



Department of County Management
MULTNOMAH COUNTY OREGON

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: 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.