Alcohol, Drug and Mental Health Board of Franklin County
2015 2.2 Mill Renewal Levy with .5 Mill Increase Proposal

HSLRC Meeting Minutes
April 16, 2015

The Human Services Levy Review Committee (HSLRC) meeting was called to order by Chairman Jessie Hemphill on Thursday, April 16, 2015 at 3:15 p.m.

ROLL CALL

HSLRC members present: Jessie Hemphill, James Bowman, Jerry Friedman, Jean Carter Ryan, Zak Talarek, Nathan Wymer

HSLRC members absent: Denise Bronson

A committee quorum was present.

Office of Management and Budget (OMB): Heidi Hallas and Justin Nahvi

REVIEW AND APPROVAL OF MEETING MINUTES

Mr. Hemphill stated the next agenda item is the review and approval of the April 2nd minutes. Ms. Ryan made a motion to approve the minutes. Mr. Friedman seconded the motion. All members voted "Aye" and Mr. Hemphill said motion carried.

DISCUSSION OF THE LEVY REQUEST

Mr. Hemphill said the next order of business is the reaction to the additional information that has been provided by the ADAMH Board since our last meeting. He asked Ms. Hallas to proceed.

Ms. Hallas said after the minutes there is a one page document with the two questions the Committee wanted her to pose to ADAMH following the last meeting. One question was related to the cash balance and why they are asking for a 26% increase to the homeowner. The second question was why ten years versus a shorter period of time. ADAMH said they will need that reserve to get them through the ten years which is why they don't necessarily consider it just a cash reserve. They are saying it is not going to sit in the account for ten years and not be used. They will utilize it in addition to the increase for the next levy cycle in order to make those additional $5 million investments.

Mr. Hemphill said that reserve is the cash they did not spend last levy cycle. Ms. Hallas said during this current levy cycle.

Mr. Hemphill asked was it $88 million. Ms. Hallas said it was $88 million as of last year. They still have this year and next year on the current levy cycle as well so they will start to cut into that next year. They feel it will be part of their investments going forward.

Mr. Friedman said that is premised on a 6% & 8% increase over the next two years in their spending. That is not a mandated spending that is an increase over and above inflation because of the additional investment they are proposing.

Ms. Hallas said it is based on their modeling. They can talk some more on that because she did get a chance to go through in detail their spreadsheets with the different assumptions and items that weren't in the levy

book. The other thing was the ten year levy versus a shorter period of time. ADAMH talked about how 20 years ago the intent was to have a two levy cycle like the other agencies that go every five. A new administration came in and they decided not to do that. The second point was they have been able to effectively manage their levy cycle in ten year periods without having to come back to voters. Another concern is going a shorter period of time would impact voter fatigue. Also, having that amount of time allows them to have maximum flexibility and that is their response. The committee indicated after the last meeting that these were the two big sticking points. She did send some supplemental information that had been asked previously that ADAMH hadn't gotten to us at the last meeting. It was a map of the crisis and inpatient beds. There were errors in their report so they sent corrections. OMB didn't print them but they did email them for the Committee's reference. Ms. Hallas didn't think they were really going to be pertinent to today's discussion.

Ms. Hallas said the Committee asked about performance measures. ADAMH does a pretty comprehensive outcome process with their providers. She was able to find their most recent one and they have it in front of them. The Committee has the summary document that ADAMH gives to their Board to review every year and they use these results for their new contract years. Towards the back they start talking about prevention services and are people seeing improvement. On page 11 they talk about adults with mental illness and they actually go by each provider with how many were served. The next page is showing if they are meeting their targets. One of their major targets for mental health treatment is they want 60% of those folks that are receiving services to have recovery. Providers complete a pretest, posttest and then monitor annually for client recovery. On page 12, it breaks it down by provider who provides those mental health services and are those folks reporting what they call a recovery, which is some sort of improvement in at least two or more of their areas of stability. The substance abuse measure says that 95% of adults receiving alcohol or other drug treatment will experience recovery in 4 measures or more in their outcome monitoring. ADAMH is even tracking it at the client level. When providers bill, they actually have to enter client level data. It was part of the Medicaid data and also for the local levy. MACSIS was one system for both and now it is two systems. This is why you hear ADAMH talk about creating that SHARES system for the Boards' investments because the state focusing on Medicaid. ADAMH is hoping to expand the SHARES system so they can actually look at the program level. Right now most of it is at the agency level. They want to start monitoring those outcomes by each program they invest in. ADAMH says they use these when it comes to review funding. Ms. Hallas doesn't believe right now that their goal is to become performance based payers where you have to meet these targets in order to get a bonus or some sort of increase. She thinks with the Medicaid transition that they are trying to wait that out to get the system a little more stable, but it is definitely their next steps.

Ms. Carter Ryan asked if this was for 2013. Don't they have 2014 information?

Ms. Hallas said that is correct. 2014 will be voted on in May. The agencies have three months to bill and all that data comes in with billing. The providers had until the end of March and then they will analyze that data and put together a comprehensive report. This was the most recent report available.

Ms. Carter Ryan said she felt this was good information.

Mr. Freidman said he thought it was interesting that two of their red dots were access for the uninsured for both the adults and children. Both of them were well below their targets and that is even before the Medicaid expansion. Medicaid expansion didn't go until January 2014. He is having a little trouble on how that matches up with the prevalence and the need to handle those additional dollars because they are such a burden of uninsured individuals.

Ms. Carter Ryan stated what she liked about the fact that they had red dots were building credibility to me in the numbers.

Ms. Hallas said as far as the uninsured, at least from a system and how that works, those years that are in here is when a number of people were getting Medicaid before expansion so they were qualifying because

of unemployment. One reason they elevated Medicaid was because it was getting so expensive and a lot of the local boards didn't have a match. Part of it was the recession and the number of people that were signing up for Medicaid was increasing. When they expanded Medicaid, you had the same number of providers and the same number of social workers who now have a whole new set of folks to serve. It goes back to system capacity. They are having more and more people come through their doors which is great. Also, there are different payer sources now, but providers aren't able to respond to that as a system because people aren't working in the community mental health system or they start in their system and then go to the VA or the state where there are good benefits. Netcare pays maybe $14 per hour for a social worker with a Master's Degree. They can't keep good folks. While there are other payer sources, people are getting enrolled in Medicaid and then you have this uninsured group that ADAMH pays for but not everybody is getting timely service because more and more people are coming to their door. If people weren't insured before, they usually wait till the last minute for treatment. As ADAMH had mentioned before, now they have Medicaid or other insurance and are going sooner because it is going to be paid for. The demand has grown and the network hasn't been able to react as quickly to provide those services. Ms. Hallas wonders if they are not showing an increase in uninsured because the system is so overloaded with all different folks that are now coming to their door. The system is changing and there is that wait component to receive service. The providers do not have the staff.

Mr. Freidman asked if they are proposing a different way of addressing that capacity.

Ms. Hallas said they had talked about it briefly at the initial presentation because she had asked the question. They want to start working with their providers to increase wages, but again as they mentioned, ADAMH and Medicaid have paid the same reimbursement rates for 20 years. Ms. Hallas indicated that Mr. Royer stated previously that if they were able to increase their rates, they are going to expect that they pass that on to their employees. Would that become part of their tracking to make sure? ADAMH is a funder so they take the hands off approach that it's your agency and you decide your benefits and your payroll and those types of things. It is unique because they are not over these agencies. The attitude has been, we fund them but we can't tell them how to operate. In her mind, if I'm contracting with you and you are paying people $12 to $14 per hour than maybe we need to talk about writing that into the contract. It does make their system very unstable. They have first year counselors treating the most severely mentally ill. That is current public health model. Franklin County does not pay as far as being in the community mental health field. They support additional money for ADAMH but can the providers spend it? They haven't been able to yet. Maybe they should be providing college scholarships to kids who express an interest in social work and then you work with one of the network providers for so many years. Some agencies pay per diem. So the counselors serve these really mentally ill folks who no show half of the time but you are only going to pay them per hour that I see somebody. As a mental health provider you provide an entire hour so it is not like a doctor that you can do every 15 minutes. The clinicians have to get so many hours a month in order to make a certain wage and then above and beyond that they may get a bonus based on service hours provided but still barely make $32,000 to $35,000 a year. Their case loads are 140 and there are constant no shows because of lack of transportation. Their base pay is $24,000 a year. They get two years of experience and then they move on.

Mr. Freidman asked if there is capacity in the market if the reimbursement went up. Is it an issue of providers out there who are just not taking these individuals either under Medicaid or as part of the county plan?

Ms. Hallas said you have to be a nonprofit or a certain status to be reimbursed. Private mental health hospitals can't take Medicaid because they are a mental health only provider. It has something to do with changing the laws in the 70's in reaction to the institutions. We have pretty strict laws on who is eligible for public funds for mental health and AOD treatment. The network that ADAMH has, very few providers do all three of insurance, Medicaid, and levy. Most of their network is Medicaid and levy. Most independent practitioners are insurance only because the pay rate is much better.

Mr. Friedman asked if there was a lot of turn over.

Ms. Hallas said a number of the larger mental health centers are now providing health care. They are realizing that they can't function as just Medicaid and levy behavioral health anymore so they are starting to diversify. ADAMH is proposing higher reimbursement rates with the intent that they can operate better. The proposal is 2% every year in the levy model for current services. She believes this year the providers did get a 3% bump.

Mr. Friedman asked if that was material and services and social services.

Ms. Hallas said it was just social services. OMB started a new roll up category at the County to differentiate between actual provider services and direct service to clients versus materials and services. It allows us to look at what is directly going to clients and what is administration. That is why you see that social services line now.

Mr. Bowman said the social service line items have contracts with these different agencies, right? Is there a break out by agency of social service line item?

Ms. Hallas stated she asked for that but did not get that. Each agency does a wide range of services. She actually has the most recent contract amounts. They give their board a list of what ADAMH staff is proposing for the coming year. Ms. Hallas doesn't know if they gave the Committee a list of providers and amount what they could see from that.

Mr. Talarek said that was asked in the questions from last meeting where it talks about just in general what is the break out in expenses for services and that wasn't addressed either in the list of responses that they provided us.

Mr. Wymer asked if it is optional.

Mr. Friedman said the problem is there is no detail so you don't know what they are paying for which is always been a concern for him. Not that these agencies don't do good work but they are probably getting contributions from multiple sources for the same activity and I think they just use it as a slush fund. Is the agency billing on a per case basis?

Ms. Hallas said yes. It is per diem for Medicaid and/or levy reimbursement. The usually see a contract with a set amount of dollars prevention services. They are not on a per diem basis, it is on an annual contract basis.

Mr. Friedman asked what about the school based programs.

Ms. Hallas said that is a prevention program so that would be a grant. A lot of these agencies are in run down facilities. The nice ones tend to be the ones that have gone into health care and have other opportunities for better funding. She doesn't know where the extra money is. They have had some consolidation but mostly in prevention because there were so many cuts from the state. They had six agencies combine into three over the past several years.

Mr. Friedman asked is there a relationship between the number of individuals who are covered for Medicaid versus the levy individuals. Those are mutually exclusive? If someone has Medicaid eligibility, the levy is not paying for their mental health services?

Ms. Hallas said the levy is not paying for their Medicaid eligible treatment services. The levy may be paying for housing. The levy may be paying for medication management. She believes there are only certain circumstances where medication management is paid by Medicaid. If it is covered by Medicaid, they are supposed to bill Medicaid. What happened with Medicaid elevation is they actually took the ADAMH boards out of the equation. They used to be able to have the information in front of them to

confirm Medicaid eligibility and the correct payer source. They have actually been pulled out of that. OMB was seeing that their provider reconciliation has increased. The state provides them a time delayed data set now. Previously it was levy dollars and Medicaid dollars in the same system. Now you have MITS and then you have MACSIS and they haven't be able to access live MITS data.

Mr. Freidman said they can't go into MITS? They can't verify eligibility?

Ms. Hallas said that the provider can verify eligibility. ADAMH is no longer in the loop. They have removed them. Technically you get Medicaid eligibility from JFS. Now that ADAMH is no longer the processor the state does not provide them access to that system.

Ms. Carter Ryan asked if it was for privacy concerns. Is that what the issue is?

Ms. Hallas said the Boards fought it. It is in their best interest to know. The state says the provider knows so why do you need to know? You are not the direct providers for this. The providers see all of those systems and ADAMH does not. The agreement with the State became they will give the Boards these data sets. That's why Mr. Royer was talking about the silos and it is getting worse as far as the system is in the State of Ohio.

Mr. Friedman asked if they were doing the reconciliations in house or do they have a contractor.

Ms. Hallas said that is part of their staff function. They used to be Medicaid payers so they had a large staff. They did eliminate some positions. They have six or eight people that do the levy claims. Ms. Hallas asked if there are any other questions.

Mr. Hemphill said they were not forthcoming with anything more concrete so the Committee will have to go with what they have.

Ms. Hallas said if they had it at the provider level, what could you do with that information to make a decision? There are many other levels of details related to their funding.

Mr. Friedman said it strikes him as important in a sense of understanding if we are going to be making recommendations regarding their monitoring and evaluation and their outcomes going forward. You can't correct the past but if they understand where some of the gaps are they can at least make some recommendations about what we would like to see and what we think is important to them to have available in terms of some transparency. When Mr. Friedman thinks there are some gaps in their program results. He just doesn't get a sense that there is any interest on their part in containing costs. Where there might be some potential to deal with value, they don't seem to have gotten very far. Looking at putting some incentive in there for the provider is essential; that you can get more money if you are working within a budget and moving away from a fee for service model. It is exactly what is going on in medicine too. The more you do the more you get paid.

Ms. Hallas said as an organization she could see you want new folks coming in and you can pay them less from an organization standpoint if she was looking at her operating costs. The mindset of some of these agencies is they are not going to fight to keep you if you are a great counselor. I can pay a new person $.50 per hour less. She hears what Mr. Friedman is saying.

Mr. Bowman asked how did they go from $136 million of social service expenditures down to half that. Ms. Hallas said Medicaid. They were the Medicaid payer/processor so it came through their budget.

Mr. Bowman said the first three line items are all board costs. Ms. Hallas said yes. They cannot under the law provide direct service.

Mr. Bowman said the cost of administering $136 million is the same as the cost of administering $66 million. Ms. Hallas said they have cut staff. It hasn't continued to increase.

Mr. Bowman said maybe they should just allocate the $66 million to the agencies. He is not sure what they are doing. What he is hearing is the Committee really don't know what they are doing. The system is stressed and there is not enough money period so what is the value added of the agency. Just give $66 million dollars to these 13 agencies and say go do good work.

Ms. Hallas said she doesn't know why ADAMH doesn't explain it better. From what you see and what they have given you to digest, she understands what Mr. Bowman is saying. She's not sure why they don't get the responses requested. They are not answering the questions. This outcome document is helpful. Maybe the Committee doesn't like the measures where they are not doing well but it shows they are doing it. Ms. Hallas thinks a lot of the questions were trying to get at more detail of what they are doing.

Mr. Talarek said they asked please provide us by the service taxonomy how much you are spending in these categories and what the investments would be with the additional $5 million dollars. With the new increase ADAMH would provide reentry, emergency crisis, permanent supportive housing, and suicide prevention through the agencies. Future funding allocations would be utilized across the continuum of care. Page 72 lists the continuum of service. Can you please provide the committee with a better understanding of where demand is for these services? Can you please provide the annual levy expenditures for the major categories of acute intensive services, out of home residential services, etc. for the life of the current levy and how much would be spent on the major categories for the new levy cycles assuming a ten year 2.2 mill renewal with an additional 0.5 mills scenario? How do these targeted investments correlate with your strategic objectives?

Ms. Hallas said she thinks that is what the Committee is asking for and then in the handout was the response. Here are all the service taxonomies we support. Every year, how much do they spend towards it? Where is the demand? Maybe the number of persons served or hours? They did not say over the last ten years where their levy dollars went which she was hoping that we could see. Ms. Hallas believes they weren't asking for something they don't already have.

Mr. Hemphill said this was his personal feeling and it kind of mirrors the scenario we had with Franklin County Children Services. They are coming in asking for a .5 mill increase and he has a problem going back to the voters for an increase. At the conclusion of this whole recommendation process, what can we recommend that will allow them to utilize resources with the renewal and no increase? What things can they tweak to use the resources from their 2.2 mill with no increase? How are we going to get there? What is the substance of the recommendations that will bring us down in terms of resources? The information they are giving us is not giving us anything to bite on so we are going around in circles.

Mr. Talarek said if you look at the ADAMH levy request from ten years ago no one would have expected Medicaid to go away. Their Medicaid numbers were completely different because no one expected the great recession in 2008. It is similar to Children Services. Trying to project out ten years a levy request when it is hard enough to project out two years now. Two years ago, who would have thought Medicaid expansion would have happened? It is difficult to try and forecast out for ten years given all these new things happening in the system with mental health parity, Medicaid expansion, ACA, more people being insured, and more people being aware. He thinks the prevention efforts of going into the schools will increase awareness. Going forward he would think that people are aware that this is an issue, so they will get the services earlier. You are not going to be dealing with people always at the far end where they are in the most critical need and most expensive. People are going to get help with the new changes in the system. The red dot on uninsured, that actually might be a green to him because it is showing the system is working, the people are getting the coverage they need. It just happens that they are not going through the ADAMH system anymore, there are now private providers providing the same services or Medicaid is providing it. Looking at the shorter window, they could go with a straight renewal for five years but they might not provide the increased investments that they mentioned. However, with some of the investments

they are making, shouldn't that provide savings? If they are investing in certain areas that should lead to decreases in the future which then those dollars can be used to reinvest in the system. It's similar to Children Services with alternative response. It works. Board and Care didn't sky rocket and they were able to get the low hanging fruit. As you go up the chain, the fruit is not as low hanging so it will be a little bit more costly. It seems with all these other facts in the system, there is still some other low hanging fruit that they could grab. One thing that has been mentioned at the Board meetings is one of the challenges with the ACA is with the high deductible clients. Maybe they need to look at providing some of the coverage so that you still have insurance picking up a portion rather than the levy picking up the whole thing. It is better if they are sharing the cost with a private insurance provider because they would only be paying part of the cost. Yet again, they are trying to figure that out as it is something new to the system.

Ms. Hallas said they are getting a number of folks who are insured but just can't pay their deductibles.

Mr. Bowman asked that ADAMH can't pay the deductible for them?

Ms. Hallas said she doesn't believe that is the policy right now. They just get paid by levy funds. There is a whole new issue of consumers having healthcare but with a deductible of $5,000, they are not going to pay to get an hour counseling session. They have this new group of people and they currently get charged to the levy.

Mr. Friedman said that is pay me now, pay me later kind of situation where people are not educated when they are buying their insurance. If they are going to have utilization if they have mental illness, they should be going for something that has a higher premium which is going to be subsidized as opposed to going with the low premium and then have the high deductibles. Who is working with them in terms of that enrollment activity? Mr. Friedman proposed that they move forward on the premise that it is a five year straight renewal and spend the balance of their time trying to figure out if there are some recommendations that they would want to make in terms of monitoring the activities so that the Committee could have a better sense of where they are.

Mr. Hemphill said maybe we can get into this next item on the agenda. The two models, the ten year model and the 2.2 mill renewal only. He was interested in seeing what the numbers suggest with those two models. They are moving into a direction where we are going to come back and say live with the 2.2 renewal and get rid of the frills and additional investments and come back in five years based on what the numbers say.

Ms. Hallas said the first bullet under the levy model is what ADAMH is proposing to do. She included five year of actuals as well in the handout. Also at the bottom is their revenue projection assumptions and expenditure projection assumptions so then the Committee can get a better idea of what ADAMH is proposing. As far as their revenue assumptions, there is basically no growth in anything but the levy. It is pretty fair to say given how the state is funding local boards. The state attitude is now that Medicaid has been expanded, they don't need as much state dollars to support their uninsured. The growth is basically 1% and then they are also projecting the additional .5 mill would be about $14 million annually.

Ms. Hallas indicated that there are expenditures that could be probably be removed for another levy model. Same thing as when the Committee talked about Children Services. Instead of using a 5 year actual average for the projections, ADAMH stuck some numbers in the budget. The first thing was an 8.5% increase for personnel services that would occur this year and then they would go up annually at 2%. Part of that number for 2015 is they do have additional staff that they are adding related to the Council of Government (COG). Three boards have created this COG to come up with the new Shares system because the state really isn't interested in updating MACSIS for tracking levy services anymore. They are housing COG staff at Franklin County ADAMH. They currently have a project coordinator that they pay for with levy funds and then each county is reimbursing Franklin County a third of the cost at this point. The three members of the COG are Hamilton, Cuyahoga, and Franklin County. The goal is to get this system up and running. They will own and operate it and have the other boards buy in at some point so they are all operating on the same system. Basically they are taking the lead and the state has given them some money to help support it.

Since the COG is not fully operational, the staff are sitting in ADAMH payroll and being reimbursed by the three ADAMH boards. They are finally building the system and anticipate three new staff that will work on the COG which is why you see a jump in 2015. It is a little more than what Ms. Hallas would expect it to be. She can go back and look at the numbers. A good assumption is it would go up 6% based on these additional employees that will be coming to their payroll.

Mr. Friedman asked about the revenue. The revenue would go up?

Ms. Hallas said she asked that question and ADAMH said it was in miscellaneous revenue at $400,000. In prior years, that number was related to provider reconciliations. It looks like ADAMH is not budgeting for their reconciliations. These occur when ADAMH goes back to provider claims and say they should have charged insurance or Medicaid so ADAMH should be reimbursed the levy dollars. That projection is missing from the budget. In the 2014 miscellaneous line, they got a one-time grant from the state to purchase some recovery houses. That is why there is $2.4 million for 2014. Also, the increased fringe benefits line jumps 8.5% and then 15.9% because you now have three additional health benefit packages worth $16,000 a year. Ms. Hallas will review these projections in detail.

Mr. Friedman said so if the idea of the COG is to consolidate and share services, where do those savings show up? You are doing this to create some efficiencies and he's not seeing where those are reflected.

Ms. Hallas said the system isn't built yet. You will see it years from now. This isn't a system that they normally would have operated. The state is no longer updating MACSIS.

Mr. Friedman asked if this is going to substitute for MACSIS.

Ms. Hallas said yes. MITS is now for Medicaid and the state operates and maintains that system. MACSIS has been around for 16 years and the state apparently told the Boards they are not interested in building a new system. So these three Boards came together to build a replacement using local dollars.

Mr. Freidman said he thought MACSIS was to aggregate claims for federal pass through for actually claiming the dollars that were coming from the Feds through Medicaid. Haven't they eliminated that? So what is the COG going to replace MACSIS with?

Ms. Hallas said MACSIS did both. They tracked outcomes and billing reimbursement. The state is still using MACSIS but it is a very old system. The state paid for and managed MACSIS. When Medicaid went out of MACSIS, they were left with this old legacy system that the state was not going to support for much longer. The Boards came together to address the issue and that is what the COG is doing.

Ms. Hallas then said that materials and services have a 32.9% increase in 2015 and .8% the following year and then it jumps in 2017 with the new levy. The 2017 increase makes sense because of the fees associated with collecting a higher levy amount. The Auditor and Treasurer get a certain percentage of collections so you see that jump in materials and services. Ms. Hallas is concerned with the 32.9% increase. The average for five years is $2.1 million and they are projecting they are going to spend $2.6 million. They own their building and have had a number of repair in recent years. She believes these are still sitting in that projection and should be removed. They recently put a new roof on that has a thirty year warranty so they won't be paying for another roof for thirty years. They upgraded the HVAC system. They are being generous in that line item. As a result, you inflate the baseline, which then impacts the out years. The next two line items in expenditures are the same. Capital expenses are at $50,000 a year. Again, they do own their facility. The $500,000 a year is what they are going to be paying towards the Shares system. That includes the software licensures. They have a vendor who is helping build it and the intent is the COG staff will operate it. They will still have this vendor with licensure rights and the COG will be paying for a number of seats going forward. Ms. Hallas believes the intent is once it is fully operational and they get other boards to participate, those other boards will help supplement those costs.

Ms. Hallas stated that social services increases 6.6% and they are including a 2% inflation adjustment in 2016. If the state or feds cut their discretionary funding, ADAMH has made the providers whole with levy dollars instead of passing that reduction on. Part of that formula also includes a 2% growth on those back filling dollars to make those programs whole. The other thing is that they went from an 85% provider expenditures to 89%. The Committee has discussed previously that in the past several years their providers haven't been able to expend those allocations because of system capacity issues. ADAMH had these great goals of spending additional funds that the system couldn't handle. They were spending about 85% and are saying as of next year they are going to be able to spend 89%. They also have $750,000 in contingency that is sitting there. That was not referenced in the levy book. From there, basically it is 2% increases on allocations to the providers each year. The reason 1.8% is listed for the category is because some funding that comes from federal and state dollars are in that line item but ADAMH is not anticipating any increase. If the revenue is projected, they are pushing it out to the providers.

Mr. Friedman said in the miscellaneous funds for 2014 that is the number that reflects their grant? They got a large grant.

Ms. Hallas said they were used to purchase sober living houses for providers. The state had one time funds to open up a competitive grant process for capital purchases for the local systems. Capital grants used to be a regular budget item and then it went away. ADAMH doesn't have control over when those funds are available and most of that goes straight to the provider to make the capital purchase.

Ms. Hallas reminded that Committee that Mr. Royer said they could do five year renewal but they would not be able to do that additional $5 million bump that they are talking about starting the first year of the new cycle. This is shown in 2017 with the 8.3% increase. Ms. Hallas stated that she didn't get a chance to finish going through each of the ADAMH budget line items to see what is realistic based on a five year average of expenses. OMB did the same thing with Children Services. ADAMH can ask for what they want but OMB likes to review the budget in detail. Ms. Hallas plans to review the ADAMH Budget and see what a straight renewal would look like. ADAMH presented a 5 year scenario in the levy book on page 101. There is slight growth and but she believes it is just maintaining current service levels. There is no new programming in the scenario. Other assumptions for administrative costs seem a little high but are still in their scenario. What they presented was just a 2.2 mill renewal and where that would land them in 2021. The actual scenario is a ten year scenario saying ADAMH will go five years with a renewal but they still want to make the $5 million investments in year six so therefore they project to need an additional .78 mills at that time. Ms. Hallas wants to review the assumptions for their expenditures.

Mr. Freidman said that part of the issues that he tried to bring up in that email that he sent was that there are some major changes that are going to have an impact on the revenue coming in from third parties because of the mental health parity enforcement as well as expanding Medicaid eligibility for the severely mentally ill by increasing the threshold of eligibility from 138%, which it is today, up to 300% of poverty. Specifically for people with severe mental illness who is their highest cost utilizers.

Mr. Hemphill said so the population is going to change.

Mr. Freidman said there will be a shift from folks who are now being covered by the county because they are not eligible for Medicaid that are suddenly going to be eligible for Medicaid. It doesn't respond to the capacity issues or anything else but they are going to have a source of coverage.

Ms. Hallas said the argument they are going to make is that is just to cover their treatment. That is just to cover the severely mentally ill person's one hour of seeing a psychiatrist. That is not helping them with housing. They provide transportation. Even though they will have expanded Medicaid coverage to include more folks, they are still going to be part of the levy. The state's model is they need to be in the community. The only way those folks remain in the community is with social support that the levy pays for. They won't be off the roles but Medicaid will pay for the treatment.

Mr. Friedman said when you talk about mental health parity and the insurers, the managed care organizations are going to be on the hook for that. They are going to look at these other wrap around services as a way to reduce their costs.

Ms. Hallas said right now they say what can ADAMH do? That is their role in the State of Ohio. That is the expectation. The way they currently operate is ADAMH is the safety net for the community and so they support the types of supportive services to ensure the consumers can stay in subsidized housing if they need a case manager on site. ADAMH pays for that case manager even if they are getting Medicaid for their treatment and their prescriptions.

Mr. Bowman asked if they had a strategic plan that reflects the changes in the health care system.

Ms. Hallas said she is not sure. At this time, they have not shared that with the Committee or they have only provided certain sections. At this point, she doesn't know if going back with any additional questions is going to be helpful unless the Committee feels that there are other things that they want to ask. Ms. Hallas has asked straight forward how much have you spent on these services and how much per agency. Those questions have been sent and the answer is we spend the money on it.

Ms. Carter Ryan asked can OMB push back and say can you clarify this? You didn't answer the question. This doesn't answer the question and the Committee would like the answers. She feels like she's going round and round.

Mr. Friedman said the Committee is inclined to make a recommendation for a five year flat renewal in the absence of their responding to our questions. They can't justify given the climate. They don't have enough information to do that.

Mr. Hemphill said the issues that were raised about the parity and the changes in the Medicaid, he's not sure ADAMH considered those things. That is going to have an impact.

Mr. Friedman said that was his sense that that would decrease their expenditures and those dollars could be redirected into the areas where they say they want to grow their services.

Mr. Hemphill said to him, that is consistent with the recommendation of we shorten this period to a five year versus a ten year and give them a chance to react to the smoking gun.

Mr. Friedman said the difficulty is would they be able to increase their proposed services during that five year period or is the expenditure of their reserves in growth what depletes their flat millage renewal.

Ms. Hallas said what they are proposing is the cash reserves would be necessary to maintain this current system for the five years. If they agree to a straight renewal, they would be able to manage the current system with no additional investments by utilizing the cash reserve. If you look at their spreadsheet with the actuals, they were getting $65 million in levy revenues in 2010 and they are now down to $57 million. At some point they are going to exceed revenue and they are projecting that is going to happen this year. ADAMH projects in 2015 they are going to bring in $71 million and they are going to spend $75.6 million. They are not done with this current levy cycle until the end of next year so they are saying starting this year they will be utilizing their cash balance.

Mr. Talarek stated while they say there is no new investments, that is actually in comparison to 2016 that assumes providers using 89% instead of 85% of allocations so there is a $5 million jump between what they are projecting this year and 2016 which gets carried forward even in that scenario of the flat renewal without new investment.

Ms. Hallas said what she can do for the next meeting is look at the five year window, tweak some projections that feel a little heavy, and see where that lands. If she revises some numbers using modeling that is not

this 4% sudden jump in expenses but instead a model where they are 85% currently, maybe next year they spend 86% of what they are given, and then 87%, and so on. This would be more realistic than all of a sudden the system automatically adjusts without any changes.

Mr. Hemphill said he wants to build a scenario that allows them to renew at 2.2 mills.

Ms. Hallas said there are some big things they are doing with Council of State Governments (CSG) grant about changing how the County handles the mentally ill in jail. ADAMH believes they are going to be asked to bring a pretty big amount of money to the table. The CSG who is studying the jails now is finding that we have too many people in this jail with mental illness and we need to change that system. What that does is put the pressure right back on ADAMH as the system currently exists. Are they going to be diverted to Netcare? Can they with Netcare often operating at full capacity? They are waiting for the findings from the CSG study.

Mr. Talarek said the Council of State Governments are analyzing the system with the criminal justice and mental health and then there is also a grant from the MacArthur Foundation that the county has applied for regarding this issue. The funding decision is in May and addresses integrating the mental health and criminal justice to make sure that people are properly jailed and the mentally ill should be in proper housing with care.

Ms. Hallas said the result of this Council of State Governments study is going to be on everybody's radar. As the provider of the safety net, they are going to be asked to support the effort of getting the mentally ill out of the jail. The mentally ill spend 20 more days in jail than the average person. ADAMH may say they are not going to be able to contribute because they have to maintain their system as is. The other issue is the crisis bed issue. ADAMH indicated that the system capacity for crisis beds, emergency rooms, and inpatient beds does not reflect our community needs. The County is under bedded. ADAMH just presented a contract to their board that diverts all children from Netcare. The police will now take children under twelve to Children's Hospital and adolescents will now go to OSU. This will help the backlog at Netcare so they can focus on adults and now there will be specialized services for youth. It is a $1 million investment, with two-thirds going to Children's Hospital. ADAMH is paying for this with levy funds. As previously mentioned, 80% of their clients are Medicaid eligible at Netcare and Medicaid represents 40% of their revenue. ADAMH has been underwriting Netcare since it opened. Netcare was ADAMH's community solution for crisis beds. Ms. Hallas reminded that Committee that Mr. Royer said they get reimbursed from Medicaid for one hour of service and those children are in the units for 24 hours. She asked the Committee if they want her to comb through their proposal and look at an alternative scenario instead of just saying ADAMH already said could go five years.

Mr. Friedman said he would like to get their take on what the potential impact would be if the eligibility for Medicaid was raised to 300% for the severely mentally ill.

Mr. Wymer said he would say that the committee is trying to understand where things are but to do that they have to have all the information. He indicated that Ms. Hallas needs to let them know that the committee as a whole is heading toward a five year straight renewal and give them a chance to defend that.

Mr. Bowman said this is really important stuff and it is really an important part of the community. The Committee is just trying to figure it out.

Mr. Wymer said the only other comment he would make is that it is hard to project ten years. There are all these things that in addition to taxpayers trying to figure out how to pay their bills, you also have these things just down the street that are going to impact it. There are so many unforeseen circumstances. The mindset has changed with the voter and he doesn't think it is practical for them to think it is going to work.

Mr. Friedman stated he didn't think they addressed the mental health parity changes in their business environment section. What impact do they expect that could have? His guess is that the state has done

some projections themselves because they would have to put that into the waiver application. He can try to dig that out if the Committee thinks it would be helpful.

Mr. Bowman is requesting line item expenditures by agency one more time. Ms. Hallas said she wants to be specific so for what period of time?

Mr. Bowman said he would take the last year available. He wants the actual paid contracts for the 26 agencies. He said he wants something that adds up to $60,895,000.

Ms. Hallas said the next meeting is in three weeks. She will go over these numbers and come up with some realistic projections based on historical actuals and see how that would change the cash balance at the end. It might give them a couple million dollars to do something new or different. They have said several times if they get a five year renewal they will cut services. She will work on the scenario and send it to the Committee within the next week. She will get these questions to ADAMH and follow up to see if they can get the detail the Committee needs.

Mr. Friedman stated that Mr. Royer was making a big point about the TIFS and those are for a fixed period of time. Is there a way to project over the five and ten year period what the cycle is and whether or not it goes into the Auditors calculation with regard to dollars that are available based on assessment?

Mr. Nahvi said it would be hard to predict because you can see them rolling off but you would have new ones coming on board. It would be like trying to project out what infrastructure or economic development is going to have over the next ten years. He thinks it would be impossible to predict.

Mr. Talarek said OMB could ask the Auditor's Office however they wouldn't project out beyond the current year. TIFS are for a certain amount of years.

Ms. Hallas said the next item on the agenda is to finalize the recommended levy amount and the Committees recommendations for the next levy cycle. The Committee will back together on Thursday, May 7th in the West Conference Room at 3:00 p.m.

Mr. Hemphill asked for a motion to adjourn. Mr. Wymer made the first motion and Ms. Carter Ryan seconded the motion. The meeting was adjourned at 5:00 p.m.