



Department of County Management
MULTNOMAH COUNTY OREGON

Budget Office

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TO: Board of County Commissioners

FROM: Jennifer Unruh, Senior Budget Analyst

DATE: June 7, 2012

SUBJECT: Behavioral Managed Care Fund Contingency Request of \$2,507,743

DCHS has requested \$2,507,743 from the Behavioral Health Managed Care Fund (Verity) contingency as part of Budget Modification # DCHS12-29. The funds would be used for Program Offers 25062 - Mental Health Services for Adults and 25057 - Inpatient, Sub-acute & Residential MH Services for Children.

From February through May 2012, Verity Fund expenditures exceeded revenues each month, by an average of \$648,000. DCHS projects a June shortfall as well and has cited increased treatment bed usage for specific groups as the main drivers for the increased costs. DCHS has identified additional strategies to contain costs to be implemented effective July 2012. How effective the strategies are will not be known for a few months.

Contingency Request

The Budget Office is required to inform the Board if General Fund contingency requests submitted for approval satisfy the guidelines for using the General Fund Contingency and is providing similar information for this request, given its size and timing. In particular,

- Criteria 1 states contingency requests should be for one-time-only purposes.
The request is for costs associated with ongoing programs running a deficit with indentified intervention strategies. If these strategies are successful this will be a one time only need. Otherwise, this would not be a one-time-only need.
- Criteria 2 addresses emergencies and unanticipated situations.
The request responds to an immediate need to meet Fiscal Year 2012 financial obligations.
- Criteria 3 addresses items identified in Board Budget Notes.
The request does not address programs identified specifically in the 2012 Budget Notes. However, a related 2012 State Rebalance Budget Note from Commissioner Kafoury requested DCHS to study and present options to the Board to address the future sustainability of mental health crisis line and crisis services that received one-time-only funds as part of the rebalance.