



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST CONTINGENCY REQUEST

(revised 12/31/09)

APPROVED: MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R.1 DATE 1-5-12
NDA GROW, BOARD CLERK

Board Clerk Use Only

Meeting Date: 01/05/12
Agenda Item #: R.1
Est. Start Time: 9:30 am
Date Submitted: 12/21/11

BUDGET MODIFICATION: HD-12-05

BUDGET MODIFICATION HD-12-05 requesting Federal/State Fund
Agenda Title: Contingency Transfer to appropriate \$1,756,458 in one-time-only fee revenue from intergovernmental charges for services.

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title sufficient to describe the action requested.

Requested Meeting Date: January 5, 2012 **Amount of Time Needed:** 5 Minutes
Department: Health Department **Division:** Integrated Clinical Services
Contact(s): Lester A. Walker – Budget and Finance Manager
Phone: (503) 988-3663 **Ext.** 26457 **I/O Address:** 167/2/210
Presenter(s): Alyssa Franzen, Dental Director; Vanetta Abdellatif, ICS Director

General Information

1. What action are you requesting from the Board?

Approval of appropriation of \$1,756,458 in one-time-only (OTO) fee revenue from intergovernmental charges for services.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

The Health Department has been involved with long-term planning and implementation of IT improvements for over 10 years. Nationally and locally all the large health systems are going through the process of moving from paper records to electronic records.

Multnomah County is Oregon's largest single provider of dental services to poor and vulnerable populations. In 2010, the Health Department served 23,791 dental clients providing 59,369 visits. The Health Department's primary care and school based health clinics have seen an 8% increase in the number of clients served in addition to quality improvements since the implementation of electronic medical record (not electronic dental records).

By appropriating the OTO beginning working capital to implement Electronic Dental Records (EDR), MCHD expects improved quality of care, increased access to direct clinical services and the Department will have the ability to apply for Centers for Medicare and Medicaid Services (CMS) EHR Meaningful Use incentive. Electronic capture of dental charges would increase revenue and accuracy with estimates savings of 0.5 to 1.0 FTE of staff time required to maintain paper records.

Additionally, this budget modification will classify a 1.00 Program Manager 1 as a 1.00 Project Manager/NR, position 715127, in the Integrated Clinical Services division of the Health Department. This limited-duration position will serve as a project manager for three large electronic health/dental records initiatives, including: procurement and implementation of an Electronic Dental Record (EDR), implementation of an Electronic Health Record (EHR) for Corrections Health, and achieving ARRA Meaningful Use of eligible providers.

This budget modification supports Program Offer 40017: Dental Services.

3. Explain the fiscal impact (current year and ongoing).

Approval of this budget modification will increase the Health Department's federal/state FY 2012 budget by \$1,756,458.

4. Explain any legal and/or policy issues involved.

None.

5. Explain any citizen and/or other government participation that has or will take place.

N/A

ATTACHMENT A

Budget Modification

If the request is a **Budget Modification**, please answer all of the following in detail:

- **What revenue is being changed and why? If the revenue is from a federal source, please list the Catalog of Federal Assistance Number (CFDA).**

This budget modification appropriates \$1,756,458 in one-time-only (OTO) fee revenue from intergovernmental charges for services for implementation of Electronic Dental Records. The Health Department's federal/state revenue budget will increase by \$1,756,458 in FY 2012 as a result of this budget modification.

- **What budgets are increased/decreased?**

The Health Department's budget will have the following changes:

- Temporary budget will increase by \$65,250
- Non Base Fringe budget will increase by \$20,032
- Non Base Insurance budget will increase by \$3,165
- Professional Services budget will increase by \$433,018
- Printing budget will increase by \$18,000
- Supplies budget will increase by \$20,000
- Central Indirect budget will increase by \$40,589
- Department Indirect budget will increase by \$105,178
- Internal Services Data Processing budget will increase \$47,076
- Capital Equipment budget will increase by \$1,004,150

- **What do the changes accomplish?**

This budget modification will allow MCHD to implement Electronic Dental Records, thus improving quality of care, increasing access to direct clinical services, and reducing costs. There will be a short-term reduction in medical fee revenue from lost productivity during the period to install and learn the software. It's unlikely that the department will be able to recover the medical fee revenue in the same period as EDR is implemented, however the department will manage this shortfall within the current budget.

This budget modification will also change the classification for position 715127 to better fit the duties of this position as determined by the Class/Comp Unit of the Central Human Resources.

- **Do any personnel actions result from this budget modification? Explain.**

Classify a 1.00 limited duration Program Manager 1 as a 1.00 limited duration Project Manager/NR, position 715127, in the Integrated Clinical Services division of the Health Department. Class/comp request #1699.

- **If a grant, is 100% of the central and department indirect recovered? If not, please explain why.**

All indirect costs will be recovered by this revenue.

- **Is the revenue one-time-only in nature? Will the function be ongoing? What plans are in place to identify a sufficient ongoing funding stream?**

This revenue is one-time only for the implementation of electronic dental records. On-going support and maintenance will be funded within department resources.

- **If a grant, what period does the grant cover? When the grant expires, what are funding plans? Are there any particular stipulations required by the grant (i.e. cash match, in kind match, reporting requirements etc)?**

This budget modification is not grant-related.

Contingency Request

If the request is a Contingency Request, please answer all of the following in detail:

- **Why was the expenditure not included in the annual budget process?**

This OTO beginning working capital was initially included in a supplemental budget in a prior fiscal year, where it was placed in contingency in the Fed/State Fund pending further direction from the Board.

- **What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?**

This request is not for additional County General Fund revenue. MCHD is requesting that the OTO beginning working capital previously placed in contingency in the Fed/State Fund be appropriated to support EDR implementation.

- **Why are no other department/agency fund sources available?**

The County Financial Policies require departments to utilize restricted resources in accordance with stipulated restrictions before spending unrestricted General Fund revenue. Appropriation of this OTO fee revenue will allow MCHD to remain in compliance with County Financial Policies and the legal restrictions placed on the OTO revenue earned through intergovernmental charges.

- **Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account. What are the plans for future ongoing funding?**

Implementing Electronic Dental Records is a one-time-only expenditure and future ongoing funding will not be required. The electronic capture of dental charges will increase fee revenue and improve the accuracy of medical billing. Using EDR will also make MCHD eligible to apply for Centers for Medicare and Medicaid Services (CMS) HER Meaningful Use incentive payments (\$63,750 per dentist), resulting in over \$1 million in revenue. MCHD will also recognize savings of up to 1.0 FTE by reducing our need to maintain paper records.

- **Has this request been made before? When? What was the outcome?**

This is a first-time request.

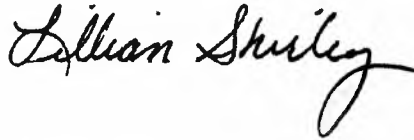
NOTE: *If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet. If it is a General Fund Contingency Request a memo from the Budget Office must be submitted.*

ATTACHMENT B

BUDGET MODIFICATION: HD-12-05

Required Signatures

Elected Official or
Department/
Agency Director:



Date: 122111

Lillian Shirley



Budget Analyst:

Shannon Busby

Date: 122111



Department HR:

Kathleen Fuller-Poe



Department of County Management

MULTNOMAH COUNTY OREGON

Budget Office

501 SE Hawthorne Blvd., Suite 531
Portland, Oregon 97214
(503) 988-3312 phone
(503) 988-5758 fax
(503) 988-5170 TDD

TO: Board of County Commissioners

FROM: Shannon Busby, Senior Budget Analyst

DATE: December 21st, 2011

SUBJECT: Fed/State Fund Contingency request of \$1,756,458 for the Health Department to implement Electronic Dental Records (EDR) in the Integrated Clinical Services Dental Clinics. (Budget Modification HD-12-05).

The Health Department is requesting that \$1,756,458 of Fed/State Fund Contingency be appropriated to fund the implementation of electronic dental records. These funds were initially identified and placed into the Fed/State Fund Contingency during the FY 2011 Supplemental Budget pending clarification on accounting restrictions on use and Board Policy decisions. These funds were identified as not being restricted in use to clinical services. Board amendment 12_OVER_RA_01 'carried' these contingency funds over to FY 2012 pending Board action.

During the FY 2011 Supplemental Budget process, implementing Electronic Dental Records was unofficially earmarked as a potential use for these funds as EDR will provide an increase in efficiency and accuracy in the services provided by the dental clinics. In addition, implementing EDR will also make the Health Department eligible to apply for Centers for Medicare and Medicaid Services (CMS) EHR Meaningful Use incentive payments (\$63,750 per dentist), resulting in over \$1 million in revenue. The Health Department will also recognize savings of up to 1.0 FTE by reducing the need to maintain paper records.

In addition to the upfront costs of the capital purchase and direct implementation costs such as a project manager, the Health Department expects to experience reduced productivity during the implementation process which will result in fewer office visits and less revenue. The reduced period of productivity will likely carry through into FY 2013 and the Health Department is unlikely to recoup these revenues in FY 2012. Current direction is for the Health Department to manage expenses, given the reduced revenues, within current budget.

General Fund Contingency Policy Compliance- (Please note that this request is for Fed/State Fund Contingency)

The Budget Office is required to inform the Board if contingency requests submitted for approval satisfy the general guidelines and policies for using the General Fund Contingency.

In particular,

- Criteria 1 states contingency request should be for one-time-only purposes. If this is not judged to be one-time-only transition funding, the request essentially funds ongoing programs with one-time-only emergency contingency funds. **The request meets this criterion.**
- Criteria 2 Addresses emergencies and unanticipated situations. **The request does not meet this criterion. These Fed/State Funds were placed into contingency pending board policy decisions, EDR being a known potential use for these funds.**
- Criteria 3 addresses items identified in Board Budget Notes. **This item was not identified in the budget notes.**

Budget Modification ID: **HD-12-05****EXPENDITURES & REVENUES**

Please show an increase in revenue as a negative value and a decrease as a positive value for consistency with SAP.

Budget/Fiscal Year: 2012

Line No.	Fund Center	Fund Code	Program #	Func. Area	Accounting Unit			Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
					Internal Order	Cost Center	WBS Element						
1	19	1505	95000	0020		9500001505		60470	-	(1,756,458)	(1,756,458)		Reduce Fed/State Contingency
2	40-60	90000	40017	0030			46001-BWC	60100	-	65,250	65,250		Increase Temporary
3	40-60	90000	40017	0030			46001-BWC	60135	-	20,032	20,032		Increase Non Base Fringe
4	40-60	90000	40017	0030			46001-BWC	60145	-	3,165	3,165		Increase Non Base Insurance
5	40-60	90000	40017	0030			46001-BWC	60170	-	433,018	433,018		Increase Professional Svcs
6	40-60	90000	40017	0030			46001-BWC	60180	-	18,000	18,000		Increase Printing
7	40-60	90000	40017	0030			46001-BWC	60240	-	20,000	20,000		Increase Supplies
8	40-60	90000	40017	0030			46001-BWC	60350	-	40,589	40,589		Increase Central Indirect
9	40-60	90000	40017	0030			46001-BWC	60355	-	105,178	105,178		Increase Dept Indirect
10	40-60	90000	40017	0030			46001-BWC	60380	-	47,076	47,076		Increase Intl Svc Data Proc
11	40-60	90000	40017	0030			46001-BWC	60550	-	1,004,150	1,004,150		Increase Capital Equipment
12													
13	72-10	3500		0020		705210		50316	59,676,353	59,673,188	(3,165)		Insurance Revenue
14	72-10	3500		0020		705210		60330	(3,935,950)	(3,932,785)	3,165		Offsetting Expenditure
15										-			
16	19	1000		0020		9500001000		50310	(6,751,716)	(6,792,305)	(40,589)		Indirect Reimb Rev in GF
17	19	1000		0020		9500001000		60470	11,294,043	11,334,632	40,589		CGF Contingency Expenditure
18										-			
19	40-90	1000	40040	0030		409050		50370	(6,025,195)	(6,130,373)	(105,178)		Dept Indirect Revenue
20	40-90	1000	40040	0030		409001		60100	102,018	207,196	105,178		Dept Indirect Offsetting Exp
21													
22													
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28										-			
29													
										-	-	-	Total - Page 1
										-	-	-	GRAND TOTAL

ANNUALIZED PERSONNEL CHANGE

Change on a full year basis even though this action affects only a part of the fiscal year (FY).

[illegible]

CURRENT YEAR PERSONNEL DOLLAR CHANGE

Calculate costs/savings that will take place in this FY; these should explain the actual dollar amounts being changed by this Bud Mod.

							CURRENT YEAR				
Fund	Job #	HR Org	CC/WBS/O	Position Title	Position Number	FTE	BASE PAY	FRINGE	INSUR	TOTAL	
1000	9615	64530	47020-GF	PROGRAM MANAGER 1	715127	(1.00)	(65,103)	(19,987)	(19,076)	(104,166)	1699
1000	9063	64530	47020-GF	PROJECT MANAGER NR	715127	1.00	65,103	19,987	19,076	104,166	1699
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FM Side			PS/CO Side			Cost	Notes
FM Fund Center	FM Fund Code	Functional Area	Internal Order	Cost Center	WBS Element	Element/ Commitment Item	
General Fund Contingency							
19	1000	0020		9500001000		60470	Reduce available General Fund Contingency
xx-xx	xxxxx	0020		xxx	xxx	xxxxx	Increase Expenditure
Indirect							
Central							
xx-xx	xxxxx				xxx	60350	Indirect Expenditure
19	1000	0020		9500001000		50310	Indirect reimbursement revenue in General Fund
19	1000	0020		9500001000		60470	CGF Contingency expenditure
Departmental							
xxx	xxxxx				xxx	60355	Indirect Department Expenditure
xx-xx	1000			xxx	xxx	50370	Indirect Dept reimbursement revenue in General Fund
xx-xx	1000			xxx	xxx	xxx	Off setting Dept expenditure in General Fund
Telecommunications							
xx-xx	xxxxx				xxx	60370	Departmental telecommunication expenditure
72-60	3503	0020		709525		50310	Budgets receipt of reimbursement
72-60	3503	0020		709525		60200	Budgets offsetting expenditure in telecommunications fund
Data Processing							
xx-xx	xxxxx				xxx	60380	Departmental data processing expenditures
72-60	3503	0020		709000		50310	Budgets receipt of Data Processing reimbursement
72-60	3503	0020		709000		60240	Budgets offsetting expenditures
PC Flat Fee (Flat Fee is no longer in effect for most Departments beginning in FY 2007)							
xx-xx	xxxxx				xxx	60390	Departmental PC Flat Fee expenditure
				between 709201 & 709211			
72-60	2508	0020		between 709201 & 709211		50310	Budgets receipt of PC Flat Fee
72-60	2508	0020		709201 & 709211		60240	Budgets offsetting expenditure
Electronic Service Reimbursement							
xx-xx	xxxxx					60420	Departmental Electronics expenditure
72-55	3501	0020		904200		50310	Receipt of Electronics service reimbursement
72-55	3501	0020		904200		60240	Budgets offsetting expenditure
Motor Pool							
xx-xx	xxxxx				xxx	60410	Departmental Motor Pool expenditure
72-55	3501	0020		904100		50310	Budgets receipt of Motor Pool service reimbursement
72-55	3501	0020		904100		60240	Budgets offsetting expenditure
Building Management							
xx-xx	xxxxx				xxx	60430	Departmental Building Management expenditure
72-50	3505	0020		902575		50310	Budgets receipt of Building Management service reimbursement
72-50	3505	0020		902575		60170	Budgets offsetting expenditure
Insurance Service Reimbursement							
xx-xx	xxxxx					60140 or 60145	Departmental Insurance expenditure
72-10	3500	0020		705210		50316	Insurance Revenue
72-10	3500	0020		705210		60330	Offsetting expenditure
Lease Payments to Capital Lease Retirement Fund							
xx-xx	xxxxx					60450	Departmental Capital Lease Retirement expenditure Contact your Budget Analyst to complete this.
Mail & Distribution							
xx-xx	xxxxx				xxx	60460	Mail & Distribution expenditure
72-55	3504	0020		904400		50310	Budgets receipt of service reimbursement
72-55	3504	0020		904400		60230	Budgets offsetting expenditure
Records							
xx-xx	xxxxx				xxx	60460	Records expenditure
72-55	3504	0020		904500		50310	Budgets receipt of service reimbursement
72-55	3504	0020		904500		60240	Budgets offsetting expenditure
Stores							
xx-xx	xxxxx				xxx	60460	Stores expenditure
72-55	3504	0020		904600		50310	Budgets receipt of service reimbursement
72-55	3504	0020		904600		60240	Budgets offsetting expenditure

How are functional areas assigned to cost objects?

For the most part, functional area is related to what department has recorded the revenue or expenditure (i.e. the District Attorney is reported in Public Safety and Justice). There are some exceptions to this rule that require certain funds to be assigned to a particular functional area, regardless of what department the revenues or expenditures are recorded in.

Functional Area Assignments ~ Based on Fund		
1501 – Road Fund	Roads and Bridges	80
1502 – Emergency Communications Fund	Community Services	60
1503 – Bike Path Fund	Community Services	60
1504 – Recreation Fund	Community Services	60
1506 – County School Fund	Community Services	60
1509 – Willamette River Bridges Fund	Roads and Bridges	80
1510 – Library Fund	Library	70
1512 – Land Corner Preservation Fund	Roads and Bridges	80
2500 – Justice Bond Project Fund	Public Safety and Justice	50
2501 – Revenue Bond Project Fund	Community Services	60
2502 – SB 1145 Fund	Public Safety and Justice	50
2504 – Building Project Fund	Community Services	60
2505 – Deferred Maintenance Fund	Community Services	60
2506 – Library Construction / 1996 Bonds Fund	Library	70
2507 – Capital Improvement Fund	Community Services	60
2509 – Asset Preservation Fund	Community Services	60
2510 – Library Property Fund	Library	70
3000 – Dunthorpe-Riverdale Service Dist #14 Fund	Dunthorpe-Riverdale Service Dist #14	500
3001 – Mid County Service District #1 Fund	Mid County Service District #1	510
3002 – Behavioral Health Managed Care Fund	Behavioral Health Managed Care	520

If a cost object is not in one of the funds listed above, then the functional area should be assigned based on the department that the cost object is in.

Functional Area Assignments ~ Based on Department (Fund Center)		
Non-Departmental (10, except 10-50)	General Government	20
Non-Departmental – CCFC (10-50)	Social Services	40
District Attorney (15)	Public Safety and Justice	50
Countywide (18 & 19)	General Government	20
Human Services (20, 25, 26, 30 & 31)	Social Services	40
School and Community Partnerships (21)	Social Services	40
Health (40)	Health Services	30
Community Justice (50)	Public Safety and Justice	50
Sheriff's Office (60)	Public Safety and Justice	50
County Management (72)	General Government	20
Community Services (91)	General Government	20
Library (80)	Library	70

If you have any questions or comments, please contact Susan Luce in General Ledger at ext. 22138.