



## FY 2017 Budget Worksession – Health and Human Services

### Issues/Discussions/Findings

#### Health Department

**Commissioner Smith – What is the cost for changing the Health Department letterhead to reflect the name change?**

**RESPONSE:** Luckily we will be able to change letterhead to incorporate the Gladys McCoy building as our new Health Department headquarters at no cost, since our logo and letterhead are printed as needed electronically. We will have a nominal cost for ordering new envelopes, business cards and miscellaneous forms that bear our mailing address or building name.

We are eager to start incorporating the Gladys McCoy Health headquarters in our communications and correspondence and appreciate Commissioner Smith's willingness to join us in this effort.

**Commissioner Bailey – Provide a review of the program reductions vs. expansions or new programs in administration and support.**

**RESPONSE:** In distributing the 2 percent County General Fund reduction, the Health Department took a deeper cut to Integrated Clinical Services (ICS), which has Medicaid revenue to offset the General Fund cut. This allowed the Department to hold Corrections Health harmless from cuts and reduce Public Health as well as Mental Health and Addiction Services by 1.5 percent. The Director's Office, Health Officer and Business Operations took a 1.5 percent cut too.

Program Offers designated as "administration" include the Director's Office and MHASD Administration. These two program offers combined were reduced in total by 4 percent for FY2017. This is partially a function of staff moving from the Director's Office to Business Operations and Public Health, along with cuts to meet budgetary constraints.

Business Operations is exclusively "support", which includes Human Resources, finance, contracts, communications, general operations, and grant writing. These programs took a 1.5 percent reduction like other divisions. However this division has taken on new responsibilities, which came with additional funding. One example is the Corrections Health claims processing, which was costing Corrections Health \$200k per year, is now processed in-house for \$39k (the cost of a half time Finance Specialist). The division has made a number of changes to staffing in 2016, in response to changing demands with a net increase of 1.8 FTE for FY2017.

Overall, "administration and support" in the Health Department has remained efficient through the years, staying at about 7 percent of total cost. Once MHASD was brought into the Department in FY2016, the administrative percentage dropped to 5 percent. Business Operations' staffers are struggling to meet the demands.

### Administrative Costs Compared to Total Cost

	FY12 Adopted	FY13 Adopted	FY14 Adopted	FY15 Adopted	FY16 Adopted	FY17 Executive
Division	\$	\$	\$	\$	\$	\$
Directors Office	2,334,377	2,319,961	2,316,215	2,286,665	2,791,926	933,843
Business Operations	8,149,608	8,529,150	9,296,306	9,886,324	12,891,627	15,823,597
<b>Subtotal</b>	<b>\$ 10,483,985</b>	<b>\$ 10,849,111</b>	<b>\$ 11,612,521</b>	<b>\$ 12,172,989</b>	<b>\$ 15,683,553</b>	<b>\$ 16,757,440</b>
<b>% of Total HD Budget</b>	<b>7%</b>	<b>7%</b>	<b>7%</b>	<b>7%</b>	<b>5%</b>	<b>5%</b>
<b>Total Health Department</b>	<b>\$ 161,035,965</b>	<b>\$ 160,364,412</b>	<b>\$ 165,401,423</b>	<b>\$ 167,606,644</b>	<b>\$327,239,699</b>	<b>\$334,369,925</b>
Note: Totals reflect dollar and FTE in the Adopted budget for each period. Business Operations FTE increased from FY16 to FY17 due to two Cost Centers moving in: 400020 DLT Admin moved from the Directors Office to Business Operations, 10.80 FTE in total 401602 Grant Development moved from Public Health to Business Operations, 4.00 FTE in total						

In addition to what is commonly considered “support”, the Health Department has a wide array of activities that are not direct clinical services or public-facing activities, like restaurant inspections, that we consider “support” and Quality Management, Tri-County Health Officer, Lab and Medical Records. There have been reorganizations with expansions in these areas, corresponding to the expansion and growth in clinical services.

The Public Health PO 40001 increased in FY2017 from a consolidation, not an expansion, of existing positions and expense scattered across the Department, brought together to form the Public Health division. It is through this program that we are able to do the work, for example on Tobacco Retail Licensing (TRL) or responding to the recent air quality concerns, etc.

In ICS “support”, programs include activities which in a medical setting are considered ancillary services such as, lab, medical records, access and referral (where patients call for appointments or consultation), medical data, medical directors, quality assurance and quality management. These programs experienced an increase proportionate to the expansion in primary care and dental services. They are funded almost exclusively with Medicaid patient fees, Federal grants and “wrap around” County General Fund (see slide 13 of our presentation.) The “wrap around” CGF is quality and performance based payments as well as alternative payments from Medicaid, which require significant investment in quality assurance, information systems and reporting capacity to continue to meet the metrics on which the payments are based.

Finally, the only new “administrative or support” program offer is a “support” PO 40004B for the Ambulance Service RFP planning.