



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST BUDGET MODIFICATION

(Revised: 8/18/11)

APPROVED: MULTNOMAH COUNTY
BOARD OF COMMISSIONERS

AGENDA # R-3 DATE 6/21/12
MARINA BAKER, ASST BOARD CLERK

Board Clerk Use Only

Meeting Date: 6/21/12
Agenda Item #: R.3
Est. Start Time: 9:50 am
Date Submitted: 6/7/12

**BUDGET MODIFICATION # DCHS12-27 Increasing Mental Health and
Addiction Services Division (MHASD) Federal/State Appropriation by
Agenda \$1,892,000, to recognize projected FY12 Oregon Health Plan
Title: (OHP/Medicaid) revenues.**

*Note: For all other submissions (i.e. Notices of Intent, Ordinances, Resolutions, Orders or Proclamations)
please use the APR short form.*

Requested
Meeting Date: Next Available **Time Needed:** 5 minutes
Department: County Human Services **Division:** Mental Health & Addiction Services
Contact(s): David Hidalgo
Phone: 503-988-3076 **Ext.** **I/O Address:** 167/1/520
Presenter
Name(s) &
Title(s): David Hidalgo, Interim Mental Health and Addiction Services Director

General Information

1. What action are you requesting from the Board?

The Department of County Human Services recommends approval of budget modification DCHS12-27, increasing Mental Health and Addiction Services Division's (MHASD) Federal/State appropriation by \$1,892,000 to recognize the projected (OHP) revenues.

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.

This budget modification request will bring the FY 2012 budgeted revenue in line with the actually anticipated annualized Verity Revenue. Verity membership in Multnomah County is expected to increase by more than 4,000 members by the end of Fiscal Year 2012. Based on the current average capitation rate of \$37.84 per member, per month Verity's estimated annualized current year revenue is expected to increase by \$1,892,000. \$1,305,480 of the additional revenue is anticipated to be

utilized in Program Offer #25067 – Community Based Mental Health Services for Children and Families, which provides an array of mental health services to children and youth up to age 21. \$586,520 of the additional revenue is anticipated to be utilized in Program Offer #25062 - Mental Health Services for Adults, which provides mental health continuum of care to adults covered by the Oregon Health Plan and managed by Verity.

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

FY 2012 Verity annualized revenue is anticipated to increase by approximately \$1,892,000, based on the previously mentioned increase in membership enrollment since the beginning of FY 2012. It is anticipated that enrollment numbers will not decrease but will continue to increase into FY 2013. DCHS will continue to monitor enrollment and will adjust revenue estimates in FY 2013 as necessary.

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

N/A

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

N/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).**

The OHP (Medicaid) fund will increase by \$1,826,000. CFDA number – N/A.

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

Program Offer #25067 – Community Based Mental Health Services for Children and Families – increase by \$1,305,480; pass-thru will be increased by \$1,243,940; Department Indirect increases by \$31,266; and Central Indirect increases by \$30,274.

Program Offer #25062 - Mental Health Services for Adults - increases by \$586,520; pass-thru will be increased by \$558,872; Department Indirect increases by \$14,047 and Central Indirect increases by \$13,601.

- **What do the changes accomplish?**

Approval of this budget modification provides budget authority to utilize the additional OHP revenue for Verity Mental Health expenditures incurred in FY12.

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

N/A

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

Yes, OHP/Medicaid funding is subject to Central Indirect charges.

- **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?**

The OHP/Medicaid funding is received monthly based on currently enrolled Verity members and is ongoing in nature.

- **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)?**

Current estimated funding for OHP/Medicaid is based on the county's fiscal year of July 1, 2011 to June 30, 2012. Funding is based on currently enrolled Verity members and is for Mental Health services and administration.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet.

Required Signature

**Elected Official
or Dept Director:**

Cathy Stuckey

Date: 06/06/12

Budget Analyst:

Jennifer Unruh /s/

Date: 6/6/12

Department HR:

N/A

Date:

Countywide HR:

N/A

Date:

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

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	20-80	3002	25101	520		9500003002		60470	13,775,497	11,267,754	(2,507,743)		Contingency
2	20-80	3002	25101	520		9500003002		50000	(13,775,497)	(11,267,754)	2,507,743		Beg Working Capital
3													
4										0			
5	20-80	3002	25062	520			MA SN IP VER XIX	50000	0	(1,630,033)	(1,630,033)		Beg Working Capital
6	20-80	3002	25062	520			MA SN IP VER XIX	60160	2,600,000	4,153,194	1,553,194		Pass Thru
7	20-80	3002	25062	520			MA SN IP VER XIX	60350	65,520	104,559	39,039		Indirect Central
8	20-80	3002	25062	520			MA SN IP VER XIX	60355	63,440	101,240	37,800		Indirect Departmental
9										0			
10	20-80	3002	25057	520			MA SN IP SA CH XIX	50000	0	(386,192)	(386,192)		Beg Working Capital
11	20-80	3002	25057	520			MA SN IP SA CH XIX	60160	6,873,993	7,241,980	367,987		Pass Thru
12	20-81	3002	25057	520			MA SN IP SA CH XIX	60350	182,414	191,663	9,249		Indirect Central
13	20-82	3002	25057	520			MA SN IP SA CH XIX	60355	176,623	185,579	8,956		Indirect Departmental
14										0			
15	20-80	3002	25057	520			MA SC SP PRTS XIX	50000	0	(491,518)	(491,518)		Beg Working Capital
16	20-80	3002	25067	520			MA SC SP PRTS XIX	60160	1,486,382	1,954,730	468,348		Pass Thru
17	20-81	3002	25067	520			MA SC SP PRTS XIX	60350	37,457	49,229	11,772		Indirect Central
18	20-82	3002	25067	520			MA SC SP PRTS XIX	60355	36,268	47,666	11,398		Indirect Departmental
19										0			
20										0			
21										0			
22										0			
23										0			
24										0			
25										0			
26										0			
27										0			
28										0			
29										0			
												0	Total - Page 1
												0	GRAND TOTAL



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: Jennifer Unruh, Senior Budget Analyst

DATE: June 7, 2012

SUBJECT: Behavioral Managed Care Fund Contingency Request of \$2,507,743

DCHS has requested \$2,507,743 from the Behavioral Health Managed Care Fund (Verity) contingency as part of Budget Modification # DCHS12-29. The funds would be used for Program Offers 25062 - Mental Health Services for Adults and 25057 - Inpatient, Sub-acute & Residential MH Services for Children.

From February through May 2012, Verity Fund expenditures exceeded revenues each month, by an average of \$648,000. DCHS projects a June shortfall as well and has cited increased treatment bed usage for specific groups as the main drivers for the increased costs. DCHS has identified additional strategies to contain costs to be implemented effective July 2012. How effective the strategies are will not be known for a few months.

Contingency Request

The Budget Office is required to inform the Board if General Fund contingency requests submitted for approval satisfy the guidelines for using the General Fund Contingency and is providing similar information for this request, given its size and timing. In particular,

- Criteria 1 states contingency requests should be for one-time-only purposes.
The request is for costs associated with ongoing programs running a deficit with identified intervention strategies. If these strategies are successful this will be a one time only need. Otherwise, this would not be a one-time-only need.
- Criteria 2 addresses emergencies and unanticipated situations.
The request responds to an immediate need to meet Fiscal Year 2012 financial obligations.
- Criteria 3 addresses items identified in Board Budget Notes.
The request does not address programs identified specifically in the 2012 Budget Notes. However, a related 2012 State Rebalance Budget Note from Commissioner Kafoury requested DCHS to study and present options to the Board to address the future sustainability of mental health crisis line and crisis services that received one-time-only funds as part of the rebalance.

Budget Modification ID: MCSO-15

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	60-50	1516	60035A	50		601483		50220		(300,000)	(300,000)		Licenses & Fees
2	60-50	1516	60035A	50		601483		60100		20,000	20,000		Temporary
3	60-50	1516	60035A	50		601483		60110		173,721	173,721		Overtime
4	60-50	1516	60035A	50		601483		60120		5,000	5,000		Premium
5	60-50	1516	60035A	50		601483		60130		54,867	54,867		Salary-Related
6	60-50	1516	60035A	50		601483		60135		1,668	1,668		Non Base Fringe
7	60-50	1516	60035A	50		601483		60140		19,212	19,212		Insurance
8	60-50	1516	60035A	50		601483		60145		1,420	1,420		Non Base Insurance
9	60-50	1516	60035A	50		601483		60350		6,952	6,952		Central Indirect
10	60-50	1516	60035A	50		601483		60355		17,160	17,160		Dept Indirect
11										0			
12	60-20	1000		50		604020		50370		(17,160)	(17,160)		Dept Indirect
13	60-20	1000		50		604020		60240		17,160	17,160		Supplies
14										0			
15	19	1000		20		9500001000		50310		(6,952)	(6,952)		Indirect Revenue
16	19	1000		20		9500001000		60470		6,952	6,952		Contingency
17										0			
18	72-10	3500		20		705210		50316		(20,632)	(20,632)		Risk Fund
19	72-10	3500		20		705210		60330		20,632	20,632		Risk Fund
20										0			
21										0			
22										0			
23										0			
24										0			
25										0			
26										0			
27										0			
28										0			
29										0			
											0	0	Total - Page 1
											0	0	GRAND TOTAL

ANNUALIZED PERSONNEL CHANGE

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

							ANNUALIZED			
Fund	Job #	HR Org	CC/WBS/IO	Position Title	Position Number	FTE	BASE PAY	FRINGE	INSUR	TOTAL
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
TOTAL ANNUALIZED CHANGES						0.00	0	0	0	0

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/IO	Position Title	Position Number	FTE	BASE PAY	FRINGE	INSUR	TOTAL
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
										0
TOTAL CURRENT FY CHANGES						0.00	0	0	0	0

FM Side			PS/CO Side			Cost Element/Commitment		Notes
FM Fund Center	FM Fund Code	Functional Area	Internal Order	Cost Center	WBS Element	Item		
General Fund Contingency								
	19	1000		9500001000		60470	Reduce available General Fund Contingency	
	xx-xx	xxxxx		xxx	xxx	xxxxx	Increase Expenditure	
Indirect Central								
	xx-xx	xxxxx			xxx	60350	Indirect Expenditure	
	19	1000		9500001000		50310	Indirect reimbursement revenue in General Fund	
	19	1000		9500001000		60470	CGF Contingency expenditure	
Departmental								
	xxx	xxxxx		xxx	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	
	78-70	3503	0020	709525		50310	Budgets receipt of reimbursement	
	78-70	3503	0020	709525		60200	Budgets offsetting expenditure in telecommunications fund	
Data Processing								
	xx-xx	xxxxx			xxx	60380	Departmental data processing expenditures	
	78-70	3503	0020	709000		50310	Budgets receipt of Data Processing reimbursement	
	78-70	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	
	78-70	3503	0020	709617		50310	Budgets receipt of PC Flat Fee	
	78-70	3503	0020	709617		60240	Budgets offsetting expenditure	
Electronic Service Reimbursement								
	xx-xx	xxxxx				60420	Departmental Electronics expenditure	
	78-60	3501	0020	904200		50310	Receipt of Electronics service reimbursement	
	78-60	3501	0020	904200		60240	Budgets offsetting expenditure	
Motor Pool: Use this cost center if you are adding funds for motor pool use.								
	xx-xx	xxxxx			xxx	60410	Departmental Motor Pool expenditure	
	78-30	3501	0020	904150		50310	Budgets receipt of Motor Pool service reimbursement	
	78-30	3501	0020	904150		60240	Budgets offsetting expenditure	
Fleet: Use this cost center if you are adding funds for dedicated program cars.								
	xx-xx	xxxxx			xxx	60410	Departmental Fleet expenditure	
	78-60	3501	0020	904100		50310	Budgets receipt of Fleet service reimbursement	
	78-60	3501	0020	904100		60240	Budgets offsetting expenditure	
Building Management								
	xx-xx	xxxxx			xxx	60430	Departmental Building Management expenditure	
	78-50	3505	0020	902575		50310	Budgets receipt of Building Management service reimbursement	
	78-50	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	
	78-20	3504	0020	904400		50310	Budgets receipt of service reimbursement	
	78-20	3504	0020	904400		60230	Budgets offsetting expenditure	
Records								
	xx-xx	xxxxx			xxx	60460	Records expenditure	
	78-20	3504	0020	904500		50310	Budgets receipt of service reimbursement	
	78-20	3504	0020	904500		60240	Budgets offsetting expenditure	
Stores								
	xx-xx	xxxxx			xxx	60460	Stores expenditure	
	78-20	3504	0020	904600		50310	Budgets receipt of service reimbursement	
	78-20	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	0080
1502 – Emergency Communications Fund	Community Services	0060
1503 – Bike Path Fund	Community Services	0060
1504 – Recreation Fund	Community Services	0060
1506 – County School Fund	Community Services	0060
1509 – Willamette River Bridges Fund	Roads and Bridges	0080
1510 – Library Fund	Library	0070
1512 – Land Corner Preservation Fund	Roads and Bridges	0080
2504 – Building Project Fund	Community Services	0060
2507 – Capital Improvement Fund	Community Services	0060
2509 – Asset Preservation Fund	Community Services	0060
2511 – Sellwood Bridge Fund	Roads and Bridges	0080
3000 – Dunthorpe-Riverdale Service Dist #14 Fund	Dunthorpe-Riverdale Service Dist #14	0500
3001 – Mid County Service District #1 Fund	Mid County Service District #1	0510
3002 – Behavioral Health Managed Care Fund	Behavioral Health Managed Care	0520

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	0020
Non-Departmental – CCFC (10-50)	Social Services	0040
District Attorney (15)	Public Safety and Justice	0050
Countywide (18 & 19)	General Government	0020
Human Services (20, 21, 22, 25, 26, 30 & 31)	Social Services	0040
Health (40)	Health Services	0030
Community Justice (50)	Public Safety and Justice	0050
Sheriff's Office (60)	Public Safety and Justice	0050
County Management (72)	General Government	0020
County Assets (78)	General Government	0020
Library (80)	Library	0070
Community Services (91)	General Government	0020

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