



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST CONTINGENCY REQUEST

(revised 12/31/09)

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

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

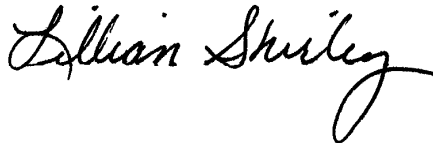
<p><i>NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet. If it is a General Fund Contingency Request a memo from the Budget Office must be submitted.</i></p>
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ATTACHMENT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