



Promoting wellness and recovery

John R. Kasich, Governor • Tracy J. Plouck, Director • 30 E. Broad St. • Columbus, OH 43215 • (614) 466-2596 • mha.ohio.gov

To: ADAMH Boards and other stakeholders
From: Director Tracy J. Plouck
Date: July 18, 2013
Re: Board Allocation Guidelines for State Fiscal Year 2014

The release of the State Fiscal Year 2014 board allocation guidelines marks an important milestone in the creation of the Ohio Department of Mental Health and Addiction Services. Budget alignment will support program configuration both now and moving forward, and the allocations represent a first step in a consolidated approach. The agency's objective is to support greater operational and programmatic flexibility for the field and an ability to put a greater focus on Ohioans who need services.

Some uncertainties remain related to some allocation funding sources. As a result, the guidance will evolve as more clarity becomes available. For instance, the outcome of the legislature's continued debate on Medicaid reform and eligibility expansion may reduce or eliminate the appropriation amount in the new 507 line for Community Behavioral Health if the Governor's proposal moves forward, as we hope. Another example is the unknown continued impact of federal sequestration. If this measure moves forward into FFY 2014, it will impact all of OhioMHAS' federal grant amounts. Finally, discussions continue on how to appropriately align spending in the Substance Abuse Prevention and Treatment (SAPT) block grant so that overspending and allocation delays can be rectified in the future. As a result, the SAPT grant is not included in these guidelines and will come under separate cover.

Last fall, stakeholders participated in a series of detailed discussions hosted by OhioMHAS regarding the allocation philosophy moving forward, with particular attention to the community support allocations on the mental health side. While there was never finite agreement on specifics, there was general consensus on an approach, which is honored in this allocation guidance:

- Resources previous allocated to communities should be built upon in order to ensure stability in the system. (In other words, we will not "rob Peter to pay Paul.")
- With new resources, a portion will be distributed to all communities on a per capita basis. Another part is dedicated for areas which have historically been granted a disproportionately small share of state GRF for non-Medicaid relative to the statewide average. In general, consensus was achieved last year that any money should include both of these aspects; what had not been agreed upon was the percentage of funds that would be applied in each method.

- After discussions with many boards and other stakeholders, I have decided on a 40/60 percent split, with a per capita distribution for 40% (\$18 million) and disparity distribution for 60% (\$27 million). This method will apply to funds appropriated in 507: \$30 million earmarked for mental health and \$15 million earmarked for addiction services. This 40/60 split will go a significant distance toward bringing disparity boards more in line with the statewide average and correcting the historical structural deficiencies of distribution.

On the whole, the “hot spot” collaborative approach, first introduced by the former Department of Mental Health last fiscal year, has been very successful. Hot spots allow for planning on a multi-board basis to leverage a larger pool of funding to meet the overall needs of an area in a coordinated way. Funds were allocated to the “catchment” areas for the regional psychiatric hospitals. Boards worked together with local stakeholders to choose projects, assign logistics and plan to move forward. This approach will be continued in FY 2014 and expanded to include AoD strategies using \$2.5 million from the 507 line.

Additionally, changes have been made in community medication allocations and processes to include an AoD approach, specifically drugs that can be procured for medication-assisted treatment. The goal of these changes is give more flexibility to boards in the operation of community medication programs, while leveraging the buying power of the OhioMHAS Office of Support Services.

While the enclosed allocation guidance is specific to local communities, we are all in this together. We’ve collectively experienced significant progress under the leadership of Governor John Kasich, and I look forward to continuing success in State Fiscal Year 2014.

As always, feel free to contact me with questions or comments.

CC: Dalon K. Myricks, Deputy Director for Financial Management
Cheri Walter, CEO, OACBHA