HAMILTON COUNTY TAX LEVY REVIEW COMMITTEE
MENTAL HEALTH LEVY SUBCOMMITTEE
138 EAST COURT STREET, ROOM 603
CINCINNATI, OHIO 45202

June 28, 2017

Hamilton County Board of Commissioners
Hon. Todd Portune, President
Hon. Denise Driehaus, Vice-president
Hon. Chris Monzel
138 East Court Street Room 603
Cincinnati, Ohio 45202

Re: 2017 Mental Health Levy Recommendations

Dear Commissioners:

This is the report of the Tax Levy Review Committee ("TLRC") on the Mental Health Levy for the upcoming five year levy cycle of 2018-2022.

The Hamilton County Mental Health and Recovery Services Board ("MHRSB") has requested that the Mental Health Levy be placed on the November 2017 General Election ballot with a flat funding renewal request at 2.99 mills.

After careful consideration of the MHRSB's request and the report of Health Management Associates ("HMA"), the consultants tasked with reviewing the operations and use of Mental Health Levy funds, the TLRC recommends that the Commissioners place the Mental Health Levy on the November 2017 General Election ballot at the requested flat funding renewal of 2.99 mills.

The basis for the TLRC's recommendation follows.

I. The TLRC Mental Health Subcommittee's Review Process

The TLRC Chairwoman, Ms. Gwen McFarlin, appointed a Mental Health Subcommittee to review MHRSB's request by analyzing its operations and current use of levy funding. The Mental Health Subcommittee consisted of Janaya Trotter Bratton (chair), Rev. Bobby Hilton, and Mark Quarry. Lisa Webb provided invaluable support to the Mental Health Subcommittee throughout the review process.

The Mental Health Subcommittee met with the MHRSB's executive leadership team at the MHRSB's Auburn Avenue location for a presentation on March 14, 2017. The presentation highlighted MHRSB service goals, programming provided to the community through its various provider agencies, and how MHRSB has managed levy funds.

The TLRC received a final report from Health Management Associates (“HMA”), the consultants tasked with performing a management review of the MHRSB, its operations and its use of levy funds on May 30, 2017.

Had the opportunity to ask follow up questions and/or receive supplemental information in response to the final report on May 31, 2017.

Held public hearings on June 12 and June 14 to receive comments from the public regarding the proposed levy.

II. **Background on MHRSB and the Mental Health Levy**

MHRSB provides leadership in public behavioral health care as the authority charged under Ohio law, Ohio Revise Code Section 340, with planning, funding, managing, and evaluating behavioral health care in Hamilton County[1]. MHRSB is statutorily prohibited from providing direct care to clients. The MHRSB currently disburses the vast majority of Mental Health Levy funds though contracts with 25 behavioral health organizations that offer a variety of mental health and substance abuse services to adults and children.

The current Mental Health Levy was approved by Hamilton County voters as Issue 51 at 2.99 mills in November 2012 for the five-year levy period ending December 31, 2017. Issue 51 was passed as a renewal of 2.99 mills by a margin of 68.15 for and 31.85 against. The five-year levy will have yielded approximately $174 million by the end of 2017.

III. **Mental Health Services Provided by Levy Funding**

The Board's primary target populations are adults who are severely mentally disabled (SMD), children who are severely emotionally disabled (SED) and adults who are dually diagnosed with substance abuse and mental illness (SAMI) and both children and adults with mental health needs who are in the criminal justice systems (CJS). Secondary to the goals stated above is the intent to provide mental health services, as resources allow, for those adults and children having a less severe need.[2]

During the levy cycle, MHRSB initiated the use of the Shared Healthcare and Recovery Enterprise System (SHARES) data management system. SHARES is designed to provide comprehensive data management of all business transactions between the participating board partners (Hamilton, Franklin, and Cuyahoga counties) and their contracted providers. SHARES allows service providers to enroll and manage client information, submit service claims, and register outcomes data obtained through the required Ohio Scales system.[3]

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[1] HMA Report p.2.
[2] HMA Report.3.
[3] HMA Report p.30.

As the state allows service providers up to 365 days for submission of claims to the state's Medicaid Information Technology System (MITS), claims processing through SHARES cannot be final until that 365 day period has concluded, thus CY 2016 claims information is not yet available[4]. As a result, CY 15 is the last year where complete client data was available to be compiled.

In CY 15, programs and services funded by the MHRSB served 30,247 children and adults. 430,489 distinct units of services were provided to the 30,247 children and adults receiving services funded by the MHRSB. CY 2015 saw a decrease in clients served and units of service. Over the course of the last five-year levy period, the number of clients served has declined. This decline is believed to be due to Ohio's Medicaid expansion and reflected the transitioning of existing MHRSB-funded clients who gained Medicaid eligibility.

A majority of levy funds were expended on the same three categories of services as the last levy period- Community Psychiatric Supportive Treatment (CPST) services, Counseling, and Residential Treatment and Housing. Similarly Talbert House and Greater Cincinnati Behavioral Health Services received the most significant share of levy funds.

IV. **Fiscal Status**

At the end of calendar year 2017, the MHRSB's fund balance is projected to be $22.3 million. While significantly more than anticipated, the fund balance the MHRSB has accumulated has the ability to be significantly diminished depending on attempts to repeal and replace the ACA. While the impact of changes and/or replacement of the ACA are difficult to ascertain, changes could impact insurance coverage, increasing the need for local funding support. Additional changes to the Medicaid program could also result in increased reliance on local funds to meet the needs of uninsured or underinsured individuals.

Additionally, funding available to the Mental Health and Recovery Services Board (MHRSB) has swung significantly during the levy period, dropping by approximately $5.5 million from year 1(2013) to year 5 (2017), primarily due to changes in other revenue sources. Levy funding has been fairly consistent throughout the levy period. In order to align its expenditures with funding, the MHRSB significantly reduced expenditure to align them with available funds. From year 1 (2013) to year 3 (2105), expenditures were reduced by approximately $3.6 million. This was predominately accomplished through reductions in Agency Provider Contracts, however direct expenditure of the agency were also reduced. In periods subsequent to 2015 agency expenditure for services provided began to increase and in 2017 are expected to surpass 2013 expenditures. This increase in expenditures is being absorbed through the levy fund balance. This represents an additional threat to MHRSB's financial stability.

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[4] HMA Report p.10.

V. **Analysis of the TLRC**

The MHRSB provides invaluable mental health and substance abuse treatment and services to the residents of Hamilton County. The MHRSB currently does not have a waiting list for services. HMA also noted that all MHRSB levy supported agencies serving clients for an outpatient level of care have moved to an open access or same day appointment model of entry. A client can walk into an agency and be seen that day for an assessment, thus adding additional quick access for services.[5]

MHRSB commissioned a survey to assist in determining service sufficiency and need for mental health assistance in Hamilton County. The group consisted of individuals currently receiving services for a mental illness. The most common barriers that consumers perceived to obtaining mental health services were inadequate insurance coverage, cost of medications, shortage of psychiatrists, service wait lists, transportation to services, stigma and staff inconsistency. Inadequate insurance coverage was perceived to be the greatest barrier. Respondents were also asked to evaluate insufficient mental health treatment service availability. The greatest reported insufficiencies were short term crisis residential treatment and individual counseling with partial hospitalization being perceived as the least insufficient mental health treatment service available. Additionally, respondents were asked to evaluate what they perceived to be insufficient mental health support service availability. Housing was reported as the greatest insufficiency. Based on the cost of providing housing services, which ranged from $5,177.94 per client for adults over 65 to $14,803.75 per client for children under 17, MHRSB's limitations on providing housing services are understood by the TLRC.

The TLRC found that the MHRSB has been a good steward over the monies provided to it through levy funds, and have tried within its means to provide the best service, at the best cost, with the maximum impact to consumers of its contracted agencies funded through the levy. The MHRSB has dealt with decreased funding, while only seeing a slight decrease in clients served. As a result, MHRSB has become reliant on the levy fund balance to maintain regular operations. MHRSB anticipates a funding deficit, which is concerning to the TLRC.

Also concerning to the TLRC is that although there is an anticipated funding deficit, MHRSB has built into its budget a three percent provider increase in FY 2020. Prior to any increase to service providers, the TLRC encourages the MHRSB to conduct a thorough review of the MHRSB's financial position and ability to provide such an increase; and analyze how any increase will affect the MHRSB levy reserve fund balance, should similar cuts in funding occur that initially caused the MHRSB to become reliant on the fund balance to continue its regular operations.

Based upon the assumptions MHRSB used to construct its budget, $16.8 million dollars of the carry over levy fund balance to this levy cycle will be leveraged to support the

[5] HMA Report p.17.

future costs within the upcoming levy cycle. This leaves a projected balance of $5.5 million at the end of the upcoming levy period. A levy fund balance of $22.3 million at the end of 2017 to an anticipated levy fund balance of $5.5 million is particularly concerning to the TLRC. With the uncertainty around our healthcare system and the inability of the MHRSB (or any agency providing health services) to anticipate the exact impact of changes to the ACA could significantly impact the services able to be provided through the levy, it becomes even more important for MHRSB to balance wanting to provide justifiable increases to its provider agencies with its ability to continue providing the level of service it does to its consumers.

The TLRC agrees with HMA's recommendation that the MHRSB must be vigilant in monitoring its use of levy carry over funds within the next budget cycle to determine if continued utilization requires any action from the MHRSB in order to maintain adequate reserves. The TLRC's mid-point review of the levy should focus on the impacts of potential State changes to Medicaid and federal healthcare policy changes on anticipated MHRSB service levels and increases to provider payments.

The TLRC recognizes its role in making recommendations to the Commissioners, which is to create a balance between the needs of levy-funded agencies and the tax burden on the taxpayers of the County. In weighing the interests of both, it is the recommendation of the TLRC that the Mental Health Levy be renewed with flat funded at 2.99 mills.

Respectfully Submitted,

2017 Mental Health Levy Subcommittee

Janaya Trotter Bratton, Chair
Rev. Bobby Hilton
Mark Quarry