



**MULTNOMAH COUNTY
AGENDA PLACEMENT REQUEST
BUDGET MODIFICATION**

(Revised 12/31/09)

APPROVED: MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-2 DATE 3-25-10
LYNDA GROW, BOARD CLERK

Board Clerk Use Only

Meeting Date:	<u>03/25/2010</u>
Agenda Item #:	<u>R-2</u>
Est. Start Time:	<u>9:40 AM</u>
Date Submitted:	<u>03/02/2010</u>

BUDGET MODIFICATION: HD- 10-25

Agenda Title:	BUDGET MODIFICATION HD-10-25 Appropriating \$6,137,039 in Increased Revenue from Intergovernmental Charges for Medical, Dental, Pharmacy and Immunization Services
----------------------	---

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

Requested Meeting Date:	<u>March 11, 2010</u>	Amount of Time Needed:	<u>5 minutes</u>
Department:	<u>Health Department</u>	Division:	<u>Integrated Clinical Services & Community Health Services</u>
Contact(s):	<u>Lester A. Walker - Budget & Finance Manager</u>		
Phone:	<u>503-988-3663</u>	Ext.:	<u>26457</u>
		I/O Address:	<u>167/2/210</u>
Presenter(s):	<u>Wendy Lear, Business Services Director</u>		

General Information

1. What action are you requesting from the Board?

Approval of the appropriation of \$6,137,039 in increased revenue from intergovernmental charges for medical, dental, pharmacy and immunization services.

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 appropriates \$6,137,039 in intergovernmental revenue to bring the department's budget in line with estimated revenue and not exceed our budget authority by collecting more revenue than is budgeted.

This budget modification increases the Integrated Clinical Services' budget by \$4,276,288 to bring budgeted revenue in line with estimated fee revenue. The increased revenue comes from 1)

increased capitation payments from the state for dental services; 2) higher medical fee reimbursement due to greater provider productivity and the addition of provider teams funded by Increased Demand for Service (IDS) ARRA grant; and 3) Pharmacy continues to have higher rates of reimbursement for prescription drugs.

The budget modification also increases the budget for Community Health Services Immunizations by \$1,860,751 to bring budgeted revenue in line with estimated value assessed for vaccines received from the State. The vaccines are donated to us by the State but good accounting practices require that we record the donated value (revenue) and the in-kind expense of the vaccines. This donated value has more than doubled in the last few years along with the number, types, and cost of vaccines administered by the Immunization program.

These changes impact program offers 40014 – Immunization , 40016A – Medicaid/Medicare Eligibility, 40017A – Dental Services, 40022 – Mid County Health Clinic, 40023 – East County Health Clinic, and 40031A – Pharmacy.

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

Approval of this budget modification will increase the Health Department’s federal/state FY2010 budget by \$6,137,039.

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

Without this budget modification the Health Department would likely violate Oregon Budget law by collecting more revenue than is authorized in our adopted budget. This budget modification is necessary to keep this from occurring.

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

N/A

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).**

Medicaid intergovernmental charges are being increased by \$4,276,288 and there is no CFDA number. Revenue from the State for the commodity value of vaccines is \$1,860,751 and the CFDA number is 93.268.

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

Integrated Clinic Services budget is increased by \$4,294,288 and Community Health Services Immunization budget is increased by \$1,860,751.

	<i>Integrated Clinical Services</i>	<i>Community Health Services</i>
Pass Through	\$593,869	
Professional Services	\$137,174	
Drugs	\$3,179,599	\$1,860,751
Central Indirect	\$106,370	
Dept. Indirect	\$259,276	
Total	\$4,276,288	\$1,860,751

- **What do the changes accomplish?**

These changes that increase the Health Department's budget avoids a likely violation of Oregon Budget law by collecting more revenue than is authorized in our adopted budget. This budget modification is necessary to keep this from occurring.

- **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.**

All indirect is recovered from all Medicaid intergovernmental charges. Indirect is not recovered from the commodity value for vaccines. The expenditures and revenue for vaccine commodity value are accounting entries to appropriately reflect in the general ledger the value of vaccines.

- **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?**

- **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)?**

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

ATTACHMENT B

BUDGET MODIFICATION: HD- 10-25

Required Signatures

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

J. Lion Skelley /ws

Date: 02/19/2010

Budget Analyst:

[Signature]

Date: 02/26/2010

Department HR:

Kathleen Miller Poe

Date: 02/19/2010

Countywide HR:

Date: _____

Budget Modification ID: HD-10-25

EXPENDITURES & REVENUES

Please show an increase in revenue as a negative value and a decrease as a positive value for consistency with SAP.

Budget/Fiscal Year: 2010

Line No.	Fund Center	Fund Code	Program #	Func. Area	Internal Order	Accounting Unit		Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal	Description
						Cost Center	WBS Element						
1	40-60	26030	40017A	40			46600-00-26030	50236	(1,939,585)	(2,069,464)	(129,879)		Medicaid FFS - Dental
2	40-60	26030	40017A	40			46600-00-26030	60160	0	118,773	118,773		Pass Through
3	40-60	26030	40017A	40			46600-00-26030	60350	48,255	51,486	3,231		Central Indirect
4	40-60	26030	40017A	40			46600-00-26030	60355	117,591	125,466	7,875		Dept. Indirect
5									0	0			
6	40-60	26030	40017A	40			46650-00-26030	50236	(1,851,352)	(2,154,403)	(303,051)		Medicaid FFS - Dental
7	40-60	26030	40017A	40			46650-00-26030	60160	0	277,139	277,139		Pass Through
8	40-60	26030	40017A	40			46650-00-26030	60350	46,060	53,598	7,538		Central Indirect
9	40-60	26030	40017A	40			46650-00-26030	60355	112,241	130,615	18,374		Dept. Indirect
10									0	0			
11	40-60	26030	40017A	40			46750-00-26030	50236	(3,196,725)	(3,413,190)	(216,465)		Medicaid FFS - Dental
12	40-60	26030	40017A	40			46750-00-26030	60160	0	197,957	197,957		Pass Through
13	40-60	26030	40017A	40			46750-00-26030	60350	79,532	84,916	5,384		Central Indirect
14	40-60	26030	40017A	40			46750-00-26030	60355	193,804	206,928	13,124		Dept. Indirect
15									0	0			
16	40-70	26030	40023	40			47500-00-26030	50236	(4,572,866)	(4,890,013)	(317,147)		Medicaid FFS
17	40-70	26030	40023	40			47500-00-26030	60310	19,527	309,556	290,029		Drugs
18	40-70	26030	40023	40			47500-00-26030	60350	113,785	121,674	7,889		Central Indirect
19	40-70	26030	40023	40			47500-00-26030	60355	277,220	296,449	19,229		Dept. Indirect
20									0	0			
21	40-70	26030	40022	40			47550-00-26030	50236	(5,102,481)	(5,419,628)	(317,147)		Medicaid FFS
22	40-70	26030	40022	40			47550-00-26030	60310	0	290,029	290,029		Drugs
23	40-70	26030	40022	40			47550-00-26030	60350	126,962	134,851	7,889		Central Indirect
24	40-70	26030	40022	40			47550-00-26030	60355	309,327	328,556	19,229		Dept. Indirect
25									0	0			
26	40-79	26030	40016A	40			49250-00-26030	50236	(1,162,358)	(1,312,358)	(150,000)		Medical OEW Fees
27	40-79	26030	40016A	40			49250-00-26030	60170	0	137,174	137,174		Professional Services
28	40-79	26030	40016A	40			49250-00-26030	60350	28,909	32,640	3,731		Central Indirect
29	40-79	26030	40016A	40			49250-00-26030	60355	70,434	79,529	9,095		Dept. Indirect

FM Side			PS/CO Side			Cost Element/ Commitment Item	Notes
FM Fund Center	FM Fund Code	Functional Area	Internal Order	Cost Center	WBS Element		
General Fund Contingency				9500001000		60470	Reduce available General Fund Contingency
19	1000	0020		xxx	xxx	xxxxx	Increase Expenditure
xx-xx	xxxxx	0020					
Indirect							
Central							
xx-xx	xxxxx				xxx	60350	Indirect Expenditure
19	1000	0020		9500001000		50310	Indirect reimbursement revenue in General Fund
19	1000	0020		9500001000		60470	CGF Contingency expenditure
Departmental							
xxx	xxxxx				xxx	60355	Indirect Department Expenditure
xx-xx	1000			xxx	xxx	50370	Indirect Dept reimbursement revenue in General Fund
xx-xx	1000			xxx	xxx	xxx	Off setting Dept expenditure in General Fund
Telecommunications							
xx-xx	xxxxx				xxx	60370	Departmental telecommunication expenditure
10-10	3503	0020		709525		50310	Budgets receipt of reimbursement
10-10	3503	0020		709525		60200	Budgets offsetting expenditure in telecommunications fund
Data Processing							
xx-xx	xxxxx				xxx	60380	Departmental data processing expenditures
10-10	3503	0020		709000		50310	Budgets receipt of Data Processing reimbursement
10-10	3503	0020		709000		60240	Budgets offsetting expenditures
PC Flat Fee <i>(Flat Fee is no longer in effect for most Departments beginning in FY 2007)</i>							
xx-xx	xxxxx				xxx	60390	Departmental PC Flat Fee expenditure
10-10	3503	0020		709617		50310	Budgets receipt of PC Flat Fee
10-10	3503	0020		709617		60240	Budgets offsetting expenditure
Electronic Service Reimbursement							
xx-xx	xxxxx					60420	Departmental Electronics expenditure
72-55	3501	0020		904200		50310	Receipt of Electronics service reimbursement
72-55	3501	0020		904200		60240	Budgets offsetting expenditure
Motor Pool: <i>Use this cost center if you are adding funds for motor pool use.</i>							
xx-xx	xxxxx				xxx	60410	Departmental Motor Pool expenditure
72-55	3501	0020		904150		50310	Budgets receipt of Motor Pool service reimbursement
72-55	3501	0020		904150		60240	Budgets offsetting expenditure
Fleet: <i>Use this cost center if you are adding funds for dedicated program cars.</i>							
xx-xx	xxxxx				xxx	60410	Departmental Fleet expenditure
72-55	3501	0020		904100		50310	Budgets receipt of Fleet service reimbursement
72-55	3501	0020		904100		60240	Budgets offsetting expenditure
Building Management							
xx-xx	xxxxx				xxx	60430	Departmental Building Management expenditure
72-50	3505	0020		902575		50310	Budgets receipt of Building Management service reimbursement
72-50	3505	0020		902575		60170	Budgets offsetting expenditure
Insurance Service Reimbursement							
xx-xx	xxxxx					60140 or 60145	Departmental Insurance expenditure
72-10	3500	0020		705210		50316	Insurance Revenue
72-10	3500	0020		705210		60330	Offsetting expenditure
Lease Payments to Capital Lease Retirement Fund							
xx-xx	xxxxx					60450	Departmental Capital Lease Retirement expenditure Contact your Budget Analyst to complete this.
Mail & Distribution							
xx-xx	xxxxx				xxx	60460	Mail & Distribution expenditure
72-55	3504	0020		904400		50310	Budgets receipt of service reimbursement
72-55	3504	0020		904400		60230	Budgets offsetting expenditure
Records							
xx-xx	xxxxx				xxx	60460	Records expenditure
72-55	3504	0020		904500		50310	Budgets receipt of service reimbursement
72-55	3504	0020		904500		60240	Budgets offsetting expenditure
Stores							
xx-xx	xxxxx				xxx	60460	Stores expenditure
72-55	3504	0020		904600		50310	Budgets receipt of service reimbursement
72-55	3504	0020		904600		60240	Budgets offsetting expenditure

How are functional areas assigned to cost objects?

For the most part, functional area is related to what department has recorded the revenue or expenditure (i.e. the District Attorney is reported in Public Safety and Justice). There are some exceptions to this rule that require certain funds to be assigned to a particular functional area, regardless of what department the revenues or expenditures are recorded in.

Functional Area Assignments ~ Based on Fund		
1501 – Road Fund	Roads and Bridges	80
1502 – Emergency Communications Fund	Community Services	60
1503 – Bike Path Fund	Community Services	60
1504 – Recreation Fund	Community Services	60
1506 – County School Fund	Community Services	60
1509 – Willamette River Bridges Fund	Roads and Bridges	80
1510 – Library Fund	Library	70
1512 – Land Corner Preservation Fund	Roads and Bridges	80
2500 – Justice Bond Project Fund	Public Safety and Justice	50
2501 – Revenue Bond Project Fund	Community Services	60
2502 – SB 1145 Fund	Public Safety and Justice	50
2504 – Building Project Fund	Community Services	60
2505 – Deferred Maintenance Fund	Community Services	60
2506 – Library Construction / 1996 Bonds Fund	Library	70
2507 – Capital Improvement Fund	Community Services	60
2509 – Asset Preservation Fund	Community Services	60
2510 – Library Property Fund	Library	70
3000 – Dunthorpe-Riverdale Service Dist #14 Fund	Dunthorpe-Riverdale Service Dist #14	500
3001 – Mid County Service District #1 Fund	Mid County Service District #1	510
3002 – Behavioral Health Managed Care Fund	Behavioral Health Managed Care	520

If a cost object is not in one of the funds listed above, then the functional area should be assigned based on the department that the cost object is in.

Functional Area Assignments ~ Based on Department (Fund Center)		
Non-Departmental (10, except 10-50)	General Government	20
Non-Departmental – CCFC (10-50)	Social Services	40
District Attorney (15)	Public Safety and Justice	50
Countywide (18 & 19)	General Government	20
Human Services (20, 25, 26, 30 & 31)	Social Services	40
School and Community Partnerships (21)	Social Services	40
Health (40)	Health Services	30
Community Justice (50)	Public Safety and Justice	50
Sheriff's Office (60)	Public Safety and Justice	50
County Management (72)	General Government	20
Community Services (91)	General Government	20
Library (80)	Library	70

If you have any questions or comments, please contact Susan Luce in General Ledger at ext. 22138.