

**STAFF MEETING MINUTES
LANCASTER COUNTY BOARD OF COMMISSIONERS
COUNTY-CITY BUILDING, ROOM 113
THURSDAY, NOVEMBER 29, 2012
1:00 P.M.**

Commissioners Present: Deb Schorr, Chair
Larry Hudkins, Vice Chair
Bernie Heier
Jane Raybould
Brent Smoyer

Others Present: Kerry Eagan, Chief Administrative Officer
Gwen Thorpe, Deputy Chief Administrative Officer
Dan Nolte, County Clerk
Ann Taylor, County Clerk's Office

The Chair reconvened the meeting at 1:00 p.m.

FUTURE LANCASTER COUNTY FUNDING FOR THE COMMUNITY MENTAL HEALTH CENTER (CMHC) - Ron Sorensen, Community Mental Health Center (CMHC) Executive Director; Judi Tannahill, Administrative Services Officer, CMHC; Dennis Meyer, Budget and Fiscal Officer; C. J. Johnson, Region V Systems Administrator; Linda Wittmuss, Region V Systems Associate Regional Administrator

Dennis Meyer, Budget and Fiscal Officer, noted the amount of funding the County provides to the Community Mental Health Center (CMHC) has decreased by almost \$1,100,000 over the last two years. He attributed the decrease to the elimination of the deputy director position, staff reductions and the ability to draw off additional revenues for cash flow purposes. Meyer noted the County will levy \$1,600,000 for CMHC this year (Fiscal Year 2012-2013) compared to \$2,700,000 in Fiscal Year 2010-2011. The Crisis Center and the Region V match will account for approximately \$1,000,000 of the amount levied.

Heier asked the cost to operate the Crisis Center. Meyer said the total budget for the Crisis Center this year is \$2,400,000 (includes salaries, benefits, rent, nursing services, hospitalizations, laboratory services, pharmacy, food and other contracted services). **NOTE:** The County puts approximately \$400,000 in property tax revenue into the Crisis Center. Other revenues make up the remaining amount. Ron Sorensen, CMHC Executive Director, said the County and Region V account for most of the funding.

Meyer said revenues seem to fluctuate each year and asked Sorensen whether the revenue sources change. Sorensen said Medicaid does. He noted that Region V has contributed additional monies, such as allocating unspent revenues from Region V sources to the Crisis Center.

Meyer gave an overview of budgeted and actual revenues and expenditures for the last five years (Exhibit A).

Sorensen reported other revenues for last year as follows: Medicaid - \$134,000; Medicare B - \$32,000; Region V - \$1,500,000; Region V Post-Commitment - \$214,000; Other Counties - \$144,000; Insurance Payments -\$67,000.

Meyer said the County only put \$41,136 into the Crisis Center in Fiscal Year (FY) 2012. He said revenues exceed expenditures by \$146,000 for the first four months of this fiscal year. Meyer said it could be a timing issue, noting that figure also includes a portion of the \$309,714.21 that Region V gave to the County for unexpended revenues (see November 8, 2012 Staff Meeting minutes).

Judi Tannahill, Administrative Services Officer, CMHC, noted that most revenues from Region V are drawn down the first part of the fiscal year.

Schorr asked why County funding decreased so significantly in FY 2012. C. J. Johnson, Region V Systems Administrator, explained that some revenue sources were shifted to the Crisis Center.

Schorr asked how the Board can project the cost to operate the Crisis Center next year. Johnson said the Board should determine the number of staff required and look at past Medicaid revenue and contributions from the rural counties in Region V. He added that the County should not count on post-commitment dollars because the Health Care Cash Fund, which helps support the emergency system, is "on the line" with the Legislature.

Hudkins said administrative services will need to be taken into account. Johnson suggested the Board consider outsourcing the billing. Tannahill said the Crisis Center is charged for a Medical Records position and half of an Account Clerk position. Sorensen said payroll costs total \$1,400,000 (28 employees). Kerry Eagan, Chief Administrative Officer, said if the Board decides to set up an independent department it should re-examine the amount other counties are charged.

Hudkins asked the per day cost for a patient in the Crisis Center. Raybould calculated the cost at \$438. It was noted the average number of patients is 15 and 82% of all Emergency Protective Custody (EPC) patients are from Lancaster County.

In response to a question from Heier, Johnson said Region V gives the Crisis Center \$1,800,000 on a non-fee-for-service basis. Heier asked whether the County can continue to count on that amount from Region V. Johnson said he can only guarantee \$1,400,000 in funding (\$1,300,000 for EPC's and \$100,000 for substance abuse evaluations).

Hudkins exited the meeting at 1:27 p.m.

Meyer asked Johnson whether the County's contribution will decrease if it only retains the Crisis Center. Johnson explained that the allocation formula is based on population and the poverty level. He cautioned that if Lancaster County reduces its match to the mandated amount, the Regional Governing Board could decide to increase the allocations to the rural counties to match the percentage they put in. That would mean a \$3,500,000 reduction in funding that Lancaster County receives for services in Lancaster County. Johnson said Lancaster County has 62% of the population, contributes 72% of the required match and receives 82% of service dollars.

Hudkins returned to the meeting at 1:34 p.m.

Schorr noted the Board has agreed to provide on-going support for two years (amount to be determined) and to allow use of the building that houses the CMHC for two years to assist with the transition of mental health services.

Discussion then took place regarding the General Assistance (GA) component. Sorensen said he is not comfortable with the estimates of \$300,000 to \$500,000 as almost all GA clients that utilize CMHC become either Region V or Medicaid funded. He said the exception may be in pharmaceutical costs but said CMHC has been able to secure discounts and samples. He said he is not sure that would continue with a non-profit provider. Johnson said the new provider may be required to become an affiliate of the People's Health Center (PHC), which is a Federally Qualified Health Center (FQHC). The affiliate member should then qualify for the same federal accommodations, particularly in the pharmaceutical area.

Johnson said it seems the relevant questions are: 1) What does it cost to run the Crisis Center; 2) How much will the County contribute to operation of the Crisis Center; 3) How much will the County contribute to mental health services; and 4) How long will the County's contribution towards those services continue.

Eagan said he believes GA could be a fee for service.

Heier asked whether the County can contract for staff and services. Kerry said it could. Johnson said he believes the current set-up is a good one and is probably the most inexpensive option. Eagan said Douglas County experienced terrible outcomes when it contracted for services. Sorensen added there is less flexibility when you contract.

Eagan said, in terms of determining the County's contribution for mental health services, the County will need to know what programs the new provider is going to install.

Heier said he thought the County would save money by not having CMHC. He added mental health is the State's responsibility, not the County's, with the exception of the Crisis Center. Johnson said the County has to be careful with that argument because \$1,300,000 of state funds are going directly into the Crisis Center. He said allocation dollars doubled when Legislative Bill (LB) 1083 (Behavioral Health Reform Bill) passed in 2004, adding Lancaster County has saved millions of dollars since that time through its relationships with Region V, providers and the rural counties.

Schorr said her priority wasn't to save money, rather the ability to change the 40-year old model and do something different. She suggested the Board look at stepping-down funding during the transition. Johnson said that will just mean a reduction in services.

Eagan said part of the Invitation to Negotiate (ITN) process is to identify the essential programs.

Johnson pointed out that some of the savings to the County will be by no longer dealing with salary increases every year. Eagan concurred, stating theoretically a non-profit agency can run the same services at less cost than the County.

Schorr said she thought the new provider would determine the most efficient way to utilize the funds to serve the most individuals.

Johnson said Region V has set rates for certain services and will require a certain amount of capacity.

Eagan suggested that rather than stating how much money is available, the County ask potential providers to show what it would cost to provide certain programs. The County can then determine whether that service is needed. Johnson said he believes there needs to be an indication of what the County's contribution will be going into negotiations with potential providers.

Hudkins exited the meeting at 2:12 p.m.

Linda Wittmuss, Region V Systems Associate Regional Administrator, said there could be a reduction in costs or better outcomes for individuals, with the same amount of dollars.

Hudkins returned to the meeting at 2:18 p.m.

Johnson said they believe 80% of individuals receiving community support could probably be served with a less intense services. Those less intense services are currently not Medicaid eligible service but it is possible there could be partnerships in the future that would allow funds to be leveraged to serve more individuals with less intense services.

Smoyer said he favors a drastic reduction in funding and perhaps reallocating some funds to Region V to expand coverage.

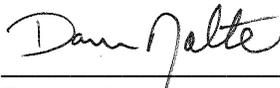
Johnson said another option would be to create a fund that could not be accessed without Board approval. He said that fund could be used to help support the transition to a new provider and changes in the system.

MOTION: Hudkins moved and Smoyer seconded to: 1) Make \$500,000 available, for each of the next two (2) years, beginning July 1, 2013, for the Invitation to Negotiate (ITN) process. Hudkins, Smoyer, Raybould, Heier and Schorr voted aye. Motion carried 5-0.

NOTE: Also present for the discussion were: Gary Chalupa, Veterans Service Officer/General Assistance Director; Kim Etherton, Community Corrections Director; Vince Mejer, Purchasing Agent; Paul Van De Water, Tami DeShon and Amanda Tyerman-Harper, Region V Systems; Roma Amundson, County Commissioner-Elect; and Ann Post, Lincoln Independent Business (LIBA).

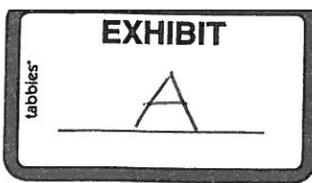
ADJOURNMENT

MOTION: Smoyer moved and Heier seconded to adjourn the meeting at 2:37 p.m. Heier, Raybould, Smoyer, Hudkins and Schorr voted aye. Motion carried 5-0.



Dan Nolte
Lancaster County Clerk





	FY09		FY10		FY11		FY12		FY13	
	<u>Budget</u>	<u>Actual</u>								
Property Tax Dollars - CMHC	2,345,903.00		2,852,010.00		2,774,510.00		2,275,444.00		1,642,961.00	
General Fund	<u>238,705.00</u>		<u>243,480.00</u>		<u>244,700.00</u>		<u>247,145.00</u>		<u>250,852.00</u>	
	2,584,608.00		3,095,490.00	+\$510,882	3,019,210.00	(\$76,280)	2,522,589.00	(\$496,621)	1,893,813.00	(\$628,776)
Crisis Center (7851) - Revenues	1,988,888.00	1,925,937.99	1,885,968.00	2,038,660.20	1,933,767.00	2,114,444.49	2,119,088.00	2,305,410.09	2,033,005.00	1,086,319.51
Expenditures	2,450,546.00	2,303,869.26	2,457,936.00	2,456,206.92	2,432,499.00	2,430,107.69	2,330,284.00	2,346,546.46	2,459,063.00	939,898.57
	461,658.00	377,931.27	571,968.00	417,546.72	498,732.00	315,663.20	211,196.00	41,136.37	426,058.00	(146,420.94)
County Contribution (Mental Health) - Expenditures	620,164.00	620,165.00	632,567.00	626,367.00	585,730.00	579,499.00	579,823.00	579,499.00	578,499.00	245,392.02
County Contribution (Substance Abuse) - Expenditures	238,705.00	238,706.00	243,480.00	245,915.04	244,700.00	247,145.04	247,145.00	247,145.00	250,852.00	104,521.69
Tax Dollars Spent on Mandated Functions	1,320,527.00	1,236,802.27	1,448,015.00	1,289,828.76	1,329,162.00	1,142,307.24	1,038,164.00	867,780.37	1,255,409.00	203,492.77
Remaining amount of tax dollars	1,264,081.00	1,347,805.73	1,647,475.00	1,805,661.24	1,690,048.00	1,876,902.76	1,484,425.00	1,654,808.63	638,404.00	