

# ORANGE COUNTY HEALTH CARE AGENCY

## HCA's Certified Unified Program Agency and OC Fire Authority: Consolidated Invoice Issue

Revised  
10/30/12, S37C

### Background

- The Orange County Fire Authority implements certain hazardous materials programs under Orange County Health Care Agency's Certified Unified Program Agency (CUPA) as a Participating Agency.
- As mandated by the Health and Safety Code, the HCA's CUPA consolidates fee invoices for all CUPA programs, including the HazMat programs implemented by OCFA. This State mandate was established to simplify the billing process for businesses.
- HCA's CUPA consolidated invoices include site-specific billing information received directly from OCFA.

### Current Issue

- The consolidated CUPA invoices are sent to regulated businesses each July. Upon OCFA's request, HCA's CUPA agreed to delay the County/OCFA consolidated invoices until the beginning of October to give OCFA time to complete a fee study to address financial accountability issues. This delay was arranged with the consent of OC Auditor/Controller staff.
- On September 27, 2012, OCFA staff requested their Board of Directors to approve a modification of their HazMat fees as a result of their fee study.
- The OCFA Board moved to refer the issue to the District Attorney's Office based on an internal, anonymous complaint regarding inappropriate implementation of the OCFA HazMat Program. OCFA has indicated that some of their 2011-12 HazMat inspections had not been completed, even though fees for these activities had been collected.
- HCA's CUPA needed to proceed with the already delayed CUPA billing process in order to receive funding for County CUPA program activities.
- HCA CUPA invoices were sent without the OCFA component because OCFA staff was not able to provide HCA's CUPA with OCFA's specific billing information pertaining to which businesses to bill and the fee amount to bill.
- The agenda for the Orange County Fire Authority Special Board Meeting on October 25, 2012, indicated that OCFA staff would request permission to approach HCA's CUPA to either allow a waiver from the single invoice mandate or to change the CUPA billing process to operate in arrears.
- HCA's CUPA sent a letter to OCFA Chief Richter on the morning of October 25<sup>th</sup> indicating that neither request would be possible based on State law and County policy.
  - According to State law a consolidated bill must be issued by the CUPA, so OCFA cannot issue its own bills.
  - According to County Auditor/Controller, billing in arrears is not allowed under County policy as it would be extending credit to a private entity. UPDATE: HCA/CUPA had been operating with the understanding from Auditor/Controller that billing in arrears would not be allowed. Upon further evaluation, billing in arrears would not be against County policy however Auditor/Controller understands that due to the uniqueness and volume of inventory in the program, billing in arrears would be problematic.
- At the October 25, 2012 Board of Directors' meeting, the OCFA Board directed OCFA staff to work with HCA's CUPA to waive the mandated requirement for a consolidated CUPA billing process for this fiscal year.
- The CUPA program is governed by the California Environmental Protection Agency (Cal EPA); therefore, HCA's CUPA would need to request a waiver of this mandate from the Cal EPA.

Revised

### Board Direction Requested

- HCA requests Board direction as to whether HCA should act on OCFA's request for HCA to contact Cal EPA and request a waiver of the mandate requiring the CUPA to consolidate program fees into one invoice for the fiscal year of 2012-13 allowing OCFA to bill separately for their HazMat program fees.

10/30/12 537C

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**SUPPLEMENTAL AGENDA ITEM  
AGENDA STAFF REPORT**

S37C

ASR Control

**MEETING DATE:** 10/30/12  
**LEGAL ENTITY TAKING ACTION:** Board of Supervisors  
**BOARD OF SUPERVISORS DISTRICT(S):** All Districts  
**SUBMITTING AGENCY/DEPARTMENT:** Health Care Agency  
**DEPARTMENT CONTACT PERSON(S):** David Souleles (714) 834-3882  
 Richard Sanchez (714) 433-6471

*Quinn*

RECEIVED  
 2012 OCT 28 PM 12:37  
 COUNTY CLERK  
 BOARD OF SUPERVISORS

**SUBJECT:** OCFA Request Regarding CUPA Billing

CEO CONCUR

COUNTY COUNSEL REVIEW

CLERK OF THE BOARD  
Discussion

**Budgeted:** N/A                      **Current Year Cost:** N/A                      **Annual Cost:** N/A  
**Staffing Impact:** N/A                      **# of Positions:** N/A                      **Sole Source:** N/A  
**Current Fiscal Year Revenue:** N/A  
**Funding Source:** N/A

**Prior Board Action:** N/A

**RECOMMENDED ACTION(S)**

The Health Care Agency (HCA) requests Board direction as to whether HCA should act on the Orange County Fire Authority's request for HCA to contact the Cal EPA and request a waiver of the mandate within Section 25404.5 of the Health and Safety Code regarding the requirement to consolidate Certified Unified Program Agency (CUPA) program fees into one invoice for the fiscal year of 2012/13.

**SUMMARY:**

**BACKGROUND INFORMATION:**

The Orange County Fire Authority (OCFA) Board of Directors held a special meeting on October 25, 2012. In the course of the meeting, the OCFA Board directed OCFA staff to work with the County of Orange Health Care Agency (HCA) through the County's Certified Unified Program Agency (CUPA) to waive the mandated requirement for a consolidated CUPA billing process for this fiscal year. The CUPA program is governed by the California Environmental Protection Agency (Cal EPA); therefore, HCA's CUPA program would need to request a waiver of this mandate from Cal EPA

**FINANCIAL IMPACT:**

N/A

**STAFFING IMPACT:**

N/A

**REVIEWING AGENCIES:**

**EXHIBIT(S):**

**ATTACHMENT(S):**

10/29/12 537C

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