



# MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST CONTINGENCY REQUEST

(Revised: 8/18/11)

APPROVED: MULTNOMAH COUNTY  
BOARD OF COMMISSIONERS  
AGENDA # R.8 DATE 9-27-12  
LYNDA GROW, BOARD CLERK

## Board Clerk Use Only

Meeting Date: 9-27-12  
Agenda Item #: R.8  
Est. Start Time: 10:10 am  
Date Submitted: 8-31-12

**BUDGET MODIFICATION # HD-13-01 requesting General Fund Contingency**  
**Agenda Title: Transfer to appropriate \$38,393 in one-time-only revenue for start-up funds for Health Share of Oregon.**

*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:** September 27, 2012 **Time Needed:** 5 Minutes  
**Department:** Health Department **Division:** Director's Office  
**Contact(s):** Lester A. Walker – Budget & Finance Manager  
**Phone:** (503) 988-3663 **Ext.** 26457 **I/O Address:** 167/2/210  
**Presenter Name(s) & Title(s):** Joanne Fuller, Chief Operating Officer

## General Information

### 1. What action are you requesting from the Board?

Approval of \$38,393 of General Fund Contingency for start-up funds for the Health Share of Oregon Coordinated Care Organization.

### 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.

In order to establish the Health Share of Oregon Coordinated Care Organization (CCO), (formerly the Tri-County Medicaid Collaborative (TCMC)) and fully staff the new CCO, the 14 sponsoring organizations on the Health Share of Oregon Executive Steering Committee have agreed to contribute to a fund to support the process. This fund is not intended to capitalize Health Share of Oregon, and will only be used to compensate staff assigned full-time to setting up Health Share of Oregon and for services such as legal, consulting, website design, public relations, and meeting expenses. The contributions of the 14 sponsoring agencies are calculated on each organization's ability to pay as represented by their total health care revenues or their annual budget. The first installment of \$38,393 was

approved by the Board of County Commissioners at the end fiscal year 2012, and this current request is for the second installment of \$38,393 for fiscal year 2013. Health Share of Oregon has been approved to begin operating on September 1, 2012 and additional start-up contributions are not expected.

This contingency request, if approved, will be recorded in Program Offer 40000: Health Department Leadership Team.

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

Approval of this budget modification will increase the Health Department's General Fund FY 2013 budget by \$38,393.

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

This funding proposal for Health Share of Oregon is the financial commitment that the County has made to the healthcare transformation process and the start-up of the new coordinated care organization.

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

Multnomah County is collaborating with 13 other government and private-sector partners to establish Health Share of Oregon, including Clackamas County, Washington County, CareOregon, OHSU, Legacy Health System, Kaiser Permanente, and Providence Health System.

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**Budget Modification**

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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 \$38,393 in one-time-only (OTO) general fund revenue for the completion of the Health Share of Oregon CCO. The Health Department's general fund revenue budget will increase by \$38,393 in FY 2013 as a result of this budget modification.

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

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

- Pass-through & Program Support budget will increase by \$38,393

- **What do the changes accomplish?**

This budget modification will allow Multnomah County to meet its commitment to support the CCO process by contributing startup funds.

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

There are no personnel actions as a result of this budget modification.

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

General fund is not subject to indirect cost.

- **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 creation of the Health Share of Oregon CCO. At this time, it is not expected that additional start-up contributions will be needed by Health Share of Oregon.

- 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?**  
Specific details about this expense were unknown at the time the FY 2013 budget was submitted.
- **What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?**  
Healthcare transformation and the creation of the new Health Share of Oregon CCO are being shepherded by the Department of County Human Services and the Health Department, in collaboration with the Chair's Office. Healthcare transformation, however, remains a County-wide effort. This contingency request represents the County's support and financial commitment to the healthcare transformation process.
- **Why are no other department/agency fund sources available?**  
The healthcare transformation effort in Oregon is a new County-wide collaboration with only limited information available at the time that the FY 2013 budget was developed.
- **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?**  
No new revenue will result from this expenditure. This expenditure supports Multnomah County's commitment to Health Share of Oregon and healthcare transformation in Oregon.
- **Has this request been made before? When? What was the outcome?**  
On June 28, 2012, the Board approved a request for a first installment of \$38,393. At that time, the Board was made aware of the possibility that a request for additional installments might be necessary.

**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.

### Required Signatures

Elected Official  
or Dept Director:

*Lillian Shirley*

Date: 08/28/2012

Budget Analyst:

Althea Gregory /s/

Date: 08/31/2012

Department HR:

*Kathleen Miller*

Date: 8/14/2012



**Health Share of Oregon**

DRAFT:

9/7/2012

**Administrative Budget**

	Sept - Dec 2012	2013
<b>Revenue</b>		
1 % of Cap Revenue	1,895,895	6,131,478
<b>Expense</b>		
<b>Operating Expenses</b>		
Salaries and Wages	1,013,733	3,095,236
Advertising	4,000	12,000
Bank Fees	4,800	14,400
Business Meals	2,000	6,000
Dues and Subscriptions	2,000	6,000
Office Supplies	4,375	13,700
Parking	7,920	23,760
Printing	4,000	12,000
Recruiting	30,000	30,000
Miscellaneous Expense	4,000	12,000
Postage	4,800	14,400
Communications	175,000	101,450
Business Development	15,530	84,920
Training	8,000	39,000
Business Travel	6,000	18,000
Business Meals	2,000	6,000
Professional Services Actuarial	95,000	120,000
Professional Services Consulting	-	150,000
Professional Services Legal	40,000	120,000
Professional Svcs Management Services	256,000	868,000
Building Rent	75,000	225,000
Utilities	5,600	16,800
Computer Systems	104,000	312,000
Small Equipment	2,000	6,000
Insurance	32,929	98,787
Telephone	4,960	14,880
Internet Development	-	299,000
<b>Total Expenses</b>	<b>1,903,647</b>	<b>5,719,333</b>
<b>Total Surplus (Deficit)</b>	<b>(7,752)</b>	<b>412,145</b>

Tri-County Medicaid Collaborative  
Table E-2: Monthly Developmental Budget  
April 1, 2012 to August 31, 2012

CAPITAL SOURCES:	April-12	May-12	June-12	July-12	August-12	Total
[REDACTED]	\$ -	\$ 396,677	\$ -	\$ -	\$ 396,677	\$ 793,354
[REDACTED]	-	283,341	-	-	283,341	566,682
[REDACTED]	184,172	-	-	-	184,172	368,344
[REDACTED]	170,004	-	-	-	170,004	340,008
[REDACTED]	68,852	-	-	-	68,852	137,704
Multnomah County	- 0	-	38,393	-	38,393	76,786
[REDACTED]	35,843	-	-	-	35,843	71,686
[REDACTED]	26,917	-	-	-	26,917	53,834
[REDACTED]	7,509	-	-	-	7,509	15,018
[REDACTED]	6,517	-	-	-	6,517	13,034
[REDACTED]	5,525	-	-	-	5,525	11,050
[REDACTED]	2,500	-	-	-	(2,500)	-
[REDACTED]	2,500	-	-	-	(2,500)	-
Start Up Funding	-	25,947	-	-	-	25,947
Total Capital	510,339	705,965	38,393	-	1,218,750	2,473,447
EXPENSES:						
Research & Planning	-	16,697	17,183	-	-	33,880
Actuarial	-	15,294	351,488	-	-	366,782
Consulting	-	30,545	10,450	46,252	46,252	133,499
Legal	-	19,664	46,545	32,780	32,780	131,768
Accounting	-	-	6,461	3,418	3,418	13,296
Business Plan Formation	-	-	-	-	-	-
Liability Insurance	-	-	-	1,250	1,250	2,500
Setup of Systems	-	22,500	22,500	22,500	22,500	90,000
Administrative Services (1)	-	273,729	280,820	269,056	265,771	1,089,376
Setup of Reserves	-	-	-	-	-	-
Total Developmental Expenses	-	378,428	735,446	375,256	371,970	1,861,099
Net Income from Operations	510,339	327,537	(697,053)	(375,256)	846,780	612,347
Investment Income	-	-	67	67	67	201
Net Income (Loss)	\$ 510,339	\$ 327,537	\$ (696,986)	\$ (375,189)	\$ 846,847	\$ 612,548

Budget Modification ID: **HD-13-01****EXPENDITURES & REVENUES**

Budget/Fiscal Year: 2013

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	19	1000		0020		9500001000		60470	8,743,862	8,705,469	(38,393)		Reduce available GF Contingency
2	40-80	1000	40000	0030			4CA176-GF	60160	-	38,393	38,393		Increase Pass-Thru & Pgm Supt
3													
4													
5													
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29													
											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			
id	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			
id	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 CURRENT FY CHANGES						0.00	0	0	0	0



FM Side			PS/CO Side			Cost Element/Commitment	
FM Fund Center	FM Fund Code	Functional Area	Internal Order	Cost Center	WBS Element	Item	Notes
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	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
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
72-80	3500	0020		705210		50316	Insurance Revenue
72-80	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

### **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**

##### **Special Revenue Funds**

1501 - Road Fund	Road & 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
1508 - Animal Control Fund	Community Services	0060
1509 - Willamette River Bridges Fund	Roads & Bridges	0080
1510 - Library Fund	Library	0070
1512 - Land Corner Preservation Fund	Roads & Bridges	0080
1518 - Oregon Historical Society Special Levy	Community Services	0060
1519 - Video Lottery	Community Services	0060

##### **Capital Project Funds**

2504 - Building Project Fund	Community Services	0060
2507 - Capital Improvement Fund	Community Services	0060
2508 - Asset Acquisition Fund	Community Services	0060
2509 - Asset Preservation Fund	Community Services	0060
2511 - Sellwood Bridge Replacement	Roads & Bridges	0080

##### **Enterprise Funds**

3000 - Dunthorpe-Riverdale Svc Dist #14 Fund	Dunthorpe-Riverdale Svc Dist #14	0500
3001 - Mid County Svc Dist #1 Fund	Mid County Svc Dist #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-Dept (10, except 10-50)	General Government	0020
Non-Dept CCFC (10-50)	Social Services	0040
District Attorney (15)	Public Safety & Justice	0050
Countywide (18 & 19)	General Government	0020
Human Services (20, 21, 25, 26, 30 & 31)	Social Services	0040
Health (40)	Health Services	0030
Community Justice (50)	Public Safety & Justice	0050
Sheriff's Office (60)	Public Safety & 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***



Department of County Management

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**MULTNOMAH COUNTY OREGON**

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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: Althea Gregory, Senior Budget Analyst

DATE: August 31, 2012

SUBJECT: General Fund Contingency request of \$38,393 for start-up funds for Health Share of Oregon. (Budget Modification HD-13-01).

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The Health Department is requesting that \$38,393 of General Fund Contingency be appropriated. This request would provide funds for the second installment of Multnomah County's contribution to start-up costs for Health Share of Oregon (formerly the Tri-County Medicaid Collaborative (TCMC)). The process to establish and fully staff this Coordinated Care Organization began in FY 2012, at which time the 14 sponsoring organizations on Health Share of Oregon's Executive Steering Committee agreed to contribute to a fund to support the start-up process. Their contribution amounts are calculated on each organization's ability to pay as represented by their total health care revenues or their annual budget. The funds will be used to compensate staff assigned full-time to setting up Health Share of Oregon and for services such as legal, consulting, website design, public relations, and meeting expenses.

On June 28, 2012, the Board of County Commissioners approved a budget modification (HD-12-28) providing the first installment of \$38,393. Health Share of Oregon was approved to begin operating on September 1, 2012, and the Health Department does not anticipate further requests for start-up contributions.

**General Fund Contingency Policy Compliance-**

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 the 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 total contribution amount will be for a one-time-only purpose, although the full contribution has been split between a first installment in FY 2012 and the current request for a second installment. Multnomah County's total contribution to the start-up costs will be \$76,786.**

- Criteria 2 addresses emergencies and unanticipated situations.

**While the start-up process for Health Share of Oregon began in FY 2012, specific details about the requested contribution were unknown at the time the FY 2013 budget was developed.**

- Criteria 3 addresses items identified in Board Budget Notes.

**This item was not identified in the budget notes.**