



Numbered Advisory Memorandum

Ted Strickland, Governor
Sandra Stephenson, Director

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Subject: Allocations
 Certification
 Licensure
 Medicaid
 Policy and/or Procedure
 Other Critical Information

To: ADAMH/CMH Boards
Provider Agencies
Shareholder Organizations

Originator(s):
Carrol A. Hernandez, Ph.D, Asst. Deputy Director, PPD
Roy Pierson, PPD, Holly Jones, Budget, OFA,
Jill Stotridge, Fiscal Operations, OFA

Approval(s):
Debbie Nixon-Hughes, MSW, LISW-S Deputy Director
Program and Policy Development *DNH*

Donald Anderson, Deputy Director *Donald Anderson*
Administrative Services

Contact(s):
Carrol A. Hernandez, Ph.D.
(614) 466-8641
carrol.hernandez@mh.ohio.gov

Dalon K. Myricks
(614) 644-8219
dalon.myricks@mh.ohio.gov

Required Action: No Yes, by this date: From July 1, 2010 to June 30, 2011 as described in the attached Allocation Guidelines

All ODMH policy memoranda are posted on the ODMH Web site at mentalhealth.ohio.gov/partner-resources

Title: COMMUNITY ALLOCATION GUIDELINES FOR FISCAL YEAR 2011

The purpose of these Allocation Guidelines is to share the Ohio Department of Mental Health's priorities, goals, and methodologies for the distribution of State General Revenue Funds (GRF) and associated funds. These guidelines communicate ODMH's anticipated funding commitments to Boards, barring unforeseen budget cuts or adjustments to support local planning and funding of services and activities in State Fiscal Year (SFY) 2011.

On April 1, 2010, the Ohio Department of Mental Health (ODMH) issued the projected allocation of Appropriation Line Items (ALI) 408 and ALI 505 as required by ORC 5119.62(B)(3) These Allocation Guidelines detail the anticipated final ODMH allocations to each Board for SFY 2011, the second year of Ohio's biennial budget.

Due to economically challenging times, the Governor and State Legislators developed a balanced budget that prioritized extremely limited resources for the greatest possible number of vulnerable Ohioans. Reductions were made to services that Ohioans had relied upon in the past but could no longer be supported at this time. Given these conditions, the Department received substantial reductions of General Revenue Funds (GRF) in SFYs 2009 and 2010.

For SFY 2011, in comparison to SFY 2010, there is an increase of \$154,282 in ALI 401, Community Forensic Services and an \$8,994,308 increase in ALI 505, Local Systems of Mental Health. There is a decrease of \$1,760,534 in ALI 408, Community & Hospital Mental Health Services.

In accordance with the April 1, 2010 Policy Memorandum, "Notice of ODMH estimated ALI 408 and ALI 505 allocations for Fiscal Year 2011", these funds will be allocated using the following principles:

- ODMH's use of the ALI 408 formula will remain unchanged for SFY 2011;
- Every Board will be allocated ALI 505 funds, with the intent to off-set increased forensic and hospital costs for SFY 2011. The allocation of ALI 505 funds in this manner will ensure that each Board receives the same base ALI 408 funds as were allocated in SFY 2010. (Note: The base ALI 408 was determined prior to the election of bed days for SFY 2011.)
- The remaining ALI 505 allocatable funds will be distributed via the Additional Funds for Medicaid Match process. Additionally, there will be a distribution of ALI 505 funds (\$8 million) to Boards via ODMH's proposed ALI 408 funding formula that bases need for additional funds based on population, prevalence of mental illness and poverty.

The application of formulas for the distribution of funds for each Board in SFY 2011 is contained in Attachment 1 of these Allocation Guidelines. Attachment 1 represents ODMH's anticipated allocatable funding commitments to each Board, barring any unforeseen budget cuts or adjustments made by the Office of Budget and Management or the Ohio General Assembly.

At the time of this writing, Congress is considering whether or not to extend increased support for Medicaid in the form of the enhanced Federal Financial Participation (FFP). If Congress enacts the necessary legislation, ODMH will send appropriate information to Boards under separate cover.

The allocations provided in this document are the annual amounts that ODMH anticipates each Board will receive. We ask that when completing the required SFY 2011 Community Plan budget for ODMH (due August 31, 2010), Boards should use these Allocation Guidelines as the reference point for the Board's total allocated revenue for SFY 2011. The Budget template

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and narrative were provided under separate cover March 31, 2010 and can be accessed here <http://mentalhealth.ohio.gov/what-we-do/protect-and-monitor/community-plans/index.shtml>.

With the intent to move toward equal access to care statewide for those most in need, these Allocation Guidelines communicate the Department's decisions to prioritize its limited funding to:

- Maximize revenue to the community for the provision of mission critical community-based services and supports to Ohio's most vulnerable and at risk population;
- Operate state institutions for the care and treatment of persons with a mental illness;
- Fulfill the Department's statutory requirements; and
- Leverage additional funding for vulnerable populations.

REQUIRED ACTION:

1. Attachment 1 describes anticipated allocations to each Board by funding source that may be disbursed based only on the authority of these Allocation Guidelines. These funds are subject to the conditions described in the Allocation Guidelines and the underlying statutes. Funds will be available after July 1, 2010 for quarterly disbursement. Funds in ALIs 401, 404, 408, 505, and Federal Block Grant will be automatically distributed to each ADAMH/CMH Board with an approved Community Plan. Payments will be distributed within the first 14 days of each quarter.

All other funds described in the Allocation Guidelines, including federal funds disbursed in FY 2011, will continue to require the submission of a Request for Advance/Reimbursement (RAR). These funds include, but are not limited to: ALI 419, Child Care Quality, Title IV-B, Parts 1&2 and Title XX. Payments for these funds will be distributed within 14 days of the receipt of a Request for Advance/Reimbursement (RAR).

The Request for Advance/Reimbursement (RAR) form used to "draw down" any funds that are not automatically distributed for State Fiscal Year 2011 can be found in the Appendices of these Allocation Guidelines and on the ODMH web site at: <http://mentalhealth.ohio.gov/>

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30 East Broad Street
Columbus, Ohio 43215
mentalhealth.ohio.gov

614 | 466-2297
614 | 752-9696 TTY
614 | 752-9453 Fax

2. Where the Allocation Guidelines indicate that a Notice of Sub-Award (NOSA) is required, funds may only be requested after receipt of a signed NOSA. Funds distributed by NOSA are subject to the terms and conditions of any related Grant Agreement and Assurances, the Special Conditions described in the NOSA and the conditions described in the Allocation Guidelines.

Regardless of the method of allocation, it is required that all funds be expended for services that take place within the State Fiscal Year 2011, with the exception of ALI 408 as specified in ORC 5119.62(B)(3)(a). All funds not so obligated within the State Fiscal Year 2010 must be returned to ODMH. Any changes in the intended purpose of expenditures as described in these Allocation Guidelines must be pre-approved in writing by ODMH.

Attachment

cc: ODMH Leadership Support Team
Program and Policy Leadership
Office of Fiscal Administration Managers
Jim Mauro, NAMI of Ohio
Cheri Walter, Ohio Association of County Behavioral Health Authorities
Hugh Wirtz, Ohio Council of Behavioral Health & Family Service
Providers
Terre Garner, Ohio Federation of Families for Children's Mental Health
Penny Wyman, Ohio Association of Child Caring Agencies
Mental Health Providers

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