Budget Framework Team

Planning for the Department of
Mental Health & Addiction Services
October 29, 2012

Agenda

- Summarize line items as submitted for new department
- Feedback from Fiscal on a few consolidation-related items
- Organizational approach to subsidy allocations
- Determine next steps

Proposed ALIs for "MHA"

- See attachment – list of line items by fund group
- Not final until budget enacted
  - May be in Executive Budget to reflect policy strategies
  - May be modified in Legislative process
- Questions?
- Thank you for your constructive participation!

Feedback from Fiscal

- As line item consolidation occurs for GRF subsidies, reporting will remain critical
  - We need to tell feds how much is planned to be used for AOD and MH services, respectively
  - Prospective estimates will be necessary
  - Not used to make board allocation decisions
  - Include in overall timeline/implementation plan
- Current use of community plan as an application for funding

Feedback from Fiscal, 2

- Current use of community plan as an application for funding
  - Now serves as application from the sub-recipients
  - If de-linked, need another "application" process
- ODADAS and DMH collect and analyze board expenditure data. Staff must coordinate a combined budget (i.e., estimate) and actual reporting process
  - This helps ensure federal dollars

Approach to Subsidy Allocations

- In FY 13, DMH GRF allocations included: 401 Forensic, 505 Local MH Systems of Care, 505 Collaborative, and 419 Community Medication.
- ODADAS GRF allocations included 401 Treatment and 404 Prevention.
- As line items are consolidated or separated, need to examine current circumstances and determine requirements in the consolidated environment

Approach to Subsidy Allocations

- Organizational strategy will examine components
- Federal maintenance of effort requirements
- Restricted vs. non-restricted uses

Maintenance of Effort

- Both DMH & ADA awards from SAMHSA require a state Maintenance of Effort (MOE) under sections 1915(b) and 193 of the Public Health Services Act:
- *The principal agency (single state authority) is required to maintain State expenditures for authorized activities at the level that is no less than the average maintained by the State for the 2-year period prior to the year for which the State applies for the Block Grant. States that do not meet the MOE requirement are at risk of losing one federal dollar of Block Grant funding for every state dollar spent below the required level.*

Maintenance of Effort, 2

- Two ways to obtain federal MOE waiver:
  - To meet waiver requirements for extraordinary economic conditions, the State must demonstrate at least a 1.5% increase in unemployment and a 1.5% decrease in state tax revenues.
  - SAMHSA can determine that the State materially complied (did the State maintain client service levels, what is the State's expenditure history, what is its commitment to future funding) providing the state dollar shortfall is less than 3%.
- Both depts. have been granted waivers for FY's 2010 and 2011.

Maintenance of Effort, 3

- During FY's 14/15, ODMHAS will still be submitting two separate applications for Block Grant awards and will still require two separate MOEs.
  - Need to allocate, track, and report separate allocations & actuals for mental health and addiction services
  - Line items (or portions thereof) must be identified to calculate MOE
  - Use of Medicaid state share for community BH services

"Restricted vs. Unrestricted"

- These are informal terms for the purposes of this meeting – refers to allowable uses of the subsidy resources
- "Restricted" funds are required to be used for a specific purpose, either by law or program.
  - Example: 401 Forensic = monitoring or forensic ctrs
  - Example: 419 = community medication subsidy
- "Unrestricted" are funds available to the boards' general allocation.

Restricted vs. Unrestricted, 2

- One issue is use of GRF resources to support various statewide initiatives, including the opportunity to leverage funds with other agencies.
- See attached 505 examples from recent years
- DMH use of 505 for this purpose has decreased in recent years in support of direct community subsidy; however, discussion on how to disposition appropriation for this purpose would be helpful.

Restricted vs. Unrestricted, 3

- Previous discussions of this team have indicated a preference for temporary language to hold in place the local use of state subsidy for AOD and MH commitments, respectively, for a transition period (possibly FY 14)
- In other words, existing FY 13 amounts stay in place between the two systems
- Any "additional" resources may be directed to either per board planning process

Restricted vs. Unrestricted, 4

- Role of ALI 419 amounts in a new line item approach
- Previous discussions: recommendations to enable boards to procure more/less from central pharmacy pursuant to local needs
- Previous discussions: expand to substance use pharmacy products pursuant to local needs
- Need process for boards to work with OSS
- Discussion

Restricted vs. Unrestricted, 5

- ODADAS use of subsidy has focused on both board allocations and provider-specific grants
  - Related in part to Block Grant MOE and targeted populations
  - Related to how we might approach various policy and operational needs going forward
- Need discussions to explain current situation and discuss options going forward

Restricted vs. Unrestricted, 6

- Purpose of subsidy funds going forward
- Role of Medicaid (expansion or not)
- Supporting communities with a long term vision in mind
- Identify next steps

Next Steps

- Other items related to allocation?
- Next agendas (2-4 in advance)
- Identify work products needed for next agenda