimbursement rate from \$200 to \$300 per exam for incomplete examinations which may occur when a victim declines services although initial costs (e.g. On-call nurse) were incurred by the SART Center.

A separate cost survey could be performed by the City, although it is anticipated to utilize similar methodologies for determining costs and likely result in a similar reported average cost. Confidence in the survey results is further supported due to a high level of participation in the survey with responses from nine of the ten SART Centers (90 percent). A communication from several SART Centers indicates support for the results of the survey completed by LA County as well as support for LA County's recently approved reimbursement rates.

Adopting the results of the cost survey conducted by LA County is recommended considering the recent nature of the LA County survey, the likeliness of a separate survey utilizing the same methodologies and reaching a similar result, and the satisfaction of the results by SART Centers.

Future Adjustments to the Reimbursement Rates

The current reimbursement rate does not provide a provision for regular adjustments to ensure rising costs of service delivery could match the reimbursement rates. To allow the exam reimbursement rates to remain aligned with increasing costs, the rate could be adjusted annually.

As such, and consistent with reimbursement rates recently adopted by LA County, it is recommended the reimbursement rates for all completed and incomplete forensic sexual

assault evidentiary examinations to be adjusted on an annual basis by the lesser of the Consumer Price Index (CPI) for medical care in the West Urban Area for the preceding 12 months or three (3) percent, unless the CPI declines, in which case the rate shall remain unchanged.

FISCAL IMPACT

Approval of the proposed increase to reimbursement rates for forensic evidentiary examinations is forecasted to increase annual expenditures by approximately \$2.35 million resulting in a projected total annual expenditure of \$3.75 million. The General Fund impact of this increased cost in 2018-19 is anticipated to be \$1.37 million. The Personnel Department is directed to monitor its Contractual Services account and report any shortages in future FSRs which may include requests for additional General Fund appropriations to support the proposed reimbursement rates. The source of the additional General Fund appropriations in 2018-19 will need to be identified in a future FSR and may include the Reserve Fund if no other sources are available.

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