

# **Behavioral Health Division: Mid-Year Budget Presentation**

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**Presented to El Dorado County Board of Supervisors  
February 23, 2021**

**Health and Human Services Agency**

# Purpose of Today's Presentation

- Provide an overview of the Behavioral Health Division Mid-Year Budget projection and how we got here
- Provide an understanding of the various areas which impact the Behavioral Health Division budget
  - Mandates
  - COVID-19 impacts
- Provide an understanding of where Behavioral Health is heading to achieve a balanced budget

# FY 2020-2021 Mid Year

20/21 Budget	20/21 Mid-Year Projections
\$44.2m	Shortfall (\$1.3m)

## How We Got Here:

- Drug Medi-Cal Organized Deliver System (DMC-ODS)
  - Applied for DMC-ODS authorization in 2018 through the DHCS
  - State recommended projecting program budget based upon ‘like sized’ counties and their implementing of DMC-ODS
  - BH Division submitted this budget in November 2019 (6 months post transition)
  - Behavioral Health staff began providing DMC-ODS billable services in Jan 2020
- COVID-19 and impacts of stay at home orders
  - Having launched in January 2020, HHSA had little time before ‘stay at home orders’ to build a client-base through building awareness for the program
  - Due to the ‘stay home orders,’ far fewer individuals are reaching out for substance use treatment services. This trend is noted across the State.
  - In following the State guidance to budget based upon ‘like sized counties,’ planning may not have encompassed the full picture if some of those counties were providing outpatient treatment services historically;

## Other Factors:

- Systemic Challenges with LPS conservatorships
  - This is a mandated service
  - Challenge of placement in lower level of care - Administrative Days
    - Prior to March 2020, was already a Statewide and National problem
  - Challenge exacerbated by COVID-19 Pandemic – 36% increase in Admin Days
- El Dorado County Systems and Operations – IDEA consulting
  - Long-standing ways of doing business in El Dorado County add to this dynamic
  - Justice System relies upon placement of individuals on LPS conservatorship, whereby financial responsibility then falls on Behavioral Health to pay for mandated service
  - This has been identified by the recent and ongoing assessment by IDEA Consulting (March 9<sup>th</sup>)

## Solution(s) and Impact

Budget Challenge(s)	Solution(s)	Impact(s)
\$1.25m less Medi-Cal revenue than budgeted for Substance Use Disorder staff services	Delete 5.0 FTE currently vacant positions	<b><u>FY 20/21</u></b> \$528k savings (est)
	Increase Medi-Cal Billing Based on December 2020 Billing	<b><u>FY 21/22</u></b> \$767k savings (est)
	Increase DMC QA/UR Claiming by Shifting 1.0 FTE to QA	
	Add DMC-ODS Admin Claiming	
\$760k less Medi-Cal revenue than budgeted for Psychiatric Health Facility (PHF)	Increase in PHF-related Medi-Cal reimbursement revenue	<b><u>FY 20/21</u></b> TBD
	Overall there are more placements in the PHF that are Medi-Cal claimable	<b><u>FY 21/22</u></b> \$273k (est) increase in Medi-Cal revenue

## Solution(s) and Impact

Budget Challenge(s)	Solution(s)	Impact(s)
\$500k net increase in contracted children's services	Decrease in Contracted Traditional Children's Services	<p><b><u>FY 20/21</u></b> TBD</p> <p><b><u>FY 21/22</u></b> \$500k (est) net decrease in projected expenditures</p>
\$830k increase in adult placements	<p>BH increasing collaboration with Public Guardian &amp; Mental Health Programs</p> <p>IDEA Assessment Recommendations (March 9) - System/Culture Change</p>	The impacts of these changes are unknown.
\$400k one-time reduction to Substance Abuse Block Grant (SABG) allocation	This was a result of a change in claiming methodology by the State.	<p><b><u>FY 20/21</u></b> \$400k decrease in reimbursed revenue</p> <p><b><u>FY 21/22</u></b> \$400k more in estimated revenue</p>

## Summary and Recommendation

	Shortfall Total	Steps Taken: Reduction	Shortfall Remaining	Recommendation	Result
FY 20/21	(\$1.3m)	\$551,000 (43%)	(\$749,000)	Utilize FY 20/21 10% realignment transfer authority (\$1,550,000) <ul style="list-style-type: none"> <li>• Common tool for addressing Behavioral Health shortfalls</li> <li>• Commonly used practice in EDC and across California Counties</li> </ul>	[FY 20/21] \$749,000 shortfall addressed  The remaining \$801,000 would increase Fund Balance for FY 21/22
FY 21/22	TBD	\$1,900,000	TBD	Utilize remaining \$801,000 from FY 20/21 10% realignment transfer authority	[FY 21/22] As part of the upcoming budget process, staff will return to make an informed recommendation regarding any remaining shortfall



# Overview

- Contributing Factors
    - **(\$1.25m)** less SUDS Medi-Cal reimbursement
    - **(\$760k)** less PHF Medi-Cal reimbursement
    - **(\$500k)** net increase in children's contracted services
    - **(\$830k)** increase in adult placements
    - **(\$400k)** less SABG reimbursement
- (\$3.7m)** more than budget

\$2.4m BH fund balance

**(\$1.3m)** more than budget

\$551k mitigation "savings"

**(\$749k)** more than budget

\$1.55m 10% Transfer Authority (FY20/21)

**\$801k BH fund balance**

## Behavioral Health Fund Balance Overview

FY 20/21 Behavioral Health Beginning Fund Balance	FY 20/21 Projected Fund Balance Use	FY 20/21 Fund Balance Result	Mitigation Steps (Savings)	10% Transfer Authority (FY 20/21)	Behavioral Health Fund Balance Result
\$2.4m	(\$3.7m)	(\$1.3m)	\$551k	\$1.55m	<b>\$801k</b>

## Public Health and Social Services Fund Balance Overview

Division	FY 20/21 Beg. Fund Balance	FY 20/21 Projected Fund Balance Use	Remaining Fund Balance
Public Health	\$8.4m	(\$1.56m)	<b>\$6.8m</b>
		(\$400k) 10% Transfer	<b>\$6.4m</b>
Social Services	\$3.4m	\$94k	<b>\$3.5m</b>
		(\$1.15m) 10% Transfer	<b>\$2.3m</b>

## Additional Opportunities

- IDEA Assessment & Recommendations of Behavioral Health
  - (3/9 BOS Item) Opportunities to create budgetary and programmatic efficiencies
- Pending Federal and State Legislative packages
  - Local Government funding may soon be distributed to address COVID and other budgetary impacts in HHSA
- Grant Funding
  - HHSA has successfully received over \$9m in Homeless related grants in the past 3 years
  - Developing grant funded programs adds opportunities to consider pursuing new outside funding to assist in paying for budget shortfall scenarios while adding services in the community