

**Alcohol, Drug and Mental Health (ADAMH) Board
Levy Review
HSLRC Meeting Minutes
April 30, 2020**

CALL TO ORDER-CHAIR

The Human Services Levy Review Committee (HSLRC) meeting was called to order by Jesse Hemphill on April 30, 2020 at 11:03am.

ROLL CALL

HSLRC members present: Jesse Hemphill, Jean Carter Ryan, Michael Curtin, Jerry Friedman, Jim Bowman, and Zak Talarek.

HSLRC members absent: Rose Handon, Ph.D.

A committee quorum was present.

Office of Management & Budget (OMB): Rachel Buske and Madeline Gresham.

INTRODUCTION

Mr. Hemphill announced that the purpose of the meeting was to decide on the 2020 ADAMH levy recommendation.

REVIEW AND APPROVAL OF MEETING MINUTES

Ms. Buske announced that the next item on the agenda was the approval of April 16, 2020 meeting minutes. She asked if the Committee had any edits or comments. There were none.

Mr. Curtin made a motion to approve the minutes and Mr. Friedman seconded the motion. All members voted "Aye" and the motion carried.

REVIEW OF THE MEETING MATERIALS

Ms. Buske announced that she would provide an overview of the materials in the meeting packet:

1. Responses from ADAMH for follow-up questions submitted by the HSLRC and County Administration.
2. A graph that showed, for each millage increase scenario, the additional cost to the taxpayer and the existing cost of the 2.2 mill levy.
3. A table that showed each potential millage increase, with the corresponding Recommended Cash Balance, the projected Ending Cash Balance, the Remaining Cash Balance, the Projected Social Services Increase per Year, and the Additional Cost to Taxpayers.
4. The DRAFT Table of Contents for the 2020 HSLRC Levy Report.

2019 ADAMH Claims by Service Delivery Category and overview of budgeting process

Ms. Buske showed a graph of the 2019 ADAMH Claims by Service Delivery Category and noted that ADAMH expenditures were highest in Crisis and Treatment followed by Prevention. She noted that ADAMH has increased its spending in Prevention over the last three years but has also almost tripled the number of Crisis consumers since 2017 (Crisis expenditures have more than doubled).

She explained that ADAMH had been using an outdated budgetary program structure but that the agency had recently submitted a request to replace their structure with the new service delivery categories in 2021 that they have been using internally for the last few years. This will make it easier to compare spending across categories moving forward.

She reminded the Committee that the County budgets at the roll-up category and that OMB and County Administration do ask a lot of questions on initiatives and trends but ADAMH has the flexibility to manage within the roll-up based on subject matter expertise. She noted that it can be harder to analyze ADAMH spending because it is not driven by concrete line items such as Board and Care as compared to the other levy agencies.

ADAMH responses to HSLRC follow-up questions

Ms. Buske walked the Committee through the ADAMH responses, noting that ADAMH provided information on how they would cut expenditures if the agency received a straight renewal. They also provided estimated expenditures for investment increases related to the levy requested millage increase and the two other scenarios in the factbook.

She explained that the proposed investments would be phased in over time and that they would not all occur in Year One of the new levy. Looking at each scenario, the total investments can be calculated by taking the projected Social Services expenditures in the last year of the levy and subtracting both the expenditures in Year One and the projected contract inflation during the cycle.

Ms. Buske focused on Option B which was a 0.88 mill increase because it is that option that does not base the increase on the demand growth factor. She noted that the list of expanded services is smaller than the 1.09 mill increase list, and that the increased costs associated with the Franklin County Mental Health and Addiction Crisis Center (Crisis Center) are also smaller. The Crisis Center costs are \$1 million/year for Option B, as opposed to \$2.5 million/year for the 1.09 mill increase. She explained to the Committee that it is difficult to project expenses for this project at this time because it is a concept that is still being developed. ADAMH is still trying to secure funding for construction and for the operating costs based on the size of the facility and the services it will offer.

Mr. Friedman asked if the proposed increases in service delivery were feasible based on provider capacity.

Ms. Buske explained that most of the proposed \$5.7 million in investments were feasible: The Crisis Center (assuming the project moves forward), the proposed Residential Care Facility, and the funding for the Probate Court Guardianship Services Board (which would be under the purview of the Probate Court). She noted that, for example, ADAMH would like to increase the Residential Care Facility (RCF) capacity and there are providers in the network that would like to expand into this service area. Franklin County currently has 85 beds and ADAMH believes that a county this size should have 330 beds.

Mr. Friedman asked if ADAMH only pays for services for the non-Medicaid eligible population now that the state had taken over the administration of Medicaid.

Ms. Buske explained that this is generally correct but that some of the services that ADAMH provides, such as housing, are not Medicaid eligible and in those cases the funding would come from ADAMH even if a resident has Medicaid.

Mr. Friedman asked if ADAMH is maximizing Medicaid enrollment and if the agency has an internal process.

Ms. Buske stated that she will ask for more information on their internal process. Mr. Talarek added that it is harder for ADAMH to access Medicaid data because ADAMH lost access to the state data system.

Potential Levy Scenarios for the Next Levy Cycle

Ms. Buske showed the graph that compared the additional cost to owner-occupied taxpayers per \$100,000 of property valuation for each millage increase. The increased costs ranged from \$21.00 per \$100,000/year to \$28.00 per \$100,000/year.

Ms. Buske walked through the ADAMH Potential Levy Scenarios. She noted that there were six levy scenarios for the Committee's consideration:

- 5-year 2.2 mill renewal with a 0.60 mill increase: 1.6% Social Services increase/year
- 5-year 2.2 mill renewal with a 0.65 mill increase: 2.0% Social Services increase/year
- 5-year 2.2 mill renewal with a 0.70 mill increase: 2.2% Social Services increase/year
- 10-year 2.2 mill renewal with a 0.70 mill increase: 1.6% Social Services increase/year
- 10-year 2.2 mill renewal with a 0.75 mill increase: 2.0% Social Services increase/year
- 10-year 2.2 mill renewal with a 0.80 mill increase: 2.2% Social Services increase/year

She noted that the 1.6% increase scenarios only include Social Services contract inflation, while the 2.2% increase scenarios include contract inflation and population growth. The 2.0% scenarios are in the middle of the range and it is the same yearly increase the Committee approved in its 2015 recommendation.

Ms. Buske stated that OMB ran a levy model that projected flat Social Services (no yearly increase) expenditures over the course of the levy. Even with flat Social Services, ADAMH would need approximately a 0.5 mill increase to continue operations and end the levy cycle with the recommended cash balance. In this scenario, ADAMH will still need to close the current operating deficit (approximately \$14 million in 2021) and absorb projected increases in Personal Services, Fringe Benefits, and Materials & Services. The agency would also need to accommodate the additional funding for the Probate Court Guardianship Services Board (GSB) and the repayment of the loan for the Crisis Center that would be provided by the Board of Commissioners.

Ms. Buske clarified, at the request of Mr. Friedman, that ADAMH budgets for internal capital expenditures the Capital Outlays roll-up category, which would include \$8 million for the Crisis Center in the current levy cycle. The Crisis Center would be owned by ADAMH. She noted that when ADAMH funds capital for providers the expenditures appear in Social Services.

Mr. Friedman asked if ADAMH owns the properties it has funded through provider capital.

Ms. Buske stated that usually the providers own the properties but that ADAMH was looking to revisit this issue due to the Columbus Area closure. She stated that she will follow-up with ADAMH to get more information.

Looking at the scenarios, the Committee reaffirmed that it would be recommending a five-year levy rather than a ten-year levy, due to its concerns about the uncertainty of the economic climate.

The Committee agreed that the recommendation should be as modest as possible, again due to the economic uncertainty that the community is facing. It should allow ADAMH to continue service delivery but also require them to balance the need for additional investments with the need to be conservative and potentially reduce expenditures if necessary.

Ms. Carter Ryan stated that she would support the five-year 0.65 mill increase that includes a 2.0% increase in Social Services but that she would not feel comfortable recommending the 0.60 mill increase because it was too conservative.

Mr. Talarek noted that the 0.65 mill increase does address some of the needed growth, including the unknowns related to the Crisis Center and the need to fund social workers for the GSB, while still giving ADAMH the opportunity to reprioritize existing services as necessary. With the five-year term, ADAMH will be positioned to request another increase in five years if necessary, using additional information including new outcomes from the Crisis Center once it is operational.

The rest of the Committee agreed to recommend a five-year 2.2 mill renewal with a 0.65 mill increase.

The Committee discussed that the Columbus State bond issue passed by approximately 60% and that the Cuyahoga Health and Human Services levy passed by approximately 70%, which was a replacement with a 0.7 mill increase.

Ms. Buske and Mr. Talarek noted that ADAMH is in the processing of updating its Strategic Business Plan and its performance measures based on its new program structure that should help to guide the process as they move into the next levy.

HSLRC Programmatic and Operational Recommendations

Ms. Buske turned the discussion to the programmatic and operational recommendations that the Committee includes with its levy recommendation.

The Committee discussed various recommendations and agreed on the following:

1. Continue to explore and implement different provider payment models to increase cost effectiveness and focus on consumer centered outcomes.
2. Conduct an analysis of the Franklin County Mental Health and Addiction Crisis Center and present findings to the Committee at the next mid-levy review.
3. Work on expanding efforts to provide appropriate mental health and substance use disorder treatments to inmates in the County Jail and provide linkages to services for individuals upon release.
4. Increase service delivery coordination with other levy agencies to leverage available revenue opportunities and share data to avoid duplication and improve upon consumer outcomes.

DRAFT HSLRC Levy Report Table of Contents

Ms. Buske presented the draft HSLRC Levy Report Table of Contents which follows the same general outline of previous reports. She highlighted that there would be a special section on the Crisis Center which is not currently operational but is in development.

Mr. Friedman asked if there would be a special section highlighting that the Committee did not feel comfortable adopting a recommendation based on a demand growth factor that was proprietary and could not be analyzed by staff.

Ms. Buske stated that she intended to include that information in the explanation as to why the HSLRC did not recommend the same millage as the ADAMH request.

Action Items

OMB will prepare the following for the next HSLRC meeting:

- The draft HSLRC levy report which will be sent to the Committee by May 15th
- Additional information as to how Covid-19 is impacting revenues and service delivery/expenditures (if available)
- Additional information on the ADAMH internal Medicaid eligibility determination process
- Additional information on how it is handled if a provider goes out of business and ADAMH has funded capital projects.

CLOSING REMARKS

The next HSLRC meeting will be on Thursday, May 21st, 2020 for the Committee to review the DRAFT levy report.

A motion was made and seconded to adjourn the HSLRC meeting.

The meeting was adjourned at 12:40pm.