



Numbered Advisory Memorandum

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

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To:
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Required Action: No Yes, by this date: From July 1, 2011 to June 30, 2012 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: Allocation Guidelines for State Fiscal Year 2012

The purpose of these Allocation Guidelines is to share the Ohio Department of Mental Health's (ODMH) priorities, goals, and methodologies for distributing State General Revenue Funds (GRF) and associated funds. These guidelines communicate ODMH's anticipated funding commitment to Boards, barring budget adjustments to support local planning and funding of services and activities in State Fiscal Year (SFY) 2012.

On March 21, 2011, the department issued a draft of projected allocations of Appropriation Line Items (ALI) 412, 501, 505, and Block Grant. These Allocation Guidelines detail the anticipated final ODMH allocations to each Board for SFY 2012, the first year of Ohio's biennial budget.

For FY 2012, in comparison to FY 2011:

- 401 remains level
- 404 is discontinued; funds are merged into 505
- 412 is a new line item for State hospitals
- 408 is discontinued
- 419 appropriation is reduced by 10%, but carry-over funds from FY 2011 provide additional funding via the traditional formula

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- 501 is a new line item for Medicaid match
- 505 is increased by \$29.3 million

The following are some notable highlights of FY 2012 line items and programs. Details are contained in the line item/program narrative of the guidelines.

412 – It is the department’s intent to work with the Boards in managing inpatient utilization at state hospitals. The department communicated with each Board in planning the bed day estimates. We will continue to collaborate with Boards, through the Hospital Services workgroup of the County Board Association, to maintain appropriate admissions, access and capacity.

501 - It is the department’s intent to manage the Medicaid responsibility for FY 2012. This will free up local dollars for local non-Medicaid purposes, to the extent that local dollars exist.

505 – The central theme of the 505 distribution in FY 2012 is stabilization during this transitional time. The goal was to provide each Board with non-Medicaid resources that are as close as possible to the FY 2011 non-Medicaid GRF distributions. Comparing FY 2011 to FY 2012 shows a reduced GRF estimate of non-Medicaid funding of \$4.8 million. The FY 2011 non-Medicaid “net” is calculated by totaling the FY 2011 408 “flex” (community subsidy), 505, and 404 allocations, and then subtracting the estimated Medicaid match by board. Applying this methodology, four boards receive \$0 allocation because these boards had zero GRF available for non-Medicaid services after the Medicaid obligation was addressed in FY 2011. The director is working with these boards on an individual basis to identify non-505 sources to assist with non-Medicaid services.

Block Grant – The department is focusing on four priority areas: safety net services & crisis intervention; housing; services for children with serious emotional disorders; and support for consumers involved with the justice system, including re-entry to the community. We modified the Block Grant “base” allocation that every board receives (\$7.5 million) by using a methodology that recognizes population, poverty, and prevalence factors, but with the requirement that the Block Grant resources be used to support one or more of the four priority areas in local communities.

The 419 and Block Grant base apply weighted estimates of prevalence. The prevalence estimate was updated by Ohio State University’s *Center for Health Outcomes, Policy, and Evaluation Studies (HOPES)* and the ODMH Office of Research and Evaluation. These two funds also apply weighted estimates of population, which have been updated using the 2010 Census count.

REQUIRED ACTION:

The individual board distributions are contained in Attachment 1 of these Allocation Guidelines. Attachment 1 represents our anticipated allocable funding to each board, except for instances of adjustments made in the Medicaid program, or hospital services. Additionally, these amounts are outside of any budget adjustments made by the Office of Budget and Management or the Ohio General Assembly.

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