

**HAMILTON COUNTY TAX LEVY REVIEW COMMITTEE**

138 East Court Street  
Room # 603  
Cincinnati, Ohio 45202

July 23, 2007

Hamilton County Board of Commissioners  
Hon. Todd Portune – President  
Hon. David Pepper – Vice President  
Hon. Pat DeWine  
138 East Court Street  
Room # 603  
Cincinnati, Ohio 45202

**RE: Mental Health and Recovery Services Board Levy Review**

Dear Honorable Board:

Following is the Tax Levy Review Committee's review of the Mental Health and Recovery Services Board (MHR SB) for Hamilton County.

An MHR SB letter dated November 28, 2006 requested placement of the Mental Health Levy on the November 2007 General Election Ballot. Therefore, the Tax Levy Review Committee (TLRC):

- (i) appointed a subcommittee to analyze MHR SB's operations;
- (ii) engaged, through Hamilton County, MAXIMUS to perform a management review of the MHR SB and its operations;
- (iii) met with various personnel of service agencies contracted with the MHR SB;
- (iv) toured several of the contracted agencies; and,
- (v) held a public hearing on June 18, 2007.

In addition to the subcommittee's satisfaction with MAXIMUS' consulting performance, we especially thank and acknowledge the County Administration staff that assisted us in this endeavor, particularly Paula Knecht, Lisa Webb and Clara Hughes. They did an extraordinary job of walking many new members of the TLRC through this complex and critically important effort.

The TLRC subcommittee recommends a total of **\$187,114,835** for the next five-year period for the Mental Health Levy.

**Consolidation**

On October 19, 2006, Hamilton County combined the Mental Health Board and the Alcohol and Drug Addiction Services (ADAS) Board to form the MHR SB in hopes of eliminating duplicate administrative overhead and other expenses without a reduction in the delivery or quality of services.

This report and the TLRC review of the MHR SB focuses on the Mental Health portion of levy dollars and does not include alcohol and drug addiction services.

Through consolidation into the new entity (MHR SB), the net 2007 savings totals \$ 627,274 with funded positions reduced from 53 to 40. For a detailed and specific breakdown of operating and additional expenditure savings, please see the MAXIMUS Final Report, pages 51-53.

## **Background**

The MHR SB is the county government agency responsible for planning, establishing system goals and priorities, contracting services with certified providers, monitoring and coordinating service delivery available to Hamilton County residents, and evaluating service effectiveness and outcomes. The MHR SB contracts with more than 50 community providers that offer mental health and substance abuse programs to adults and children with mental health and / or substance abuse issues. (See attachment – MAXIMUS Report Page 7 for list of Mental Health Contracted Agencies).

Under Ohio Law, the MHR SB must encourage the development of a comprehensive community mental health system, bolster the creation and maintenance of high quality, cost effective, culturally sensitive services that are prevention, treatment and rehab focused, and protect the personal liberty of mentally ill persons so that they may be treated in the least restrictive environment.

## **Mental Health Service Populations**

Priority service populations, utilizing approximately 90% of funding, include:

- Adult SMD: Adults with a severe mental disability
- Child SED: Children who are seriously emotionally disturbed

Secondary service populations include:

- Adult Non-SMD: Adults with mental health needs who are not severely mentally disabled
- Adult SAMI: Adults who are mentally ill and are substance abusers
- Child CJS: Children with mental health needs who are in the criminal justice system
- Adults CJS: Adults with mental health needs who are in the criminal justice system
- Child Non-SED: Children with mental health needs who are not seriously emotionally disturbed

## **Programs and Services Provided**

Programs and services funded by the MHR SB were provided to over 11,681 adult and 6,494 child consumers in FY 2006, representing a two percent increase over the previous year among adult and child populations.

In FY 2007, 53% of funding was allocated to Adult SMD clients, 5% was allocated to Adult Non-SMD clients and 42% was allocated for children in need of mental health services. See attachment (MAXIMUS Final Report, Pages 4-5) for a table of percentages of services receiving MHR SB funding. These percentages are reflective of a continuing greater emphasis on the treatment of children.

Upon review of the aforementioned table, it is clear that nearly 40% of Mental Health funds are allocated for Community Psychiatric Supportive Treatment (CPST) services. The MHR SB allocates these and the remaining funds to certified, contracted provider agencies. See attachment (MAXIMUS Final Report, Page 7) for a table of the contracted agencies.

Hamilton County Mental Health agencies supported by payments from the Mental Health Levy use traditional mental health services along with best practices and evidence-based practices, an action supported by the President's New Freedom Commission on Mental Health. Such practices include: multi-systemic therapy, assertive community treatment, consumer-operated services, jail diversion and community re-entry programs, school mental health services and wraparound services.

Greater Cincinnati Behavioral Health Services is the largest provider of CPST services. Greater Cincinnati Behavioral Health Services, along with Talbert House and its affiliates, receive the most funding from the MHR SB. Together, Talbert House and Affiliates, Greater Cincinnati Behavioral Health Services, Central Community Health Board, Central Clinic, St. Joseph's Orphanage, Excel Development and Beech Acres receive approximately 67% of the Mental Health Levy Funds that are managed by the MHR SB.

### **Fiscal Snapshot**

At the end of calendar year 2007, the MHR SB's fund balance is projected to be \$14.3 million (\$3.5 million Capital; \$10.8 million levy funds). At the beginning of calendar year 2007, the MHR SB's Operating Budget was \$84.6 million on revenues of \$83.4 million (includes programmed use of \$1 million in fund balance).

In 2007, 40% of the budget was comprised of the Mental Health Tax Levy, 30% represented Medicaid FFP and 26% resulted from state funding. The remaining budget dollars derive from Title XX, Capital, Rental and Miscellaneous and Inter-County agreements. The budget and staffing level makes the MHR SB a key funder for mental health services in Hamilton County.

For an additional table providing MHR SB expenditures for the last five years, see the MAXIMUS Final Report, Page 9.

### **Principal Observations**

MAXIMUS' and the TLRC's review of Mental Health services in Hamilton County yielded some of the following principal observations, which are discussed in greater detail in the MAXIMUS Final Report.

Some of these observations include:

- The TLRC and MAXIMUS were impressed with the coordination and operation of Mental Health services in Hamilton County. MHR SB and associated agency personnel are very professional in demeanor, conduct and performance. There is an appropriate focus on client service, accompanied by a concern for the proper use of public funds.
- All providers are required to be certified, and MHR SB operational auditors effectively monitor certification as a part of their agency performance assessment.

- The Finance Division of the MHR SB is anticipating the initiation of an insurance-based accounting system to more accurately and readily track program and service spending from its various funding sources. The current system requires manual extrapolation of existing data. Due to the current accounting system, the Financial Division of the MHR SB is unable to easily track and calculate which programs use levy funds and what percentage of levy funds are devoted to specific programs and services. The insurance-based accounting system will be able to more effectively monitor this.
- Claims reconciliation is very efficient. All claims submitted to the Board of Mental Health prior to the reorganization were resolved within three weeks of time.
- Over 50% of the MHR SB expenditures are controlled by Medicaid expenditures due to Ohio Medicaid Law. Such control leaves little autonomy to allocate existing funds to the most effective and efficient service delivery operations. This significantly limits the MHR SB's ability to allocate funding for non-Medicaid services.
- Agencies contracting with the MHR SB are utilizing best practices and evidence-based practices of service delivery; however, several barriers limit the ability of agencies to expand such services and programming. These include: complex reimbursement policies, workforce training and the shortage of qualified professionals.
- Comments made during the June 18, 2007 Public Hearing reinforced to the TLRC that the MHR SB is an efficient and effective user of property tax funds.

### **Summary and Suggested Adjustments**

The TLRC concurs with the suggestions made in the "Summary of Observations and Recommendations" section of the MAXIMUS report, Pages 13-17.

The Hamilton County Board of Commissioners currently has a policy recommending a zero fund balance as the targeted balance for levy reserves. As stated previously, the MHR SB is projected to have a fund balance of \$14.3 (which includes capital) at the end of the current levy period. MAXIMUS' recommendation is to use the approximately \$10.8 million levy fund balance over the five year levy period leaving a zero balance.

We recommend the Commissioners change this policy and allow a projected levy fund balance of \$5,267,730 at the end of the next levy period (calendar year 2012). This amount represents less than one month's average expenditures and would allow the MHR SB the ability to maintain its budget prudently.

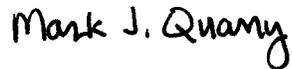
### **\*\* Note \*\***

*Cognizant of the situation regarding the proposed Hamilton County Comprehensive Safety Plan ("the Plan") and the subsequent sales tax increase to fund it, the TLRC acknowledges that some components of the Plan may provide additional funding to various service populations and rehabilitation programs, particularly the Adult SAMI, Adult CJS and Child CJS populations.*

In light of this, it is the opinion of the TLRC that a thorough and exhaustive examination be completed at the mid-point review, so that any additional tax relief may be provided Hamilton County property owners. Also, at the mid-point review, the TLRC should assess how the insurance-based accounting system is working for the MHRSB.

Thank you for the opportunity of reviewing the Mental Health Services Levy. Please contact me if you have any questions or need additional information.

Sincerely,



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Hamilton County Tax Levy Review Committee  
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**Mental Health and Recovery Services Board Subcommittee**

Thomas M. Cooney, CPA, CFP  
Gwen McFarlin  
Connie Pillich  
Mark Quarry, Subcommittee Chair

Attachments:

Maximus – TATC Consulting Final Report