



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST BUDGET MODIFICATION

(revised 12/31/09)

Board Clerk Use Only

Meeting Date: 6/28/12

Agenda Item #: R.13

Est. Start Time: 10:30

Date Submitted: 6/13/12

SUPPLEMENTAL BUDGET #3

SUPPLEMENTAL BUDGET #3 - Increasing General Fund Appropriation and Decreasing Federal/State Fund Appropriation by \$1,100,000 to Reflect Change in the Health Department's Payor Mix.

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

Requested Meeting Date:	June 28, 2012	Amount of Time Needed:	5 minutes
Department:	Health Department	Division:	Integrated Clinical Services
Contact(s):	Lester A. Walker – Budget & Finance Manager		
Phone:	(503) 988-3663	Ext.:	26457
		I/O Address:	167/2/210
Presenter(s):	Lester A. Walker, Budget & Finance Manager		

General Information

1. What action are you requesting from the Board?

Approval to increase the General Fund, Medicaid Wraparound Sub-fund appropriation and decrease the Federal/State Fund appropriation by \$1,100,000 to reflect a change in the payor mix.

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.

A supplemental budget is the vehicle allowed by ORS Chapter 294 (commonly known as “Oregon Budget Law”) for the Board to address changes in financial conditions not anticipated at the time the budget was adopted. This supplemental budget increases the General Fund appropriation and decreases the Federal/State Fund appropriation by \$1,100,000 in intergovernmental revenue to bring the department’s budget in line with estimated revenue. No new appropriation is added to the Health Department budget as a result of this transaction.

In the FY 2012 supplemental budget #2, \$24.6 million in Federally Qualified Health Center (FQHC) Medicaid wraparound revenue related to the Health Department was transferred into the General Fund to comply with the Governmental Accounting Standards Board (GASB) statement #54. Based

on current FY 2012 revenue estimates, the Department expects to collect more Medicaid wraparound revenue than Medicaid fee-for-service revenue. This is due to the change in the payor mix with the Department serving more clients enrolled in managed care plans and serving fewer DMAP open card clients. A budget adjustment is needed to ensure adequate appropriation in the General Fund to avoid a possible budget violation by spending more than the appropriated amount.

This supplemental budget affects Program Offers 40022: Mid County Health Clinic, and 40023: East County Health Clinic.

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

Approval of this supplemental budget will decrease the Health Department's federal/state FY 2012 budget by \$1,100,000 and increase the Health Department's general fund FY 2012 budget by \$1,100,000.

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

Without this supplemental budget the Health Department would likely violate Oregon Budget law by spending more than the appropriated amount. This supplemental budget is necessary to keep this from occurring.

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

This supplemental budget modification was noticed per Oregon Budget Law, with a Notice appearing in the Oregonian at least 5 days before this hearing.

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 supplemental budget increases the FQHC Wraparound revenue and decreases Medicaid fee-for-service revenue due to a change in the payor mix. The Health Department's federal/state revenue budget will decrease by \$1,100,000 and the general fund budget will increase by \$1,100,000 in FY 2012 as a result of this budget adjustment.

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

There will be no net change to the Health Department's budget. The Health Department's budget will show a decrease of \$1,100,000 in the federal/state fund and an equivalent increase in the general fund.

- **What do the changes accomplish?**

By increasing the General Fund appropriation and decreasing the Federal/State Fund appropriation, these changes allow the Health Department to avoid a likely violation of Oregon Budget law that would result from spending more than the appropriated amount.

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

No FTE changes will result from this transaction.

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

The existing revenue currently covers these costs.

- **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 the result of an ongoing function.

- **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 supplemental budget is not grant-related.

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

ATTACHMENT B

BUDGET MODIFICATION: Supplemental Budget #3

Required Signatures

**Elected Official or
Department/
Agency Director:**

Lillian Shirley

Date: 6/6/12

Budget Analyst:

Althea Gregory /s/

Date: 6/13/12

Department HR:

Kiara Lee Miller

Date: 6/6/12