

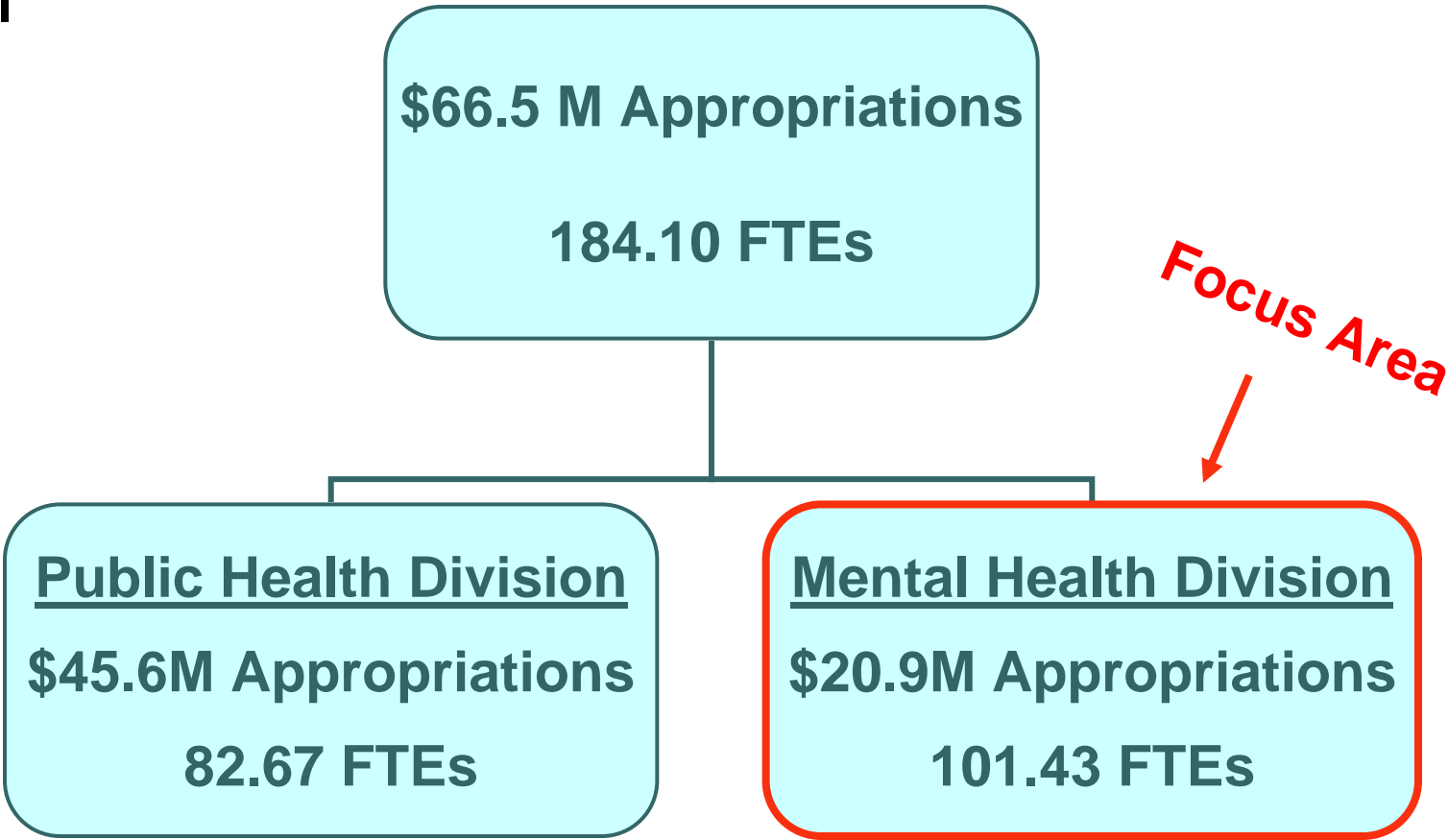


Health Services Department

Operations and Funding Review

Neda West, Director
August 22, 2011

Health Services Department



Amounts reflect the Recommended budget, pending Addenda

Mental Health Primary Responsibilities

Persons with
Serious Mental Illness or
Emotional Disturbance

Traditional Programs

- Limited services for adults/children
- Psychiatric Emergency Services (Crisis)
- Psychiatric Health Facility Services
- Institutional & Residential Care

Utilization Review
Quality Assurance
Quality Improvement

Patient Rights
Advocacy

MHSA Programs

- Community Services & Supports (CSS)
 - * Outpatient/Crisis Residential/Housing
- Workforce Education & Training (WET)
- Prevention & Early Intervention (PEI)
- Innovation (INN)
- Cap Facilities & Technology Needs (CFTN)

Admin & Fiscal Operations

Personnel, Info Tech, Contracts, Budgets,
Purchasing, Accounting, Billing, etc.



Mental Health System of Care

(Meeting statutorily mandated/contractually required services)

- Medically necessary, specialty mental health services for:
 - Seriously mentally ill adults (often significantly disabled)
 - Seriously emotionally disturbed children (with impaired functioning)
- Services are designed to ensure the appropriate level of care based upon the level of need
- Services are strength-based, wellness/recovery oriented, and driven by client/family needs

Insufficient funding for Mental Health services results in potential (unintended) consequences and cost shifting to other systems



Mental Health Operations Summary

- Budgets:**
- \$20.9M expenditures, with matching revenues
 - Managed through cost accounting system (DOT system adapted to MH), with about 40 distinct revenue sources
- Staffing:**
- 101.43 regular staff allocations
 - 70 Extra Help staff (primarily for on-call pools for 24/7 operations or intermittent, part-time work)
- Contracts:**
- About 100 active contracts (incoming and outgoing)
- Facilities:**
- Three primary sites (multiple functions at each site), supporting services on both slopes



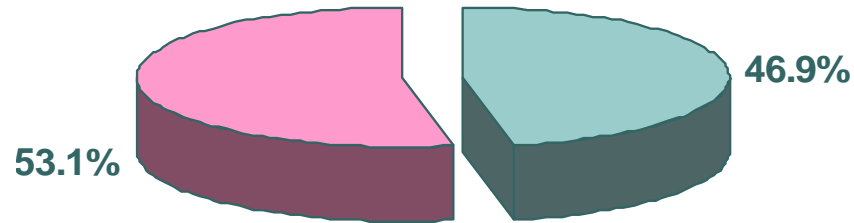
Mental Health Operating Funds

- **Traditional Programs** – Special Revenue Fund
(Subfund 001) - 48.41 FTEs
 - Appropriations \$9,788,913
 - Revenue (Non-Gen Fund) \$9,772,403
 - General Fund (Match) \$ 16,510

- **MHSA Programs** – Special Revenue Fund
(Subfund 003) - 53.02 FTEs
 - Appropriations \$11,093,727
 - Revenue (No General Fund) \$11,093,727

Mental Health Operating Funds

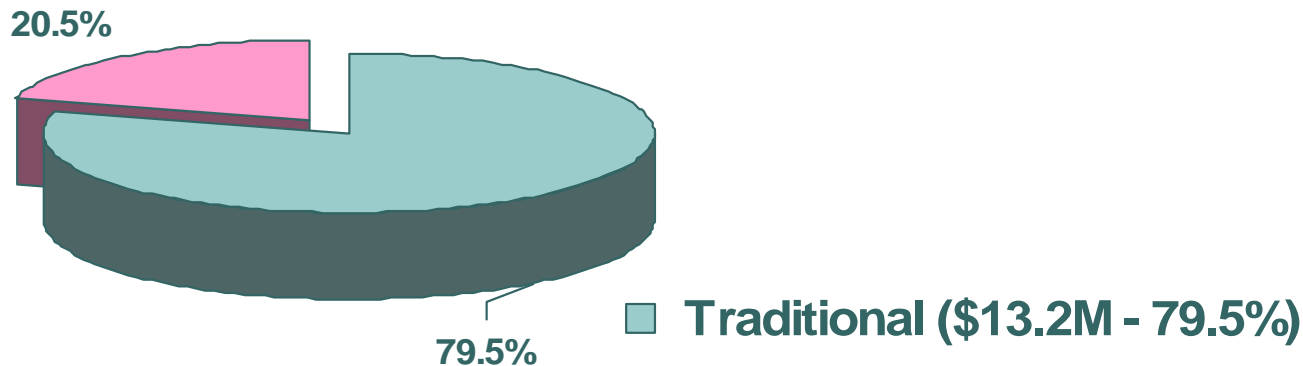
FY 11-12 Funding - \$20.9M



■ Traditional (\$9.8M - 46.9%)

■ MHP (\$11.1M - 53.1%)

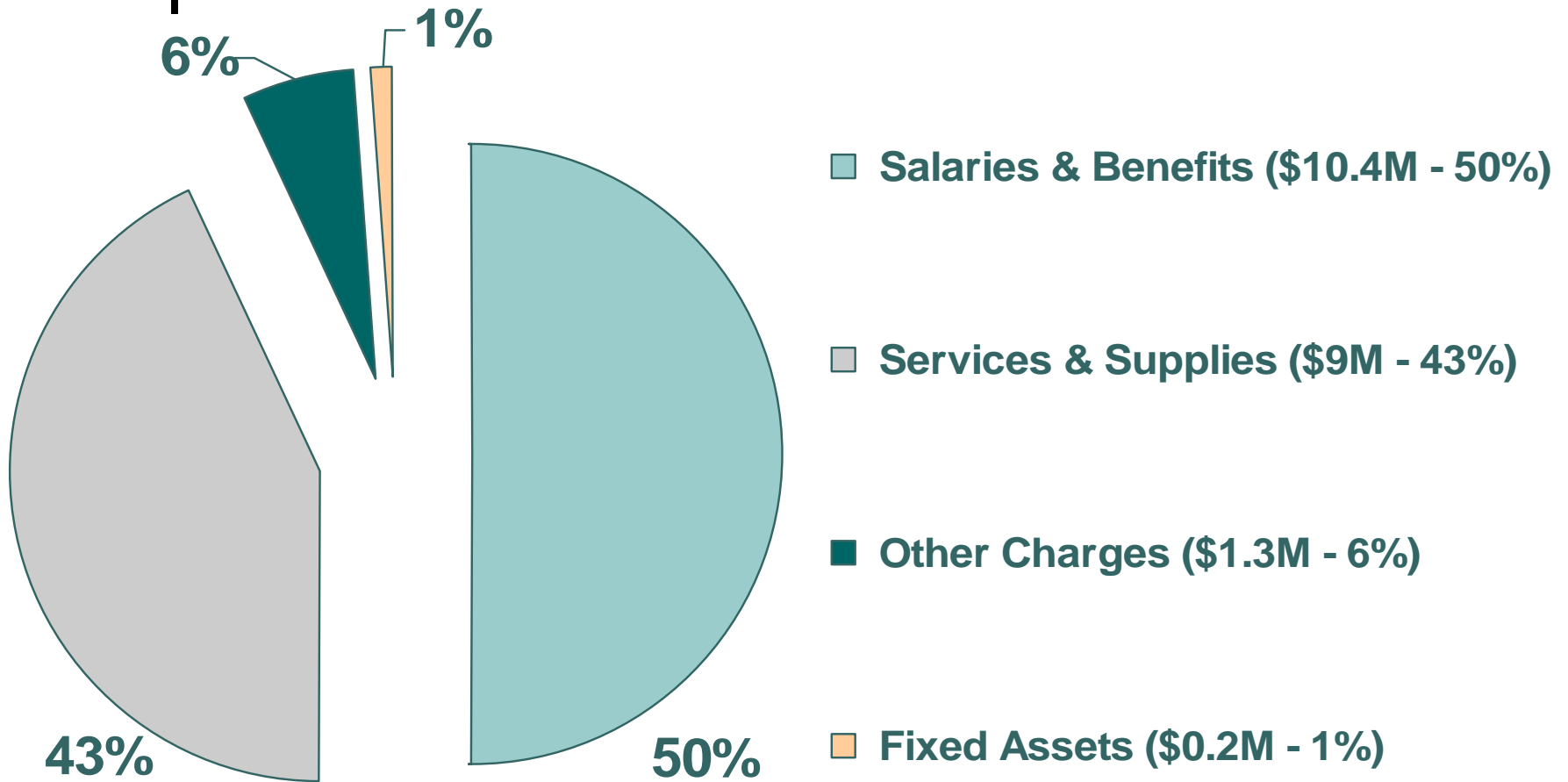
FY 08-09 History - \$16.6M



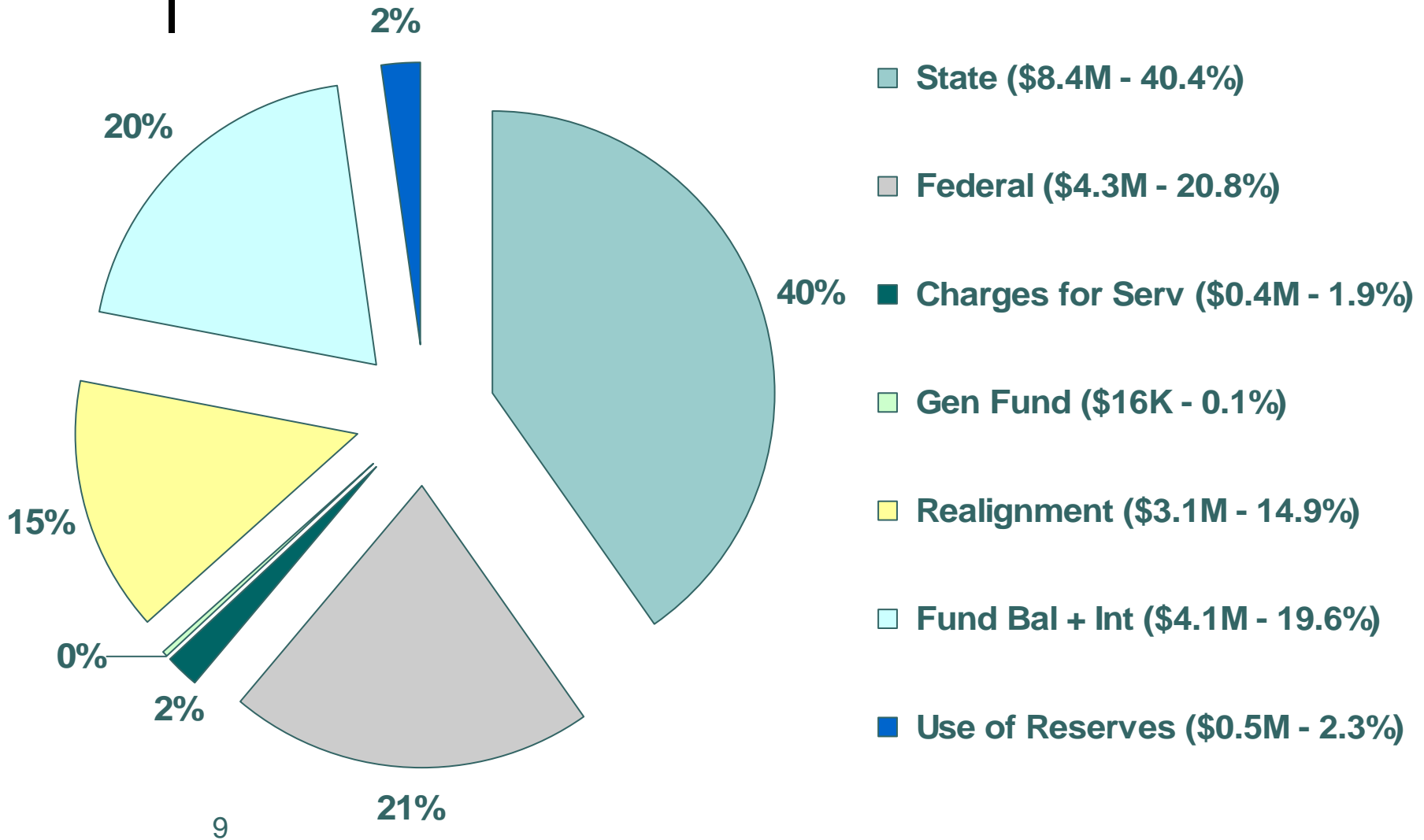
■ Traditional (\$13.2M - 79.5%)

■ MHP (\$3.4M - 20.5%)

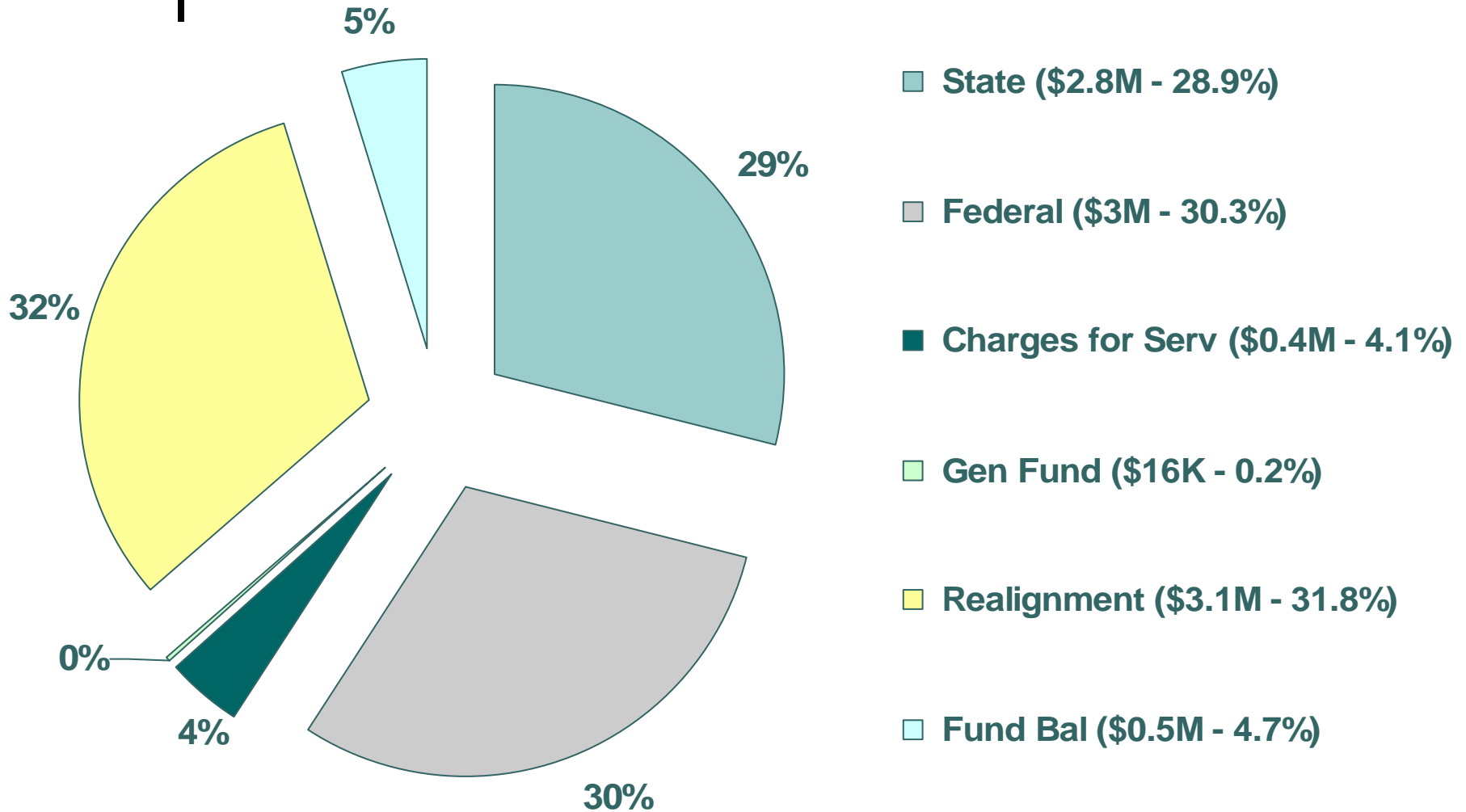
Mental Health Expenditures – \$20.9M



Mental Health Revenues – \$20.9M



Mental Health Traditional Revenues - \$9.8M



MH Discretionary Revenue (primarily MH Realignment) Used for Traditional Programs

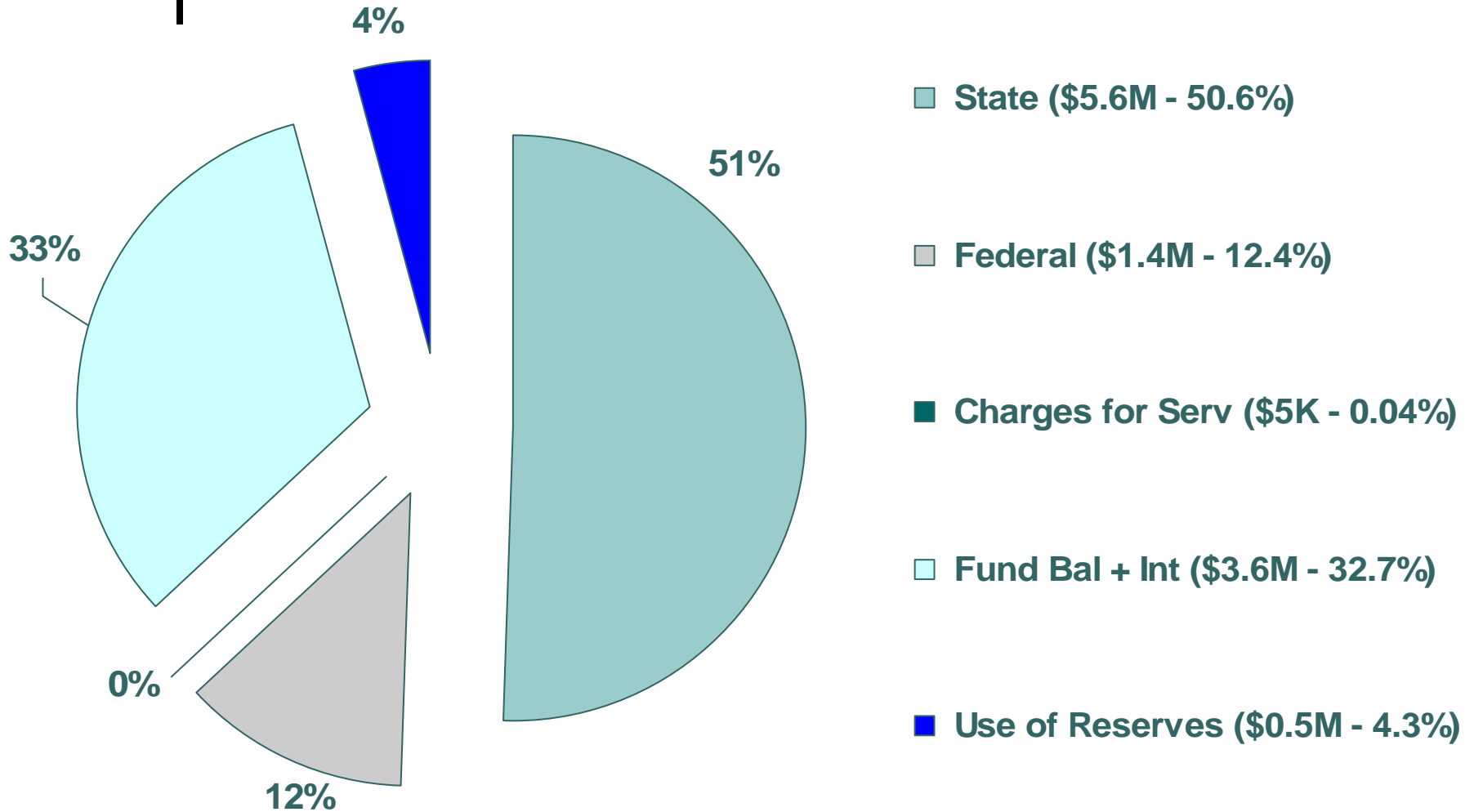
Traditional Program	Expenditures	Program Revenue	Discretionary Subsidy	Total Revenue
Medi-Cal Plan Administration	\$759,253	\$0	\$759,253	\$759,253
M-Cal Utilization Review/QA/QI	\$274,253	\$95,060	\$179,193	\$274,253
Institutional Care	\$792,650	\$684,557	\$108,093	\$792,650
Adult Outpatient	\$336,250	\$153,101	\$183,149	\$336,250
Child Outpatient	\$3,980,365	\$3,718,063	\$262,302	\$3,980,365
Psychiatric Health Facility	\$2,501,801	\$696,840	\$1,804,961	\$2,501,801
Psychiatric Emergency Svcs	\$336,989	\$146,036	\$190,953	\$336,989
Subtotal	\$8,981,561	\$5,493,657	\$3,487,904	\$8,981,561
Contingency & One-Time Exp.	\$807,352		\$807,352	\$807,352
Total	\$9,788,913	\$5,493,657	\$4,295,256	\$9,788,913

MH Discretionary Revenue (primarily MH Realignment) Used for Traditional Programs

Net Discretionary Revenue*		\$3,487,904
Medi-Cal Plan Admin	(\$759,253)	
Utilization Review/QA/QI	(\$179,193)	
Institutional/Residential Care	(\$108,093)	
Adult Outpatient	(\$183,149)	
Child Outpatient	(\$262,302)	
Psychiatric Health Facility	(\$1,804,961)	
Psychiatric Emergency Services	(\$190,953)	
Use of Discretionary Revenue	(\$3,487,904)	

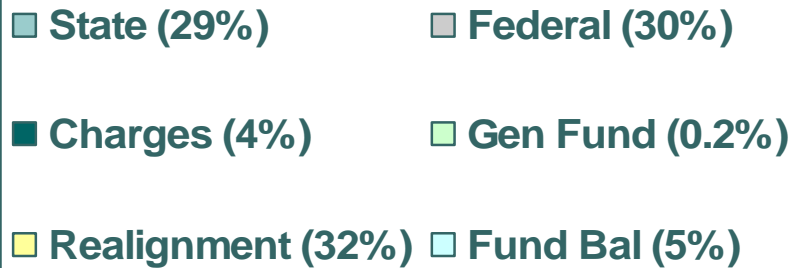
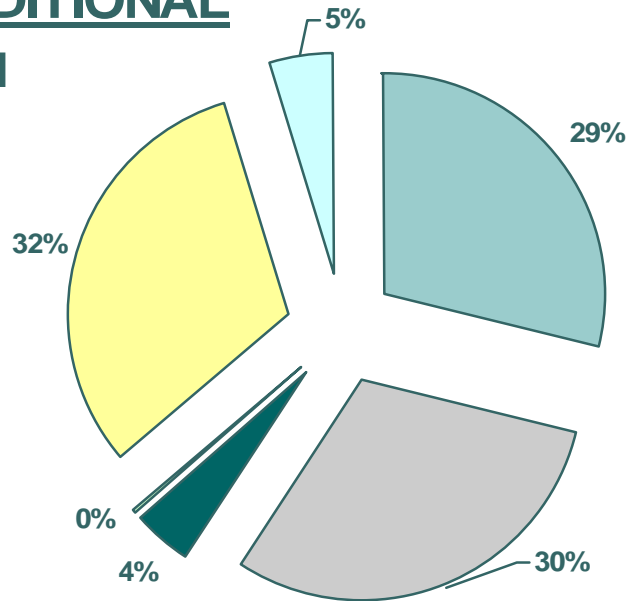
*Primarily MH Realignment, Fund Balance (from prior year PH transfer), prior year cost settlements, partially offset by Special Dept expenses (e.g., Contingency and PY cost settlements we owe), and General Fund (\$16K required match).

Mental Health MHSA Revenues – \$11.1M

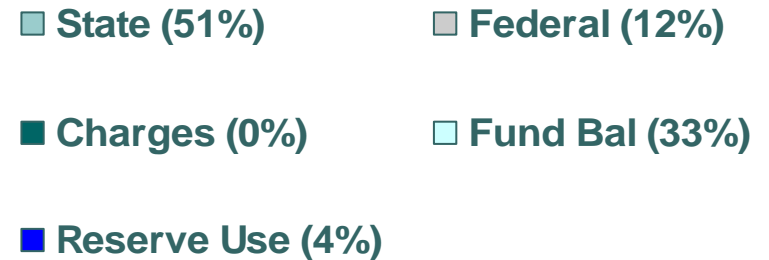
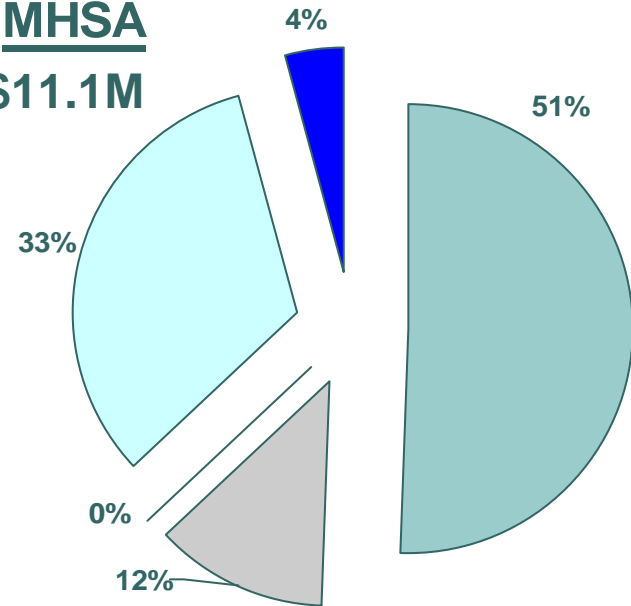


Traditional vs MHSA Revenue Sources

TRADITIONAL \$9.8M



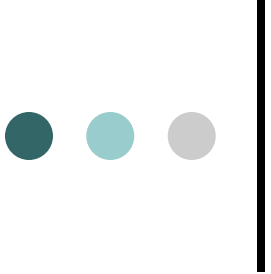
MHSA \$11.1M





Mental Health – Highlights

- Maintained mandated/core programs and services within available Mental Health funding resources
- Submitted balanced budgets for Traditional and MHSA subfunds, with limited use (about \$350K) of one-time revenue for Traditional programs
- Billings up-to-date (Medi-Cal billed through July 2011)
- Continued transition to MHSA approved/funded programs and began implementation of new MHSA components
- Increased integration with PH, including more efficient use of staff and facilities



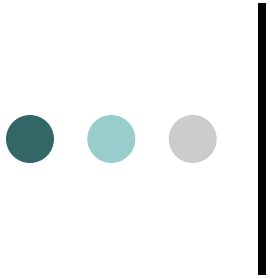
Mental Health – Challenges

- Uncertainty of some State funding, including MH Realignment (which is included in new 2011 Realignment funding structure)
- Demand for services remains significant - numerous service mandates continue, despite restricted and uncertain resources
- Approx. \$350K structural deficit predicted in Traditional subfund - requires use of MH one-time funds in FY 11-12 to balance (required structural deficit could increase if PHF expenses grow)
- Acceptance of cost accounting system (adapted from DOT system) – significant internal audit/validation, documentation, and reporting activity continues



Anticipated Next Steps for Health Services (Public Health and Mental Health Divisions)

- Continue mandated/core programs and services
- Closely monitor State budget actions and advise CAO and Board as necessary if significant changes, risks, or impacts are identified
- Utilize one-time funding available to Mental Health and potentially supplemental funding if needed (e.g., 10% transfer from PH Realignment) to maintain statutorily mandated/contractually required services – identify and advise CAO/BOS of longer term strategies to address structural deficit in traditional program subfund
- Continually evaluate and monitor each Division’s operations and fiscal status to ensure appropriate services, maximize revenues, and control expenditures



Questions?