



Ohio Department of Mental Health

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DATE: 7-27-09 NUMBER: C-7-10-09 ORIGINATOR & TITLE:
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DISTRIBUTION:

- BHO's Boards Provider Agencies Shareholder Organizations

SUBJECT:

- Allocations Certification Community Plan Critical Information
 Licensure MACSIS Medicaid Policy
 Procedure Other (specify):

TITLE OF CORRESPONDENCE: Community Allocation Guidelines for Fiscal Year 2010

CONTENT:

The Ohio Department of Mental Health (ODMH) issued the projected allocation guidelines April 1, 2009 as required by ORC 5119.62(B)(3). The ORC requires the Department to notify, no later than the first day of April of each year, each board of alcohol, drug addiction, and mental health services of the estimate of the amount of general revenue funds to be allocated to the board during the fiscal year beginning on the next July first.

On July 17, 2009, Governor Strickland signed a balanced budget in one of the most economically challenging times in our state history. As a result of declining general state revenues, the Governor and the State Legislators were confronted with developing a balanced budget and prioritizing extremely limited resources towards both education and critical health and safety services for the greatest possible number of vulnerable Ohioans. Painful reductions were made to services that Ohioans had relied upon in the past but could no longer be supported at this time.

Given these conditions, the Department received a reduction of General Revenue Funds (GRF) of \$67.5 million (13%). This is on top of the \$64.5 million reduction taken in FY 2009. For FY 2009, the GRF total, after budget cuts, was \$513.6 million. The FY 2010 GRF total appropriations are \$446.0 million.

While the Department was successful in securing level funding for certain line items, the two largest GRF line items received significant reductions. The most significant GRF reduction occurred in the line item 505, Local Systems of Mental Health. The FY 2009 post-budget cut amount for this line item was \$64.1 million. The FY 2010 appropriation is \$11.7 million; a reduction of \$52.5 million.

The other significant GRF reduction is the 408 line item, Community & Hospital Mental Health Services. A \$7.6 million cut to this total line item occurred during the legislative Conference Committee. This loss will be sustained by Hospital Services and will not be calculated into the community portion of 408. The FY 2009 total community portion of 408 "net" was \$292 million. The FY 2010 total community portion of 408 "net" to be distributed is \$263 million, a reduction of over \$29 million. After civil inpatient "bed days" are calculated, the community "flex" balance of \$175 million reflects a reduction of \$31.7 million from FY 2009.

On the positive side, the Federal government is providing increased support in the form of the enhanced Federal Financial Participation (FFP). This significant increase to the mental health budget appropriations is evident in the Community Medicaid Expansion line item (Fund 3B10, ALI 335-635). This increase in spending authority represents an enhanced Federal reimbursement of 72.34% for SFY 2010. In order to maximize this increase in Federal support, the community behavioral health system must be as expeditious as possible in its Medicaid billing and reimbursement processing.

Lastly, the allocations provided in this document are the annual amounts that each Board will receive. The one-month allocation that was provided during the interim budget period will be reconciled by the ODMH, Office of Fiscal Administration. We ask that when completing the required FY 2010 Community Plan budget for ODMH (due August 31, 2009), Boards should use the Allocation Guidelines as the reference point for total revenue. The Budget template and narrative will be provided under separate cover.

With the intent to move towards equal access to care statewide for those most in need, the revised allocation guidelines communicate the Department's decisions to prioritize its limited funding to:

- Maximize revenue to the community for the provision of mission critical community-based services and supports to Ohio's most vulnerable and at risk population;
- Operate state institutions for the care and treatment of persons with a mental illness;
- Fulfill the Department's statutory requirements; and
- Leverage additional funding for vulnerable populations.

REQUIRED ACTION:

1. Attachment 1 describes allocations to each Board by funding source that may be disbursed based only on the authority of these Allocation Guidelines. These funds are subject to the conditions described in the Allocation Guidelines and the underlying statutes. Funds will be available after July 1, 2009 for quarterly disbursement. Funds in ALIs 401, 404, 408, 505, and Federal Block Grant will be automatically distributed to each ADAMH/CMH Board. Payments will be distributed within the first 14 days of each quarter.

All other funds described in the Allocation Guidelines, including federal funds, disbursed in FY 2010 will continue to require the submission of a Request for Advance/Reimbursement

(RAR). These funds include, but are not limited to: ALI 419, Child Care Quality, Title IV-B, Parts 1&2 and Title XX. Payments for these funds will be distributed within 14 days of the receipt of a Request for Advance/Reimbursement (RAR).

The Request for Advance/Reimbursement (RAR) form used to “draw down” any funds that are not automatically distributed for State Fiscal Year 2010 can be found in the Appendices of these Allocation Guidelines and on the ODMH web site at: <http://mentalhealth.ohio.gov/>

2. Where the Allocation Guidelines indicate that a Notice of Sub-Award (NOSA) is required, funds may only be requested after receipt of a signed NOSA. Funds distributed by NOSA are subject to the terms and conditions of any related Grant Agreement and Assurances, the Special Conditions described in the NOSA and the conditions described in the Allocation Guidelines.

3. Other funds described in the Allocation Guidelines have not been allocated and are not yet available.

Regardless of the method of allocation, it is required that all funds be expended for services that take place within the State Fiscal Year 2010, with the exception of ALI 408 as specified in ORC 5119.62(B)(3)(a). All funds not so obligated within the State Fiscal Year 2010 must be returned to ODMH. Any changes in the intended purpose of expenditures as described in these Allocation Guidelines must be pre-approved in writing by ODMH.

DATES FOR REQUIRED ACTION:

From July 1, 2009 to June 30, 2010 as described in the attached Allocation Guidelines.

Attachment

cc: ODMH Leadership Support Team
Program and Policy Leadership
Office of Fiscal Administration
Jim Mauro, NAMI of Ohio
Cheri Walter, Ohio Association of County Behavioral Health Authorities
Hugh Wirtz, Ohio Council of Behavioral Health & Family Service Providers
Ellen Deacon, Ohio Empowerment Coalition
Niki Hanselman, Ohio Wellness Network
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