



Multnomah County Agenda Placement Request Budget Modification

(Revised 9/23/13)

Board Clerk Use Only

Meeting Date: _____

Agenda Item #: _____

Est. Start Time: _____

Date Submitted: _____

Agenda Title: BUDGET MODIFICATION # DCHS-56-15: Increasing DCHS MHAD Behavioral Health/HSO fund appropriation by \$4,040,642

Requested Meeting Date: 6/25/15 **Time Needed:** 5 Minutes

Department: 25 - County Human Services **Division:** Mental Health & Addiction Services

Contact(s): Rob Kodiriy, Devarshi Bajpai

Phone: 503-988-6569 **Ext.** 86569 **I/O Address** 167/1/240

Presenter Name(s) & Title(s): Rob Kodiriy - Business Services Director, Devarshi Bajpai - Medicaid Plan Manager

General Information

1. What action are you requesting from the Board?

The Department of County Human Services (DCHS), Mental Health & Addiction Services Division (MHASD) is requesting approval of budget modification DCHS15-56, which increases the MHASD Behavioral Health/Health Share of Oregon (HSO) appropriation for FY2015 by \$4,040,642.

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.

MHASD is requesting an increase of the Behavioral Health/HSO appropriation in the amount of \$4,040,642 for the FY15 Budget. Healthcare transformation has increased Medicaid enrollment in the HealthShare of Oregon Coordinated Care Organization (CCO), for which MHASD serves as the Risk Accepting Entity (RAE) for mental health and addiction services. This increased enrollment has resulted in higher than predicted revenue to the MHASD Behavioral Health/HSO fund. Along with greater revenues, MHASD Behavioral Health/HSO expenses have changed due to increasing membership and a change in the provider case-rate payment methodology associated with the transition of case-rate payment administration to a third-party claims administrator. This budget modification provides budget authority to expend the projected revenues, ensuring MHASD continues to fund the delivery of mental health and addiction services to HealthShare of Oregon members without interruption.

This budget modification will increase the total budget for the MHASD Behavioral Health/HSO fund to \$71,342,000 for FY15 and will be added to program offer #25062 Mental Health Services for Adults.

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

The FY2015 fiscal year budget for MHASD will increase by \$4,040,642.

This additional funding will allow for an increase in the contracted services budget of \$3,848,597 for additional mental health services provided to the increasing number of enrolled HSO members. Central indirect and Department Indirect expenses will increase by \$90,057 / \$101,988 respectively.

Service reimbursement from the Behavioral Health/HSO fund to the General fund will increase by \$90,057 (Central Indirect).

The professional services budget in the Director's Office will increase by \$101,988 (Department Indirect).

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).

HSO Behavioral Health funds are increasing based on the capitation payments of the increased membership of individuals enrolled in the HSO. There is not a CFDA number for this funding source.

7. What budgets are increased/decreased?

Program Offer #25062 - Mental Health Services for Adults - budget increases by \$4,040,642; \$3,848,597 in contracted services and \$192,045 indirect expenses.

Service reimbursement from the Behavioral Health/HSO fund to the General fund will increase by \$90,057 (Central Indirect).

The professional services budget in the Director's Office will increase by \$101,988 (Department Indirect).

8. What do the changes accomplish?

The budget modification will provide budget authority to deliver Mental Health services to the increasing number of members enrolled in the HSO.

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.

Yes, the HSO funds pay 100% of indirect costs.

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 allocation represents ongoing capitation payments for the increased membership of the HSO.

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)?

Current estimated funding for OHP/Medicaid is based on the County's fiscal year of July 1, 2014 to June 30, 2015. Funding is based on currently enrolled HSO members and is for providing Mental Health services and administration.

Required Signature

**Elected Official or
Dept. Director:** _____

Date: _____

Budget Analyst: _____

Date: _____

Department HR: _____

Date: _____

Countywide HR: _____

Date: _____