



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST BUDGET MODIFICATION

(Revised: 8/18/11)

Board Clerk Use Only

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

**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:		Date:	06/06/12
Budget Analyst:	Jennifer Unruh /s/	Date:	6/6/12
Department HR:	N/A	Date:	
Countywide HR:	N/A	Date:	