

**Lead Agency:** County Human Services

**Program Contact:** Carol Matteson

**Program Offer Type:** Existing Operating

**Related Programs:**

**Program Characteristics:** In Target

**Executive Summary**

The funds in the county's Behavioral Health Fund, which are maintained by the county, represent the accumulation of any unspent Medicaid dollars annually and interest earned on the fund balance throughout the fiscal year. The use of these funds is restricted by the federal government. The money only can be used for those individuals who are Medicaid eligible and are in need of mental health services authorized by the county according to Center for Medicaid & Medicare Systems (CMS) definition of medical necessity.

This program offer accounts for the reserve account that makes up the fund. It includes the accumulated fund balance and is otherwise described as beginning working capital (BWC). The Mental Health Organization (MHO) is responsible for maintaining a reserve account so that in the event of unforeseeable circumstances those needs could be addressed.

**Program Description**

The state requires the MHO to have a minimum reserve of \$250,000. Given the mental health responsibilities in our county and the number of Verity - Oregon Health Plan (OHP) members Multnomah County is responsible for, it would not be prudent to maintain the reserve at this minimum level. Best practice would support the need to maintain a minimum reserve account balance of \$5 million dollars that could support a system of Multnomah County's size. This would cover any reasonable but unexpected cost increases within our system.

Nationally, there has been a trend that has been referred to as "Pay For Performance" (P4P) - providing incentive payments for organizations to make improvements within their service delivery system. Multnomah County initiated a P4P incentive program in 2009 for a number of issues but has found that organizations take anywhere from several months to a year or more before they begin to realize the full benefit of the incentives and make significant changes. All of the P4P incentives have been directed at the OHP population (Medicaid members only) and therefore eventually will be funded through our reserves.

As the Behavioral Health Fund reserves have increased each year for the past two years, it presents an opportunity for us to make changes and improve our system. At the same time, we will be compensating our mental health providers for the modifications that make within their organizations, including the use of pay for performance incentives.

Current plans for using the reserve funds and managing the fund to maintain a prudent balance include the following within the next 12-16 months: 1) an adult integrated health care model for individuals presenting severe and persistent mental health issues; 2) development of an evidence-based practice set of intensive case management services for adults; 3) a nationally recognized approach for our adult providers to measure service outcomes across the system; 4) a child welfare mental health pilot; and 5) peer operated services.

**Performance Measures**

Measure Type	Primary Measure	Previous Year Actual (FY09-10)	Current Year Purchased (FY10-11)	Current Year Estimate (FY10-11)	Next Year Offer (FY11-12)
Output	N/A	0	0	0	0
Outcome	N/A	0	0	0	0

**Performance Measure - Description**

**Legal/Contractual Obligation**

Oregon Revised Statutes Chapter 294 and County Financial Assistance Contract with the State of Oregon.

**Revenue/Expense Detail**

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2011	2011	2012	2012
Unappropriated & Contingency	\$0	\$14,972,699	\$0	\$15,618,202
<b>Total GF/non-GF:</b>	<b>\$0</b>	<b>\$14,972,699</b>	<b>\$0</b>	<b>\$15,618,202</b>
<b>Program Total:</b>	<b>\$14,972,699</b>		<b>\$15,618,202</b>	
Program FTE	0.00	0.00	0.00	0.00
<b>Program Revenues</b>				
Other / Miscellaneous	\$0	\$14,972,699	\$0	\$15,618,202
<b>Total Revenue:</b>	<b>\$0</b>	<b>\$14,972,699</b>	<b>\$0</b>	<b>\$15,618,202</b>

**Explanation of Revenues**

\$15,540,500 - Beginning Working Capital  
 \$77,702 - Interest Earned

**Significant Program Changes**

Last year this program was: #25101, Mental Health Beginning Working Capital