



OREGON

MARION COUNTY BOARD OF COMMISSIONERS

# Work Session Summary Minutes

## Health and Human Services Fee Setting Discussion

December 2, 2025. 1:30 PM

Courthouse Square, 555 Court St. NE, Salem  
5th Floor, Suite 5232, Commissioners Board Room

### ATTENDANCE:

**Commissioners:** Danielle Bethell, Colm Willis, and Kevin Cameron.

**Board's Office:** Matt Lawyer, Toni Whitler, Heather Inyama, and Trevor Lane.

**Health and Human Services:** Rhett Martin, Cole Fetherston, Alys Anderson, Mai Cao, Darby Amezcua, and Ryan Matthews.

Commissioner Danielle Bethell called the meeting to order at 2:19 p.m.

### **Discussion**

- Discuss Proposed Updated Fee Schedules:
  - Fees for:
    - Outpatient mental health.
    - Addiction treatment.
    - Public health programs.
  - Several years have passed since the previous update.
  - Rising costs:
    - Roughly 25% increase in personnel expenses.
    - Mainly attributed to:
      - Cost-of-living adjustments.
      - Step increases.
      - Reduced vacancy rates.
      - Higher fringe benefits.
  - The payer landscape reviewed:
    - Significant portion of billing is to Medicaid.
    - Some fees covered by private insurance or written off if unable to pay.
  - Agency fees designed to represent actual costs of delivering services rather than profit:
    - Allow reimbursement justification when billing Medicaid or seeking state support for indigent populations.
  - Concern over lack of detailed breakdowns for cost increases:
    - Which factors most affected personnel costs.
  - Details of budgetary practices:
    - Vacant positions budgeted differently due to less anticipated benefits:
      - Health coverage starts after six months of employment.
      - Assumed shorter employment periods compared to filled positions.
  - Methodology for setting new fees:

- Line-by-line evaluation of cost for each service.
- Integrate average encounter times, providers' involvement, and data from meetings with program and billing teams.
- Legal requirement from Centers for Medicare and Medicaid Services for current and accurate service cost representation:
  - Comply with federal guidelines and avoid unintentionally undercutting private providers.
- Differences between government and private insurance fee-setting:
  - Government:
    - Based on actual cost to provide services.
    - No profit is included.
    - Fees updated regularly, regulated and comply with federal/state rules.
  - Private insurance:
    - Conversion factors to negotiate reimbursement.
    - Often allowing for mark-ups and profit.
    - Negotiate rates confidentially.
    - Vary fees widely by provider, specialty, or region.
- Current Procedural Terminology (CPT) codes:
  - Standardized codes describing medical, surgical, or diagnostic procedures for billing.
- Relative Value Units (RVUs):
  - Numbers to each CPT code representing skill, time, and resources needed for a service.
- Conversion factor:
  - Dollar amount set by insurers:
    - Multiplied by RVU to calculate actual reimbursement.
  - Varies by specialty and provider.
  - Subject to negotiation in private insurance.
- Impact of administrative and strategic planning costs on overall fee structure and how costs are distributed across departments.

## Other

- Strategic planning consultant hired with a contract valued at around \$80,000:
  - Categorized as an administrative cost within department.
- Cost was spread proportionally across all service codes and programs:
  - Rather than paid from a single funding source.
- Aim to support management and planning efforts for health services.
- Department analyzed how administrative costs are calculated and distributed:
  - Need to offer clearer, detailed breakdowns of these administrative expenses.
  - Future meetings will include specific data on percentage and value of admin costs versus direct service costs for transparency and oversight.
- It is important to compare administrative versus direct service costs:
  - Aim to keep administrative expenses proportionally lower than direct service provision.

## Next Steps

- Advance proposed fee schedule updates for approval before upcoming triennial public health review in early 2026.

- Provide detailed breakdown, in future meetings, of both administrative costs and direct service provider costs:
  - Offering percentage and value analytics per department.
- Share detailed spreadsheets and cost-calculation methodology used to determine proposed fee changes with relevant stakeholders for transparency.
- Bring additional information.
- If requested, arrange guided walkthrough of cost-calculation spreadsheets in subsequent meeting.
- Continue to monitor program:
  - Capacity, staffing levels, and caseloads to inform budget requests and service planning.
- Prepare for questions regarding relationship between overall investment from contracts and number of people served.

**Adjourned** – time: 5:00 p.m.

**Minutes by:** Mary Vityukova

**Reviewed by:** Gary L. White