



CAO Recommendations for Mental Health Budget FY 2008-09

September 23, 2008

FY 2008-09 Proposed Budget

- Total Department Budget \$19,596,571
 - MHPA Fund \$5,456,196
 - Traditional Mental Health Fund \$14,140,375
- MHPA budget is balanced, no significant addenda changes
- Addenda changes primarily in traditional Mental Health fund

Submitted by CAO

at Board Hearing of 9/23/08
Con'd Special Budget

Let's do the numbers...

Proposed	MH Fund	MHSA Fund	Total
Revenues	\$14,140,345	\$5,456,196	\$19,596,571
Appropriations	14,140,345	5,456,196	19,596,571
Net Cost	\$0	\$0	\$0
Addenda	MH Fund	MHSA Fund	Total
Revenues	(1,938,197)	114,887	(1,823,310)
Appropriations	(1,702,298)	114,887	(1,587,411)
Net Cost	235,899	0	235,899
Recommended	MH Fund	MHSA Fund	Total
Revenues	12,202,178	5,571,083	17,773,261
Appropriations	12,438,077	5,571,083	18,009,160
Net Cost	\$235,899	\$0	\$235,899

Revenues

- Revenues adjusted down \$1.9 to \$12.2M
 - Remove one time revenues in Proposed Budget \$694K
 - Medi-Cal revenues reduced \$562K
 - Based on PY actuals
 - 2% rate increase approved in July
 - Increased for recent staff hires
 - Increased for children's services, staff productivity

Revenues

- Revenues adjusted down
 - MIOCR grant loss \$457K
 - MHSa MIOCR grant match \$285K (shifts back to MHSa budget)
 - Probation funding \$35K
- Recommended revenues at FY07-08 actual level

Appropriations

- Appropriations reduced \$1.7M
 - Salaries & Benefits \$1.5M
 - Other \$500K
- Net cost of \$235,899 in FY08-09

FY 2009-10 Budget

- Effect of changes for 12 months
 - Structural changes approved in May \$450,000
 - Structural changes in addenda \$529,000
- Potential increase to fund balance approximately \$900K FY09-10

One Time Revenues

FY06-07 Cost Settlement	\$529,043
FY07-08 EPSDT Shortage	350,000
EPSDT Deficiency Pmt	165,000
FY07-08 Utilization Review	250,000
FY07-08 MAA	<u>20,000</u>
Total	\$1,314,164
Less amount for FY08-09 operations	<u>235,899</u>
Increase to Fund Balance	\$1,078,265
Feb/Mar 07 Medi-Cal Billing	<u>349,134</u>
Potential Increase to Fund Balance	\$1,427,399

Reduction Strategy

- Focus on mandated and contractually obligated services
- Discretionary services as resources allow
- Establish service priorities to fit within available revenues (Medi-Cal and Realignment)

Fiscal Constraints

- Mandated services to children (AB3632)
\$606,837
- Mental Health services in Juvenile Halls
- \$220,000
- Funded with discretionary realignment, SAMHSA grant
- Reduces discretionary funding available for other programs

Proposed Redesign

- Redesign the Department's service delivery model
- Transform & Integrate Services
 - Maximize use of available MHSA funding
 - Develop full service partnerships under MHSA model
- Streamline service delivery, eliminate duplication of services
 - Between traditional and MHSA programs

Proposed Redesign

- Focus on children and family services
 - More fully funded via MHSA and Medi-Cal (90% for children/family services vs. 50% for adult services)
- Transition from traditional clinical model of service to community model of service
 - Group therapy, medication clinics vs. individual therapy
 - Improved productivity and treatment outcome

Projected Staffing Impact

- Clinical, administrative and management positions – total deleted 13.65 FTE
- Administrative / Management positions
 - 1.0 Program Manager (vacant)
 - 1.0 Medical Records Technician (filled)
 - 0.2 Medical Office Asst I/II (vacant)
 - 0.2 Sr. Medical Office Asst (vacant)

Projected Staffing Impact

- Clinical / Management Positions
 - 2.0 Manager of Mental Health Programs (1 vacant, 1 to be vacant in Jan 2009)
 - 1.0 Mental Health Program Coordinator
 - 6.75 Mental Health Clinician IA/IB/II
 - 1.5 Psychiatric Technician

Staffing Reductions

- Administrative extra help
 - Centralization of medical records function
 - Automation of clinical billings
- Clinical extra help
 - Merger of Psychiatric Emergency Services (PES) into new CRF operations
 - Less need for crisis extra help

Other Reductions

- Overtime
- Training and travel
- Terminate MHS Wrap Contracts Dec 31
 - No MHS *Wrap* services for children, other MHS funded children and family services would still be available
 - Establish Medi-Cal eligibility for children, enroll in SB163 program
 - Provide alternative services to more children in a less costly manner

Opportunities

- Improvement of outcomes of mental health services under new service delivery model
- Alignment of services and service priorities within available revenues
- Restoration of fiscal integrity of the Mental Health fund

Next Steps...

- Board approval of budget, staff reductions
- Department implementation of changes
- Monthly financial reports to the CAO
- Quarterly reports to the Board
- Ongoing review/eval of fiscal performance, program performance, position vacancies
- Revision of MHSA plan to reflect new service delivery model