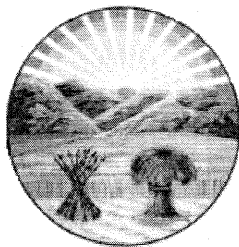


**Ted Strickland
Governor**



**Ohio Department of
Mental Health**

Sandra Stephenson, MSW, MA Director
30 East Broad Street, 8th Floor
Columbus, Ohio 43266-0414
(614) 466-2596

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**Ohio Department of Alcohol
And Drug Addiction Services**

Angela Cornelius Dawson, Director
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Columbus, Ohio 43215-2550
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To: Executive Directors, Alcohol, Drug Addiction Services and Mental Health Boards
Executive Directors, Alcohol and Drug Addiction Services Boards
Executive Directors, Community Mental Health Boards

Chief Financial Officers, Alcohol, Drug Addiction Services and Mental Health Boards
Chief Financial Officers, Alcohol and Drug Addiction Services Boards
Chief Financial Officers, Community Mental Health Boards

From: Angela Cornelius Dawson, Director
Ohio Department of Alcohol and Drug Addiction Services

Handwritten signature of Angela Cornelius Dawson in cursive.

Sandra Stephenson, MSW, MA, Director
Ohio Department of Mental Health

Handwritten signature of Sandra Stephenson in cursive.

Date: May 9, 2008

RE: State Fiscal Year (SFY) 2009 Community Medicaid Financing Information

The departments are aware of increasing financial pressures at the board level to fulfill Medicaid match obligations, including the impact this has on all services provided at the local level from local financial resources. This situation is not new to the behavioral health system and has been an ongoing challenge at both the state and local level for a number of years. As we move forward with initiatives such as the transition to a provider fee schedule and the certified public expenditure process, that the departments view these as financial management tools to isolate and control the impact of increasing Medicaid match obligations. These will set the stage behavioral health system reform to appropriately balance funding at the state and local levels.

Additionally, under federal Medicaid regulations, it is the responsibility of the Ohio Department of Job and Family Services, as Ohio's single state agency for Medicaid, to assure Medicaid claims are being paid appropriately. For Medicaid covered alcohol and other drug (AoD) treatment and mental health (MH) services, it is the responsibility of ODADAS and ODMH to assure appropriate sources of matching funds are available and being expended in an appropriate manner.

Specifically related to the transition to a fee schedule reimbursement for community Medicaid providers, the departments are projecting a net impact on total Medicaid

expenditures (match and FFP) of approximately \$12,863,460 across both AoD treatment and MH services during SFY 2009. For MH services, this equates to an increase of approximately \$5,819,686 in total Medicaid expenditures of which approximately \$2,172,341 is the additional match requirement needed to support this transition. Likewise, for AoD treatment services there is an approximate increase of Medicaid expenditures of \$7,043,773 which equates to approximately \$2,578,945 in additional match required. These projections are based upon MACSIS claims with ODJFS paid dates from SFY 2005 to 2007.

At this time, the departments would like to share the following information as it relates to community financing, including Medicaid services for SFY 2009.

ODADAS Funding Source Prioritization

ODADAS will be distributing the same level of Per Capita Needs (PCN) funding to each Board in SFY 2009 as they received in SFY 2008. To assist in meeting the State's Medicaid matching funds obligation, ODADAS recommends Boards utilize the following funding sources as priority funds for Medicaid claim payment purposes: State PCN consisting of State General Revenue Funds (GRF) and Fund 4750 funds, State GRF which is prioritized for the TANF-like population and State Fund 4750 funding which is prioritized for Women's Services. Attached to this letter are draft ODADAS allocation tables for these fund sources for SFY 2009. The final SFY 2009 ODADAS allocation information will be distributed the first week of July, 2008.

ODADAS Supplemental Funding for Medicaid Services

As in the past, ODADAS will work in collaboration with any board on Medicaid claim payment issues. Boards will need to provide documentation to ODADAS that all available and eligible non-federal funding resources have been budgeted and expended on Medicaid covered AoD treatment services, including the prioritized sources, prior to additional funding being made available on a proven needs basis. Documentation the Department uses to evaluate the need includes: budget and actual expenditure information, Board level Auditor of State audits and other documentation the Board may make available or the Department determines is needed to support the financial status.

ODMH Funding Source Prioritization

ODMH will be distributing its source of funds in the same manner as in SFY 2008 through the Allocation Guidelines process. ODMH is currently working on the Allocation Guidelines. The Allocation Guidelines are expected to be released during the month of June, 2008.

ODMH Safety Net Fund Distribution

As you will recall, the ODMH Safety Net Fund was initiated in SFY 2006, as a part of the biennial appropriation, with a \$5.0 million addition to Appropriation Line Item (ALI) 505. The Fund was increased in FY 2007, as a part of the same biennial appropriation, to \$10.0 million and increased to \$12.0 million in SFY 2008. The method under which the Fund has been distributed has varied by state fiscal years.

The Fund was distributed in SFY 2006 and SFY 2007 through a process whereby boards submitted applications as communities most at risk of having their systems of care eroded. In SFY 2008, \$5.0 million of the Fund was allocated to two boards deemed to be in danger of default because of the pressures to meet Medicaid match and six boards deemed to be at high risk because of the pressures to meet Medicaid match. The remaining \$7.0 million for SFY 2008 was allocated out to all boards based on the prevalence of persons with mental illness in their communities.

Fiscal year 2009 will be the fourth and final year for distribution of safety net funds. As you can see, the criteria and process have changed throughout the years to fulfill changing policy imperatives. The common thread however, was the allocation of all of the funds to county boards to provide supplemental funding for community mental health services. For SFY 2009, the Fund will remain at \$12.0 million. In an effort to continue to preserve the integrity and purpose of the ODMH Safety Net Fund, this resource will be retained by ODMH in order to meet the needs of those boards deemed as high risk due to the pressure of meeting Medicaid match requirements. Resources from this fund will be distributed on an as needed basis.

In order to address concerns expressed by boards about the financial impact of the transition to a fee schedule reimbursement methodology for community Medicaid providers on non-Medicaid services and services to consumers not covered by the Medicaid program, ODMH will initially distribute \$2.1 million of the Safety Net Fund in accordance with the attached analysis of impact by board.

ODMH will communicate the process and criteria for distribution of the Safety Net Fund for SFY 2009 in the coming weeks and will distribute these resources as early in the state fiscal year as possible. If you have any questions or concerns regarding the process, you may contact Dalon K. Myricks at (614) 644-8219 or by email at myricksd@mh.state.oh.us

If this approach to safety requires a material change in a community plan currently under review by ODMH, county boards are invited to provide a community plan amendment via electronic transmission to Matthew Loncaric at loncaricm@mh.state.oh.us along with two hard copies to be sent by mail to:

Matthew Loncaric
Ohio Department of Mental Health
Division of Program and Planning Development
30 E. Broad Street, Suite 800
Columbus, Ohio 43215-3430

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**Ohio Department of Alcohol and Drug Addiction Services
SFY 2009 Per Capita/Needs (PCN) Allocations**

ADAMHS/ADAS Board	Total SFY 2009 Allocations			Funding Source			
	Treatment	Prevention	Treatment & Prevention	Federal Treatment	Federal Prevention	State Treatment	State Prevention
Adams/Lawrence/Scioto	\$725,791	\$156,284	\$882,075	\$376,600	\$145,928	\$349,191	\$10,356
Allen/Auglaize/Hardin	\$797,783	\$172,656	\$970,439	\$414,165	\$161,215	\$383,618	\$11,441
Ashland	\$222,395	\$47,934	\$270,329	\$115,763	\$44,758	\$106,632	\$3,176
Ashtabula	\$431,643	\$93,359	\$525,002	\$224,855	\$87,173	\$206,790	\$6,184
Athens/Hocking/Vinton	\$442,354	\$94,891	\$537,245	\$229,959	\$88,603	\$212,395	\$6,288
Belmont/Harrison/Monroe	\$428,140	\$92,490	\$520,630	\$222,769	\$86,362	\$205,370	\$6,129
Brown	\$184,039	\$38,979	\$223,018	\$95,639	\$36,396	\$88,400	\$2,583
Butler	\$2,030,892	\$442,334	\$2,473,226	\$1,060,157	\$413,023	\$970,735	\$29,311
Clark/Greene/Madison	\$1,413,764	\$304,123	\$1,717,887	\$735,695	\$283,970	\$678,070	\$20,152
Clermont	\$764,483	\$164,563	\$929,046	\$396,937	\$153,658	\$367,546	\$10,905
Columbiana	\$472,873	\$102,084	\$574,957	\$246,215	\$95,319	\$226,658	\$6,765
Cuyahoga	\$8,803,241	\$1,877,798	\$10,681,039	\$4,581,785	\$1,753,368	\$4,221,455	\$124,431
Defiance/Fulton/Henry/Williams	\$637,157	\$137,393	\$774,550	\$331,371	\$128,289	\$305,786	\$9,104
Delaware/Morrow	\$608,268	\$130,652	\$738,920	\$316,325	\$121,994	\$291,943	\$8,658
Erie/Ottawa	\$508,523	\$109,829	\$618,352	\$264,757	\$102,551	\$243,766	\$7,278
Fairfield	\$526,019	\$112,815	\$638,834	\$273,567	\$105,339	\$252,452	\$7,476
Franklin	\$6,587,965	\$1,428,220	\$8,016,185	\$3,435,043	\$1,333,580	\$3,152,922	\$94,640
Gallia/Jackson/Meigs	\$376,628	\$80,435	\$457,063	\$195,419	\$75,105	\$181,209	\$5,330
Geauga	\$383,148	\$82,872	\$466,020	\$199,513	\$77,381	\$183,635	\$5,491
Hamilton	\$5,207,062	\$1,129,261	\$6,336,323	\$2,714,379	\$1,054,431	\$2,492,683	\$74,830
Hancock	\$304,060	\$65,394	\$369,454	\$158,118	\$61,061	\$145,942	\$4,333
Huron	\$251,332	\$54,344	\$305,676	\$130,796	\$50,743	\$120,536	\$3,601
Jefferson	\$311,048	\$67,231	\$378,279	\$161,957	\$62,776	\$149,091	\$4,455
Lake	\$958,813	\$207,240	\$1,166,053	\$499,276	\$193,507	\$459,537	\$13,733
Licking/Knox	\$851,602	\$183,215	\$1,034,817	\$443,021	\$171,074	\$408,581	\$12,141
Logan/Champaign	\$362,984	\$78,167	\$441,151	\$188,584	\$72,987	\$174,400	\$5,180
Lorain	\$1,733,068	\$376,814	\$2,109,882	\$905,437	\$351,845	\$827,631	\$24,969
Lucas	\$2,840,677	\$606,691	\$3,447,368	\$1,481,832	\$566,489	\$1,358,844	\$40,203
Mahoning	\$1,562,962	\$340,032	\$1,902,994	\$816,834	\$317,500	\$746,128	\$22,532
Marion/Crawford	\$488,312	\$104,566	\$592,878	\$253,495	\$97,637	\$234,817	\$6,929
Medina	\$641,378	\$138,457	\$779,835	\$333,725	\$129,282	\$307,653	\$9,175
Miami/Darke/Shelby	\$844,138	\$182,529	\$1,026,667	\$439,410	\$170,434	\$404,728	\$12,095
Montgomery	\$3,421,939	\$742,228	\$4,164,167	\$1,786,337	\$693,045	\$1,635,602	\$49,183
Musk./Cosh./Guern./Morgan/Noble/Perry	\$1,083,032	\$233,909	\$1,316,941	\$563,765	\$218,409	\$519,267	\$15,500
Portage	\$645,868	\$139,113	\$784,981	\$336,041	\$129,895	\$309,827	\$9,218
Preble	\$178,651	\$38,595	\$217,246	\$93,015	\$36,038	\$85,636	\$2,557
Putnam	\$146,558	\$31,738	\$178,296	\$76,253	\$29,635	\$70,305	\$2,103
Richland	\$553,486	\$118,294	\$671,780	\$287,723	\$110,455	\$265,763	\$7,839
Ross/Fayette/Highland/Pickaway/Pike	\$950,612	\$204,574	\$1,155,186	\$494,347	\$191,018	\$456,265	\$13,556
Sandusky/Seneca/Wyandot	\$622,496	\$133,115	\$755,611	\$322,829	\$124,294	\$299,667	\$8,821
Stark	\$2,321,175	\$503,872	\$2,825,047	\$1,210,775	\$470,483	\$1,110,400	\$33,389
Summit	\$3,349,722	\$728,343	\$4,078,065	\$1,744,798	\$680,080	\$1,604,924	\$48,263
Trumbull	\$950,049	\$204,947	\$1,154,996	\$494,699	\$191,366	\$455,350	\$13,581
Tuscarawas/Carroll	\$507,354	\$109,249	\$616,603	\$264,117	\$102,010	\$243,237	\$7,239
Union	\$267,535	\$58,491	\$326,026	\$139,811	\$54,615	\$127,724	\$3,876
Van Wert/Mercer/Paulding	\$381,866	\$82,683	\$464,549	\$198,854	\$77,204	\$183,012	\$5,479
Warren/Clinton	\$852,864	\$183,664	\$1,036,528	\$443,268	\$171,494	\$409,596	\$12,170
Washington	\$271,464	\$58,493	\$329,957	\$140,873	\$54,617	\$130,591	\$3,876
Wayne/Holmes	\$640,474	\$138,093	\$778,567	\$333,041	\$128,942	\$307,433	\$9,151
Wood	\$513,787	\$110,797	\$624,584	\$267,287	\$103,455	\$246,500	\$7,342
TOTALS	\$60,361,474	\$13,023,850	\$73,385,324	\$31,441,231	\$12,160,833	\$28,920,243	\$863,017

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**Ohio Department of Alcohol And Drug Addiction Services
SFY 2009 Women's and TANF State Fund Allocations**

ADAMHS/ADAS Board	Women's State Allocation	TANF State Allocation
Adams/Lawrence/Scioto	\$48,407	\$71,520
Allen/Auglaize/Hardin	\$35,043	\$51,240
Ashland	\$17,405	\$13,680
Ashtabula	\$33,776	\$33,690
Athens/Hocking/Vinton	\$38,188	\$41,100
Belmont/Harrison/Monroe	\$30,128	\$37,200
Brown	\$17,154	\$13,560
Butler	\$52,128	\$70,140
Clark/Greene/Madison	\$58,627	\$77,610
Clermont	\$35,042	\$35,370
Columbiana	\$32,470	\$36,240
Cuyahoga	\$237,168	\$408,180
Defiance/Fulton/Henry/Williams	\$30,759	\$32,220
Delaware/Morrow	\$26,841	\$20,550
Erie/Ottawa	\$28,710	\$26,610
Fairfield	\$25,008	\$23,700
Franklin	\$190,790	\$281,430
Gallia/Jackson/Meigs	\$28,991	\$35,970
Geauga	\$17,284	\$14,790
Hamilton	\$131,699	\$220,650
Hancock	\$19,043	\$15,540
Huron	\$21,039	\$15,870
Jefferson	\$20,502	\$25,800
Lake	\$32,930	\$37,560
Licking/Knox	\$44,511	\$48,180
Logan/Champaign	\$22,061	\$20,460
Lorain	\$53,358	\$65,790
Lucas	\$79,942	\$138,750
Mahoning	\$53,705	\$80,070
Marion/Crawford	\$35,954	\$31,680
Medina	\$21,870	\$22,020
Miami/Darke/Shelby	\$39,524	\$45,960
Montgomery	\$99,342	\$149,430
Musk./Cosh./Guern./Morgan/Noble/Perry	\$62,061	\$79,020
Portage	\$27,398	\$35,070
Preble	\$15,401	\$9,660
Putnam	\$11,668	\$6,900
Richland	\$33,547	\$37,380
Ross/Fayette/Highland/Pickaway/Pike	\$73,712	\$68,010
Sandusky/Seneca/Wyandot	\$30,814	\$37,080
Stark	\$62,215	\$97,950
Summit	\$96,165	\$133,800
Trumbull	\$45,309	\$64,140
Tuscarawas/Carroll	\$31,175	\$37,560
Union	\$14,665	\$6,540
Van Wert/Mercer/Paulding	\$24,858	\$21,150
Warren/Clinton	\$30,877	\$31,350
Washington	\$21,737	\$20,880
Wayne/Holmes	\$37,430	\$44,220
Wood	\$21,245	\$26,730
TOTALS	\$2,299,676	\$3,000,000

ODMH Projected Fee Schedule Impact Analysis

BOARD	SFY 2009 Estimated Additional Match Required to Move to Fee Schedule
ALLEN	\$16,683
ASHLAND	\$9,822
ASHTABULA	\$28,026
ATHENS/HOCKING/VINTON	\$34,182
BELMONT/HARRISON/MONROE	\$20,954
BROWN	\$6,004
BUTLER	\$62,984
CHAMPAIGN/LOGAN	\$14,165
CLARK/GREENE/MADISON	\$68,694
CLERMONT	\$21,666
COLUMBIANA	\$20,654
CUYAHOGA	\$317,157
DEFIANCE/FULTON/HENRY/WILLIAMS	\$18,926
DELAWARE/MORROW	\$22,039
ERIE/OTTAWA	\$13,918
FAIRFIELD	\$20,356
FRANKLIN	\$231,019
GALLIA/JACKSON/MEIGS	\$13,103
GEAUGA	\$7,257
HAMILTON	\$183,339
HANCOCK	\$12,243
HURON	\$5,737
JEFFERSON	\$14,289
LAKE	\$30,322
LICKING/KNOX	\$28,187
LORAIN	\$48,858
LUCAS	\$141,322
MAHONING	\$54,483
MARION/CRAWFORD	\$18,541
MEDINA	\$11,669
MIAMI/DARKE/SHELBY	\$20,212
MONTGOMERY	\$109,928
MUSK/COSH/GUERN/MORGAN/NOBLE/PERRY	\$39,035
PORTAGE	\$31,604
PREBLE	\$5,594
PUTNAM	\$1,551
RICHLAND	\$26,141
ROSS/FAYETTE/HIGHLAND/PICKAWAY/PIKE	\$37,535
SCIOTO/ADAMS/LAWRENCE	\$32,341
SENECA/SANDUSKY/WYANDOT	\$15,718
STARK	\$85,635
SUMMIT	\$126,527
TRUMBULL	\$43,228
TUSCARWAS/CARROLL	\$16,777
UNION	\$5,724
VANWERT/MERCER/PAULDING	\$13,332
WARREN/CLINTON	\$18,023
WASHINGTON	\$15,892
WAYNE/HOLMES	\$15,983
WOOD	\$14,962
TOTAL	\$2,172,341