



**Multnomah County
Agenda Placement Request
Budget Modification**

(Revised 9/23/13)

Contingency Request

APPROVED: MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R.7 DATE 6/15/17
MARINA BAKER, ASST BOARD CLERK

Board Clerk Use Only

Meeting Date: 6/15/17
Agenda Item #: R.7
Est. Start Time: 10:35 am approx
Date Submitted: 5/31/17

Agenda Title: BUDGET MODIFICATION # HD-48-17: Requesting General Fund contingency transfer to appropriate \$900,000

Requested Meeting Date: June 15, 2017 **Time Needed:** 5 minutes

Department: 40 - Health Department **Division:** Corrections Health

Contact(s): Angel Landrón-González – Health Budget & Finance Manager

Phone: 503-988-7438 **Ext.** 87438 **I/O Address** 167/2/210

Presenter Name(s) & Title(s): Dr. Michael Seale, Deputy Director of Corrections Health

General Information

1. What action are you requesting from the Board?

Approval to appropriate \$900,000 in General Fund contingency revenue for the Corrections Health Multnomah County Detention Center (MCDC) and Corrections Health Inverness Jail (MCIJ) Clinical Services programs.

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 is making this contingency request, which will increase Corrections Health FY2017 general fund budget by \$900,000 to cover outsourced medical expenditures in the MCDC and MCIJ Clinical Services programs. The outsourced medical expenses exceeded the budget due to an increasing number of inmates with serious medical conditions without Medicaid coverage. Along with the rising cost of hospital and emergency room care.

These changes will impact program offers:

- 40050A Corrections Health Multnomah County Detention Center (\$540,000)
- 40051A Corrections Health Inverness Jail Clinical Services (\$360,000)

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

This change will increase the Health Department General Fund budget in FY17 by \$900,000.

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

N/A

5. Explain any citizen or other government participation.

N/A

Budget Modification

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

County contingency funds will be transferred to the Health Department which will increase the department's FY 2017 general fund by \$900,000. Funds will be used to cover the outsourced medical expenses of MCDC program by \$540,000 and MCIJ Clinical Services by \$360,000.

7. What budgets are increased/decreased?

The Health Department's professional services budget will increase by \$900,000.

8. What do the changes accomplish?

To cover outsourced medical expenses of MCDC and MCIJ Clinical Services programs.

9. Do any personnel actions result from this budget modification?

N/A

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

N/A

11. 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 contingency transfer action is one-time-only.

12. 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 (e.g. cash match, in kind match, reporting requirements, etc)?

The outsourced medical expenses for fiscal years 2015 and 2016 were under a \$1 million; this year has been an exception based on patients' needs without Medicaid coverage.

For Contingency Requests Only:

13. Why was the expenditure not included in the annual budget process?

This year the MCDC and MCIJ Clinical Services programs have experienced inmates with serious health conditions without Medicaid coverage.

14. What efforts have been made to identify funds from other sources within the department/agency to cover this expenditure?

There are no other sources of funding for Corrections Health. We are, however, contracting with a claims administrator to lower the cost of outside medical care.

15. Why are no other department/agency fund sources available?

N/A

16. 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?

N/A

17. Has this request been made before? When? What was the outcome?

No

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

Required Signature

**Elected Official or
Dept. Director:** Joanne Fuller /s/

Date: May 30, 2017

Budget Analyst: Jeff Renfro /s/

Date: May 31, 2017

Department HR: -n/a

Date: -n/a

Countywide HR: -n/a

Date: -n/a

Exp/Rev/FTE - Budget Modification

Budget Year: 2017

Budget Modification: HD-48-17

Expenditures & Revenues

An increase in revenue is shown as a negative value and a decrease as a positive value for consistency with SAP.

Line No.	Program Offer Number	Fund Code	Fund Center	Func. Area	Cost Object	Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal
1	40050A-17	1000			405500	60170 - Professional Svcs	600,000	1,140,000	540,000	
1000 Total										540,000
Total										540,000
Program Offer Number 40050A-17 Total										540,000
2	40051A-17	1000			405760	60170 - Professional Svcs	420,000	780,000	360,000	
1000 Total										360,000
Total										360,000
Program Offer Number 40051A-17 Total										360,000
3	95000-17	1000			9500001000	60470 - Contingency	10,783,642	9,883,642	(900,000)	
1000 Total										(900,000)
Total										(900,000)
Program Offer Number 95000-17 Total										(900,000)

Exp/Rev/FTE - Budget Modification

Budget Year: 2017

Budget Modification: HD-48-17

Annualized Personnel Changes

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

No positions were affected by this Budget Modification.

Current Year Personnel Changes

Cost/savings that will take place in this FY; these explain the actual dollar amounts being changed by this BudMod.

No positions were affected by this Budget Modification.

Department of County Management
MULTNOMAH COUNTY OREGON

Budget Office

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Portland, Oregon 97214
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(503) 988-5170 TDD

TO: Board of County Commissioners

FROM: Jeff Renfro, Principal Budget Analyst

DATE: May 31, 2017

SUBJECT: General Fund Contingency request for \$900,000 to cover outsourced medical expenditures in Corrections Health. (Budget Modification HD-48-17)

The Health Department is requesting \$900,000 of General Fund contingency to cover outsourced medical expenditures in Corrections Health.

The funds are being requested to address higher than expected expenses due to an increase in the number of inmates with serious medical issues who are not eligible for Medicaid coverage. Under the Affordable Care Act, if an inmate is hospitalized for longer than 24 hours, then Medicaid covers the costs. If an inmate is not eligible for Medicaid, the County is responsible for all costs.

As of March 2017, Corrections Health Outsourced Medical costs are projected to be \$1 million (or 100%) above FY 2017 budgeted expenses, and approximately \$1.2 million over FY 2016 actuals.

Note that there are two other forthcoming contingency requests from the Health Department and Department of County Assets in the amount of \$1,024,782. If approved, the total for all 3 requests is \$1,924,782 and will bring the contingency balance to negative \$32,485. The BIT reserve is also budgeted in contingency and will be used to fund the difference. The \$32,485 represents less than 1% of the BIT reserve and will not impact the BIT reserve for FY 2018.

Contingency Policy Compliance

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

In particular,

- Criteria 1 states contingency requests should be for one-time-only purposes.
This contingency request is OTO.
- Criteria 2 addresses emergencies and unanticipated situations.
Outsourced medical expenditures increased significantly this year and was not anticipated.
- Criteria 3 addresses items identified in Board Budget Notes.
This issue was unanticipated and not identified in a Board Budget Note.