

# Department of Mental Health

**Senate Finance and Financial Institutions Committee**

*Holly Wilson, Budget Analyst  
Legislative Service Commission*

*May 6, 2003*

*Additional copies are available on our website at [www.lsc.state.oh.us](http://www.lsc.state.oh.us)  
Click on 'Fiscal Publications' then 'Ohio Budget'*

# **LSC Redbook**

## **for the**

### **Department of Mental Health**

**Senate Finance and Financial Institutions Committee**

*Holly Wilson, Budget Analyst*  
*Legislative Service Commission*

#### **TABLE OF CONTENTS**

<b>Overview.....</b>	<b>A1</b>
<b>Analysis of Executive Proposal.....</b>	<b>A5</b>
<b>Additional Facts and Figures.....</b>	<b>A19</b>
<b>Permanent and Temporary Law .....</b>	<b>A20</b>
<b>Requests Not Funded.....</b>	<b>A22</b>
<b>Catalog of Budget Line Items .....</b>	<b>COBLI 1</b>

**Attachments:**

**Compare Document: Permanent and Temporary Law,  
As Introduced to As Passed by the House**

***LSC Budget Spreadsheet, Executive to House Passed  
Comparison***

*May 6, 2003*

Note: The estimated General Revenue Fund (GRF) spending for FY 2003 used in this LSC Redbook reflects the 2.5% reduction made as a result of the Governor's January 22, 2003 budget cut order. The executive reduction was applied across-the-board to FY 2003 GRF appropriations, subject to certain exceptions. Subsequent to such reductions (and not reflected in the Redbook), state agencies were permitted to reallocate the amount that each of their GRF appropriation line items was reduced, while still absorbing the 2.5% budget cut within the total amount of their GRF appropriations.

# Department of Mental Health

---

- “Pac-Man” effect of Medicaid continues to strain community systems of care
- Department plans to deplete cash reserves to deal with FY 2003 budget reductions

## OVERVIEW

The Department of Mental Health (DMH) is a cabinet level agency that is responsible for ensuring that quality mental health services are available in all communities in Ohio. The Department employs approximately 2,760 personnel. In the last ten years since the passage of the Mental Health Act of 1988, Ohio has successfully transitioned to a state-managed, locally-administered mental health system.

The Department works with local mental health boards to ensure the provision of mental health services. Ohio has 43 community Alcohol, Drug Addiction, and Mental Health Services Boards and seven community Mental Health Services Boards covering all 88 counties. The boards are responsible for planning, funding, monitoring, and evaluating the service delivery system within their geographic areas. The community mental health boards contract with local service providers to deliver mental health services in the community.

### Hospital downsizing

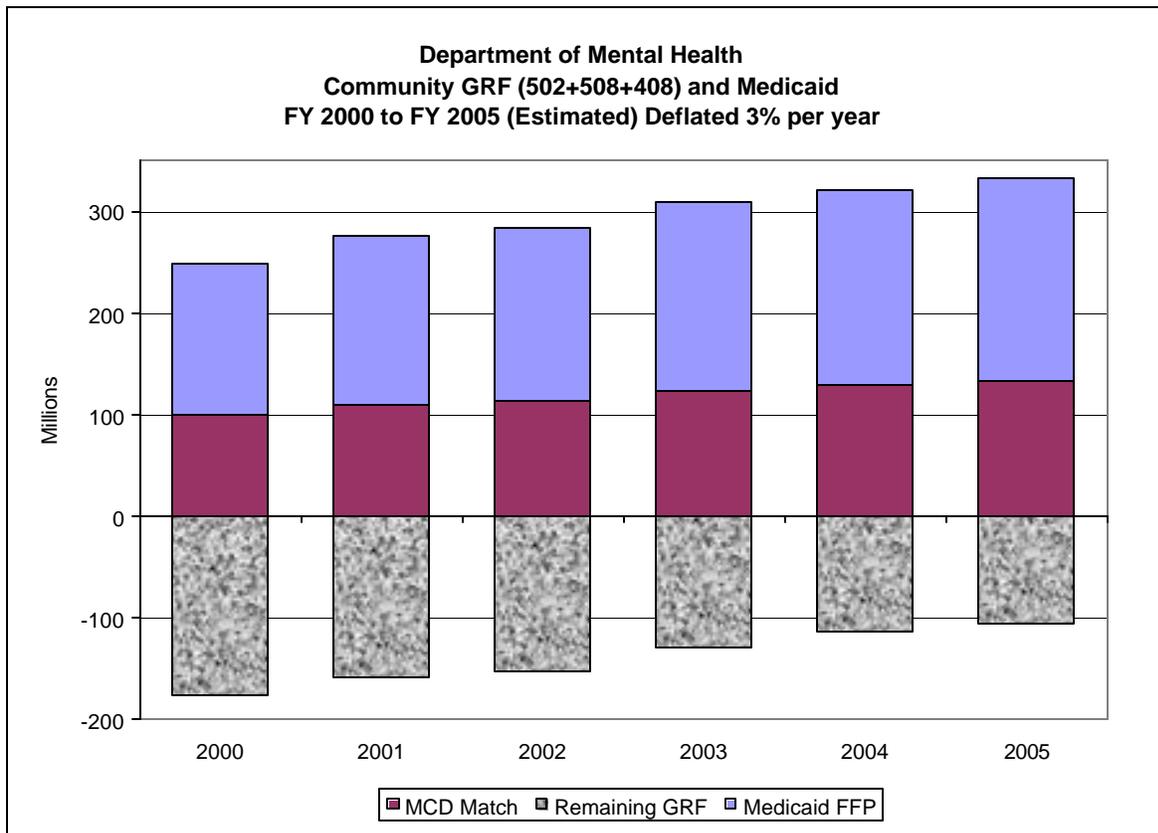
The Mental Health Act of 1988 created a paradigm shift in how public mental health services are funded, planned, and provided. It also changed the nature of the relationships between the Department, its state-operated hospitals, community mental health boards, and community service providers. Since the enactment of the Mental Health Act of 1988 several state hospitals have closed. The average daily resident population at state psychiatric hospitals decreased from 3,147 in FY 1990 to 1,707 in FY 1995, and to 1,050 in FY 2003. Since 1990, DMH has reduced its hospital work-force by more than 3,000 positions, closed five hospitals, and consolidated its nine inpatient facilities under the management of five Integrated Behavioral Healthcare Organizations (IBHO). The Department’s IBHOs admit nearly 6,500 individuals annually. Hospital operating expenditures are paid for out of the Department’s General Revenue Fund (GRF) line item 334-408. The executive recommended levels are \$380,249,629 in FY 2004 and \$390,506,082 in FY 2005. Hospital operating services are also paid for out of the General Services Fund Group (GSF) line item 334-609 (Fund 149). House Bill 405 of the 124th General Assembly provided an additional \$23 million in funds in FY 2003 to prevent the closure of any hospitals.

**Community care expanding**

While the hospital population has dropped, community care has expanded. Community Support Networks (CSNs) made up of about 375 full-time staff providing services to over 3,700 individuals in the community. Over 500 community agencies provide services to more than 180,000 adults and 75,000 youth annually. Of the adults, approximately 64,500 are certified as severely mentally disabled (SMD). Of the youth, about 42,000 are considered to have a serious emotional disturbance (SED). Community Support Network services are paid for out of the General Services Fund Group (GSF) Fund 149 (334-609). The executive recommended appropriations are \$22,908,053 in FY 2004 and \$24,408,053 in FY 2005.

**Rates of inflation**

Savings in state hospitals, not new revenues, have financed the increased funding in community care as the DMH budget has not kept pace with inflation. During the early 1990s, DMH GRF funding increased at the same rate as inflation. During that same time period, local levies increased. However, since 1994, no new local levies have been passed. Since 1997, increases in the Department’s GRF budget have been below the rate of inflation.



Source: DMH

**Medicaid strain on local system resources**

The graph above shows the GRF dollars that go out to the community boards for mental health services (GRF 334-502, 334-508, and 334-408), the amount of Medicaid match that the boards must provide, and

the Medicaid Federal Financial Participation (FFP) that the boards receive as reimbursement for Medicaid-covered mental health services. The remaining unmatched GRF is the amount available in state subsidy to fund services to the non-Medicaid population. It is important to note that of the 26 different community mental health services, nine are Medicaid-covered services.

Over the past decade, community mental health Medicaid expenditures in Ohio have grown exponentially, from approximately \$60 million in FY 1990 to \$267 million in FY 2002. Because Medicaid is a federal entitlement, meeting the demand for Medicaid services reduced the available funding for “non-Medicaid” services. According to the Department, in some communities, the Medicaid match requirement is leading local systems into deficit spending. According to the Department, the growth of Medicaid funding in Ohio is attributed to two primary factors. First, the implementation of the Mental Health Act increased the need for and availability of resources to serve adults returning to the community, as well as those already living in the community who are underinsured. Second, Ohio’s broad Medicaid coverage for mental health services permitted the dollars transferred to local communities through the implementation of the Mental Health Act to be used as state and local matching funds to draw down the 60% federal Medicaid reimbursement. The Department’s Medicaid funds are paid out of Fund 3B1, line item 333-635 for Central Office Administration, line item 334-635 for hospital operating expenses and line item 335-635 for community operating expenses. The executive recommended appropriations for all three Medicaid line item funds total \$226,598,566 in FY 2004 and \$243,911,943 in FY 2005.

### **Executive Recommendations**

In FY 2004, recommended appropriations for the Department are approximately \$917 million. In FY 2005, this figure increases to \$946 million. General Revenue Fund appropriations represent 58% of the total agency budget. The GRF portion of the Department’s budget increases by 3.2% in FY 2004 (over FY 2003 estimates) and increases by 1.7% in FY 2005 (over FY 2004 recommended appropriations). Overall, funding in line item 334-408, Community and Hospital Mental Health Services, will cover the current level of hospital care and provide flat funding for community services. General Revenue Fund line items 335-502, Community Mental Health Programs, and 335-508, Services for Severely Mentally Disabled, are combined and appropriated in a newly created GRF line item 335-505, Local Mental Health Systems of Care. The primary reason behind this consolidation is for ease in accounting. General Revenue Fund line items 333-100, Personal Services; 333-200, Maintenance; and 333-300, Equipment are combined into another newly created GRF line item 333-321, Central Administration. According to the Executive Blue Disk, the additional funding provided in line item 333-321 is necessary because rotary cash reserves that are also used to fund Central Administration have been depleted during the FY 2002-2003 biennium. More discussion of this issue is provided in the section “Analysis of Executive Proposal.”

Amended Substitute House Bill 405 of the 124th General Assembly increased the appropriations to GRF line item 334-408, Community and Mental Health and Hospital Services, by \$3.0 million in FY 2002 and \$20.0 million in FY 2003. These appropriation increases prevented hospital closures that would have been otherwise necessary. Line item 334-408 includes funds for both hospital operating and services purchased by the community mental health boards. The Office of Budget and Management (OBM) recommended that the Department use some of its cash reserves (rotary) funding to supplement a portion of its payroll expenses. In the current biennium, rotary funds (line item 333-609) have been used to cover civil service payroll and other operating costs at the Department’s state psychiatric hospitals for costs that exceeded the GRF appropriations. These rotary funds are nearly depleted. The Department will need to shift to GRF funding to continue current functions.

**FY 2003 Budget Reductions**

The Department received a cut of 2.5%, or \$12.5 million, in the second round of executive ordered reductions in FY 2003. The Department was given discretion on how to distribute the cut across its line items. At the time the Governor's Blue Disk was produced, the Department had not yet determined how the cuts would be taken. Therefore, OBM applied a 2.5% cut to all of the Department's GRF line items for reporting purposes in the Blue Disk. These same appropriations amounts are used in the LSC spreadsheet provided in this redbook. In fact, the Department used \$4.5 million in cash reserves to absorb part of the cuts. As a result, the percentage increases reported in the Blue Disk and the LSC spreadsheet for FY 2003 for line items 333-100, 333-200, and 333-300 are overstated.

Of the \$12.5 million cut in FY 2003, \$5.9 million came from community funds (GRF line items 335-502 and 335-508), \$4.5 million came from cash reserves (Fund 4P9), \$2.0 million came from hospital dollars (GRF line item 335-408), \$78,000 came from GRF line item 333-100, Personal Services, and \$25,000 came from GRF line item 333-416, Research Program Evaluation. The reduction in funding for line item 335-408 will require that a hiring freeze be instituted, some contracts may need to canceled, restrictions will need to be placed on equipment purchases, and some bills incurred in FY 2003 may have to be paid in FY 2004 (but only as a last resort).

## ANALYSIS OF EXECUTIVE PROPOSAL

### Community and Hospital Services

### Program Series 1

**Purpose:** Provides for the stabilization and treatment of acutely mentally ill adults including transition back to their local communities for treatment. Ensures the availability of quality community mental health treatment programs.

The following table shows the line items that are used to fund this program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2004*	FY 2005*
GRF	334-408	Community and Hospital Mental Health Services	\$380,250,000	\$390,506,000
GRF	335-419	Community Medication Subsidy	\$7,711,000	\$7,960,000
GRF	335-505	Local MH Systems of Care	\$89,688,000	\$89,688,000
<b>Total GRF</b>			<b>\$477,649,000</b>	<b>\$488,154,000</b>
149	334-609	Hospital Rotary-Operating Expenses	\$22,908,000	\$24,408,000
150	334-620	Special Education	\$121,000	\$121,000
4P9	335-604	Community Mental Health Projects	\$200,000	\$200,000
3A7	335-612	Social Services Block Grant	\$9,314,000	\$9,314,000
3A8	335-613	Federal Grant-Community MH Board Subsidy	\$1,717,000	\$1,717,000
3A9	335-614	Mental Health Block Grant	\$16,887,000	\$17,056,000
3B0	334-617	Elementary & Secondary Education Act	\$249,000	\$252,000
3B1	334-635	Community Medicaid Expansion	\$2,000,000	\$2,000,000
3B1	335-635	Community Medicaid Expansion	\$220,472,000	\$237,767,000
324	334-605	Medicaid/Medicare	\$10,485,000	\$10,917,000
4X5	333-607	Behavioral Health Medicaid Services	\$2,913,000	\$3,001,000
485	334-632	Mental Health Operating	\$2,387,000	\$2,476,000
5L2	334-619	Health Foundation/Greater Cincinnati	\$26,000	\$0
632	335-616	Community Capital Replacement	\$250,000	\$250,000
692	334-636	Community Mental Health Board Risk Fund	\$100,000	\$100,000
<b>Total Non-GRF</b>			<b>\$290,030,000</b>	<b>\$309,579,000</b>
<b>Total funding: Community and Hospital Services</b>			<b>\$767,678,000</b>	<b>\$797,732,000</b>

\* amounts rounded to the nearest thousand

Specific programs within the Community and Hospital Services program series that this analysis will focus on include:

- **State Operated Hospital Services**
- **Community Services Provided By Local Agencies**
- **Community Services Provided By State Employees**

### **State Operated Hospital Services**

**Program Description:** DMH has consolidated and closed many of its state psychiatric hospitals. It currently operates five Integrated Behavioral Health Care Organizations or IBHO's (formerly known as state psychiatric hospitals) at nine inpatient sites located throughout the state. They are as follows:

#### Appalachian Behavioral Healthcare

- Athens Campus
- Cambridge Campus

#### Heartland Behavioral Healthcare

- Massillon Campus

#### Northcoast Behavioral Healthcare

- Cleveland Campus (formerly Cleveland Psychiatric Institute)
- Northfield Campus (formerly Western Reserve Psychiatric Hospital)
- Toledo Campus (formerly Northwest Psychiatric Hospital in Toledo)

#### Summit Behavioral Healthcare (formerly Pauline Warfield Lewis Center)

- Cincinnati Campus

#### Twin Valley Behavioral Healthcare

- Columbus Campus (formerly Central Ohio Psychiatric Hospital (COPH))
- Dayton Campus (formerly Dayton Mental Health Center)

The role of these state facilities in Ohio's mental health care system has changed dramatically over the last two decades. Previously, state-operated psychiatric hospitals provided mostly long-term care for individuals with severe mental illness. Now, they provide services of varying duration to three distinct populations.

First, they provide short-term hospitalization for individuals who are experiencing an acute psychiatric episode. These individuals are usually stabilized in the hospital and then discharged to the community for care in less than 30 days.

Second, state hospitals provide services to individuals committed in forensic status by the judicial system. This includes forensic patients who receive care in a maximum-security facility at Twin Valley Psychiatric System – Columbus campus. Forensic patients currently account for approximately 60% of the state psychiatric hospital population.

Third, state hospitals provide services to a very small number of individuals who require long-term care in a hospital setting, because appropriate community placements that meet their particular needs are not yet available.

The average daily resident population in state hospitals is just under 1,050. State psychiatric hospitals serve nearly 6,000 individuals a year.

**Funding Sources:** GRF, GSF, SSR, and federal

**Line Items:** GRF 334-408, Community Mental Health and Hospital Services; GRF 335-419, Community Medication Subsidy; GRF 335-505, Local MH Systems of Care; Fund 149 334-609, Hospital Rotary-Operating; Fund 3B0 334-617, Elementary/Secondary Education; Fund 3B1 334-635, Hospital Medicaid Expansion; Fund 150 334-620, Special Education; Fund 3A7 335-612, Social Services Block Grant; Fund 3A8 335-613, Federal Grant-Community MH Board Subsidy; Fund 3A9 335-614, Mental Health Block Grant; Fund 324 334-605, Medicaid/Medicare; Fund 4P9 335-604, Community Mental Health Projects; Fund 485 334-632, Mental Health Operating; Fund 5L2 334-619 Health Foundation/Greater Cincinnati; Fund 632 335-616, Community Capital Replacement; and Fund 692 334-636, Community Mental Health Board Risk Fund

**Implication of the Executive Recommendation:** The Executive recommended a 4.6% increase in FY 2004 and a 2.7% increase in FY 2005 for line item 334-408. This line item provides funding for both community and hospital services. Approximately 50% is used for each. Assuming that the boards purchase around the same number of hospital “bed days” in FYs 2004 and 2005, the recommended level of funding will cover the current level of hospital care with flat community funding. Due to the 2.5% cut requested by the Governor for FY 2003, the Department estimates that this line item stands to lose \$2 million in FY 2003. The Department states that the reduction in Fund 408 will most likely mean hiring freezes, potential contract cancellations, restrictions on equipment purchases, and possibly other measures.

**Earmarking:** None

**Permanent and Temporary Law:** Temporary law states that line item 334-636, Community Mental Health Board Risk Fund, shall be used to make payments pursuant to section 5119.62 of the Revised Code.

### **Community Services Provided By Local Agencies**

**Program Description:** The Department is responsible for the oversight of behavioral healthcare services managed locally by 50 community alcohol, drug addiction, and mental health services (ADAMH) boards that are directly responsible for the local planning and funding of these services. The local system of care’s primary role is to provide acute care services for persons who do not have the financial ability to purchase private care. Community mental health boards contract with community agencies to provide services such as individual and group counseling, residential treatment, crisis intervention, case management, and employment assistance to persons with severe and persistent mental illness. Over 500 community agencies provide services to more than 180,000 adults and 75,000 youth annually. Of the adults, approximately 64,500 are certified as severely mentally disabled (SMD). Of the youth, about 42,000 are considered to have a serious emotional disturbance (SED).

**Funding Source:** GRF subsidies, federal Medicaid reimbursement, federal grants, and IMD Medicaid reimbursement

**Line Items:** GRF 334-408, Community Mental Health and Hospital Services; GRF 335-508, Services for Severely Mentally Disabled; GRF 335-419, Community Medication Subsidy; GRF 335-502, Community Mental Health Programs; Fund 3B1 335-635, Community Medicaid Expansion; Fund 3A7 335-612, Social Services Block Grant; Fund 3A8 335-613, Federal Grant-Community Mental Health Subsidy; Fund 3A9 335-614, Mental Health Block Grant; Fund 4X5 333-607, Behavioral Health Medicaid Services

**Implication of the Executive Recommendation:** The Executive recommended a 2.7% increase in community medication subsidy funding (line item 335-419) in FY 2004 and a 3.2% increase in FY 2005. This line item assists community mental health boards with the purchase of psychotropic medication for indigent persons. However, the appropriation levels do not fund all the medication costs for indigent persons, and the community mental health boards generally pick up the remaining costs. Given the relatively flat funding over the biennium for the medication subsidy and the increase in demand for new, more effective, but more expensive, psychotropic medications in the community, boards could have to pay a greater portion of medication costs in the upcoming biennium.

General Revenue Fund line item 335-505, Local Mental Health Systems of Care, is the consolidation of line items 335-502, Community Mental Health Programs, and 335-508, Services for Severely Mentally Disabled. As mentioned previously, combining these two line items will have no discernable fiscal effects.

Fund 4N8 line item 335-606, Family Stability Incentive, will end after FY 2003. The program will not be continued with state dollars. There is a slight chance that certain communities will choose to use local dollars to continue providing these services. This program was funded through the General Services Fund Group with federal moneys from the Ohio Department of Job and Family Services (ODJFS). The Department estimates the balance of unused funds is approximately \$1 million, which will be used to help offset the FY 2003 executive order reduction.

Fund 3A9 line item 335-614, Mental Health Block Grant, has an increased appropriation of 15% in FY 2004 over FY 2003 estimates. In FY 2003, the block grant was approximately \$4 million higher than the Department's spending authority. The FYs 2004 and 2005 appropriation amounts meet the Department's projections for the entire block grant.

Fund 3B1 line item 335-635, Community Medicaid Expansion, has an increased appropriation of 7.5% in FY 2004 and 7.8% in FY 2005. This line item receives federal Medicaid reimbursement for certain community mental health services provided by mental health professionals. These services include: outpatient mental health care, unscheduled emergency mental health care, and partial hospitalization in community facilities. The funds from line item 335-635 are passed through to community mental health boards and agencies for operating expenses based on billed services. According to the Department, the FY 2003 appropriations will not meet their projected Federal Financial Participation (FFP). Based on Medicaid claims through December 2002, the Department's projection for FFP is approximately \$40 million above the FY 2003 spending authority. However, the FYs 2004 and 2005 recommended appropriation amounts meet their projections for spending for the next biennium.

Fund 692 line item 335-636, Community Mental Health Board Risk Fund, has an appropriation of \$100,000 for each year of the biennium. The purpose of this line item is to cover, if necessary, part of the costs of over-utilization of hospital services. However, these funds have not had to be used, therefore, the Department decided to use the available cash in this fund to help meet the executive ordered reduction for FY 2003.

In FY 2003, the Department received a 2.5% executive ordered reduction (\$12.5 million). About \$5.9 million came from community funds (GRF line items 335-502 and 335-508), \$4.5 million came from cash reserves (Fund 4P9), \$2.0 million came from hospital dollars (GRF line item 335-408), \$78,000 came from GRF line item 333-100, Personal Services, and \$25,000 came from GRF line item 333-416, Research Program Evaluation. The reduction in funding for line item 335-408 will require that a hiring freeze be instituted, some contracts may need to be canceled, restrictions will need to be placed on equipment purchases, and some bills incurred in FY 2003 may have to be paid in FY 2004 (but only as a last resort).

**Earmarking:** Language associated with line item 335-505, Local Mental Health Systems of Care, states that at least \$34,478,611 in FY 2004 and \$34,439,670 in FY 2005 shall be distributed by the Department on a per capita basis to community mental health boards; and also earmarks \$100,000 in each fiscal year to fund family and consumer education and support.

**Permanent and Temporary Law:** Permanent law in the bill adds assertive community treatment and intensive home-based services as Medicaid reimbursable services. The bill requires the Department of Job and Family Services to request federal approval (by October 1, 2003) to include assertive community treatment and intensive home-based services as Medicaid reimbursable services. It also requires the Director of Mental Health to adopt rules by October 1, 2003, in consultation with the Department of Job and Family Services, to establish certification standards for assertive community treatment and intensive home-based services. The Department is currently working with the Department of Job and Family Services to establish criteria for the continuation of partial hospitalization.

Temporary law associated with line item 335-419, Community Medication Subsidy, states that it shall be used to provide subsidized support for psychotropic medication needs of indigent citizens in the community to reduce unnecessary hospitalization because of a lack of medication. It also states that the line item shall be used to provide subsidized support for methadone costs.

Temporary law associated with line item 335-505, Local Mental Health Systems of Care, states that it shall be used for mental health services provided by the boards in accordance with a community mental health plan submitted pursuant to section 340.03 of the Revised Code and as approved by the Department.

Temporary law associated with line item 333-607, Behavioral Health Medicaid Services, states that DMH shall administer specified Medicaid Services as delegated by the Department of Job and Family Services in an interagency agreement. It also states that the line item may be used to make payments for the free-standing psychiatric hospital inpatient services as defined in the interagency agreement.

### **Community Services Provided By State Employees**

**Program Description:** The Community Support Network (CSN) program, formerly known as State Operated Services (SOS), re-deploys state hospital staff in the community, at the request of local community mental health boards, to fill gaps in community service systems, as well as provides expertise regarding the treatment of individuals who are at substantial risk for hospitalization. There are about 385 state employees currently performing this function. Local community health boards must pay the state for CSN services that they request. (Boards can choose to pay for CSN services with state subsidies that they receive.) There are approximately 33 boards purchasing CSN services.

Currently, 83 CSN programs exist statewide, which provide a variety of services to both adult and juvenile client populations. Services are delivered through a diversity of treatment teams including forensic, residential, substance abuse, and community teams. Approximately 3,000-4,000 persons annually receive CSN services.

**Funding Source:** GRF, federal Medicaid and Medicare reimbursement

**Line Items:** GRF 334-408, Community Mental Health and Hospital Services; Fund 324 334-605, Medicaid/Medicare

**Implication of the Executive Recommendation:** Fiscal years 2002 and 2003 CSN service levels proved to be higher than the Department estimated at the beginning of the biennium. Estimates for FYs 2002 and 2003 were required before the establishment of the Multi Agency Community Services Information System (MACSIS), which changed the payment methodology for CSN. Prior to FY 2002, the Department retained GRF line item 334-408 “flex funds” as indicated by the boards for partial payment of CSN services, and only Medicaid eligible services were paid via the MACSIS billing system. Beginning in FY 2002, the funds were no longer retained for these services and most boards chose to pay for CSN services (Medicaid and non-Medicaid) via MACSIS. The CSN payments are deposited into Fund 149. This change in payment methodology resulted in a need for the additional spending authority in Fund 149. Because the boards have one year to submit payment for the full cost of CSN services, the Department had to go to the Controlling Board to get an appropriation increase in order to spend the additional revenue received plus carryover from FY 2002.

The Department estimates that the executive recommended levels for FYs 2004 and 2005 will be sufficient to meet a “normal” revenue stream for hospital CSNs.

**Earmarking:** None

**Permanent and Temporary Law:** None

**Forensic Services**

**Program Series 2**

**Purpose:** To fund regional community forensic psychiatric centers to provide competency, sanity, and second opinion evaluations for common pleas courts; to support mental health services linkages for individuals entering and leaving jails and prisons; and to develop and implement a uniform tracking and monitoring program for forensic mental health patients who are to be conditionally released.

The following table shows the line items that are used to fund this program series, as well as the Governor’s recommended funding levels.

Fund	ALI	Title	FY 2004*	FY 2005*
GRF	332-401	Forensic Services	\$4,339,000	\$4,339,000
<b>Total funding: Forensic Services Program Series</b>			<b>\$4,339,000</b>	<b>\$4,339,000</b>

\* amounts rounded to the nearest thousand

**Forensic Services**

**Program Description:** The Department and the community mental health boards work with local jails, state prisons, law enforcement agencies, community mental health and substance abuse treatment provider organizations, and courts to provide continuity of care for persons entering and leaving local jails and state prisons who need mental health and substance abuse treatment. The Department and community mental health boards also coordinate with state hospitals, community psychiatric evaluation centers, other community mental health boards, and local providers to develop and implement programs, policies, and procedures for community-based systems of forensic care.

Thirteen state-funded regional community psychiatric centers provide sanity and competency evaluation services for municipal courts, juvenile courts, and courts of common pleas. They provide evaluations in many settings including jails, hospitals, and in the community. There were 2,394 competency and sanity evaluations completed in FY 2001. A total of 7,149 evaluations were completed for the common pleas courts and municipal courts in FY 2001. It should be noted that two regional community psychiatric centers, one in Cuyahoga County and the other in Lake County, receive no state funding under the Forensic Services program as these counties started their centers on their own.

**Funding Source:** GRF

**Line Item:** GRF 332-401, Forensic Services

**Implication of the Executive Recommendation:** The Department requested \$4,469,024 in FY 2004 and \$4,603,094 in FY 2005 for the continuation of current services plus inflation. The Executive recommended \$4,338,858 in each year of the biennium. These relatively small differences of \$130,000 in FY 2004 and \$264,236 in FY 2005 will probably allow for the continuation of current services, but will also require the Department to reprioritize projects and seek other ways to cover the costs of inflation.

**Earmarking:** none

***Permanent and Temporary Law:*** Temporary law states that GRF line item 322-401, Forensic Services, shall be used in the following ways:

- (a) to provide psychiatric services to courts of common pleas; the funding shall be allocated through the boards according to rules established under 5122:4-1-01 of the Administrative Code;
- (b) for forensic training to community mental health boards and to forensic psychiatric residency programs in state psychiatric hospitals and to provide psychiatric evaluations of patients of forensic status in DMH facilities prior to conditional release to the community;
- (c) to support projects involving mental health, substance abuse, courts, and law enforcement to identify and develop appropriate alternative services to institutionalization for non-violent mentally ill offenders, and to provide linkages to community services for severely mentally disabled offenders released from Department of Rehabilitation and Correction institutions; and
- (d) to provide forensic monitoring and tracking in addition to community programs serving persons of forensic status on conditional release or probation.

**Office of Support Services**

**Program Series 3**

**Purpose:** To provide ancillary services to state facilities, as well as community agencies.

The following table shows the line items that are used to fund this program series, as well as the Governor’s recommended funding levels.

Fund	ALI	Title	FY 2004*	FY 2005*
151	235-601	General Administration	\$85,182,000	\$85,182,000
5M2	333-602	PWLC Campus Improvement	\$200,000	\$ 200,000
<b>Total funding: Office of Support Services</b>			<b>\$85,382,000</b>	<b>\$85,382,000</b>

\* amounts rounded to the nearest thousand

**Office of Support Services**

**Program Description:** The Office of Support Services (OSS) is a not-for-profit, non-GRF section of DMH that provides auxiliary services to state facilities and select community agencies. Services provided include wholesale food, processed food, pharmaceuticals, and pharmacy dispensing and transportation services to 13 state agencies, 245 state institutions, 50 community mental health boards, and 186 community mental health clinics. By buying in volume, with a customer base in excess of 50,000, OSS is generally able to purchase and sell its services below the current market rate. Program operations are totally self-supporting and are funded out of a rotary account (line item 235-601). The Office of Support Services “earns” its income by billing state departments and agencies for its services.

Over the past five years, OSS has seen its sales grow from \$76 million to over \$85 million. This is primarily due to an increase in the use of new drugs, cost increases for older drugs, and the appeal of the purchasing power of OSS to other eligible non-profit state and community agencies.

In FY 1999, laboratory services were consolidated with, and relocated to, the Department of Rehabilitation and Correction. More than 22 FTEs were transferred to DRC as part of this re-organization.

**Funding Source:** sale of goods and services to other state and community agencies; payment from City of Cincinnati as part of a memorandum of agreement between the City, the United States Postal Service, and the Department

**Line Items:** Fund 151 235-601, General Administration; Fund 5M2 333-602, PWLC Campus Improvement

**Implication of the Executive Recommendation:** The executive recommendations match the Department’s funding request for the Office of Support Services.

The Controlling Board established line item 333-602 on October 4, 2000. The \$200,000 appropriated in each year comes from the city of Cincinnati as part of a memorandum of agreement between the city, the United States Postal Service, and the Department. These funds will be used to help pay for the campus improvement/consolidation project at the Summit Behavioral Healthcare Center (formerly, the Pauline Warfield Lewis Center).

***Earmarking:*** None

***Permanent and Temporary Law:*** None

**Program Support****Program Series 4**

**Purpose:** Provides targeted technical assistance, program development, and clinical expertise in state hospital and community settings

The following table shows the line items that are used to fund this program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2004*	FY 2005*
GRF	333-321	Equipment-Central Administration	\$22,809,000	\$24,179,000
GRF	333-402	Resident Trainees	\$1,365,000	\$1,365,000
GRF	333-403	Pre-Administration Screening Expenses	\$650,000	\$650,000
GRF	333-416	Research Program Evaluation	\$1,002,000	\$1,002,000
GRF	334-506	Court Costs	\$977,000	\$977,000
<b>Total GRF</b>			<b>\$26,802,000</b>	<b>\$28,172,000</b>
149	333-609	Central Office Rotary-Operation	\$1,087,000	\$1,104,000
3A7	333-612	Social Services Block Grant	\$25,000	\$0
3A8	333-613	Federal Grant-Administration	\$57,000	\$58,000
3A9	333-614	Mental Health Block Grant	\$827,000	\$836,000
3B1	333-635	Community Medicaid Expansion	\$4,126,000	\$4,145,000
324	333-605	Medicaid/Medicare	\$524,000	\$515,000
485	333-632	Mental Health Operating	\$134,000	\$134,000
<b>Total Non-GRF</b>			<b>\$6,782,000</b>	<b>\$6,792,000</b>
<b>Total funding: Program Support</b>			<b>\$33,584,000</b>	<b>\$34,964,000</b>

\*amounts rounded to the nearest thousand

**Central Administration**

**Program Description:** The Administration, comprised of the Central Office, is responsible for the total operation of the Department, including establishing the overall mission and direction, coordination, monitoring, and policy formulation related to ensuring the development of a comprehensive, statewide mental health services system. The system consists of 50 local boards, five Integrated Behavioral Healthcare Organizations (IBHO), the Department's Community Support Networks (CSN) and over 400 community contract agencies. Central Administration staff provides technical assistance and support to all the components of the mental health system.

Central Administration includes the following divisions or subprograms: (1) Director's office, (2) Human Resources, (3) Fiscal Administration, (4) Information Services, (5) Legal Services, (6) Probate Court Costs, (7) Program Development, (8) Consumer Services, (9) Children Services and Prevention, (10) System Development (11) Licensure and Certification, (12) Capital Development, (13) Integrated Behavioral Healthcare System, (14) Medical Director and Quality Assurance, (15) Program Evaluation and Research, and (16) Forensic Services.

**Funding Sources:** GRF, GSF, SSR, federal grants, and revenues from the sale of goods and services

**Line Items:** GRF 333-321, Central Administration; Fund 149 333-609, Central Office Rotary-Operating; Fund 3A8 333-613, Federal Grant-Administration; Fund 3A9 333-614, Mental Health Block Grant; Fund 3B1 333-635, Community Medicaid Expansion; Fund 324 333-605, Medicaid/Medicare; Fund 485 333-632, Mental Health Operating

**Implication of the Executive Recommendation:** The executive recommended funding levels will support current staffing levels with no increases. The Department received some, but not all, of the requested supplemental funding to restore the Central Office budget to 100% continuation plus inflation for payroll, maintenance, and equipment. However, the Department faces a shortfall of \$74,658 in FY 2004 and \$166,648 in FY 2005 that they will need to find a way to fill in order to meet the 100% continuation plus inflation.

The Department received a cut of 2.5% or \$12.5 million, in the second round of executive ordered reductions in FY 2003. The Department was given discretion on how to distribute the cut across its line items. At the time the Governor’s Blue Disk was produced, the Department had not yet determined how the cuts would be taken. Therefore, OBM applied a 2.5% cut to all of the Department’s GRF line items for reporting purposes in the Blue Disk. These same appropriations amounts are used in the LSC spreadsheet provided in this redbook. In fact, the Department used \$4.5 million in cash reserves to absorb part the cuts. As a result, the percentage increases reported in the Blue Disk and the LSC spreadsheet for FY 2003 for line items 333-100, 333-200, and 333-300 are overstated.

Of the \$12.5 million cut in FY 2003, \$5.9 million came from community funds (GRF line items 335-502 and 335-508), \$4.5 million came from cash reserves (Fund 4P9), \$2.0 million came from hospital dollars (GRF line item 335-408), \$78,000 came from GRF line item 333-100, Personal Services, and \$25,000 came from GRF line item 333-416, Research Program Evaluation. The reduction in funding for line item 335-408 will require that a hiring freeze be instituted, some contracts may need to canceled, restrictions will need to be placed on equipment purchases, and some bills incurred in FY 2003 may have to be paid in FY 2004 (but only as a last resort).

<b>Central Office Administration</b>										
	<b>FY 2002</b>	<b>FY 2003</b>	<b>Variance</b>	<b>%</b>	<b>FY 2004</b>	<b>Variance</b>	<b>%</b>	<b>FY 2005</b>	<b>Variance</b>	<b>%</b>
GRF	\$19,788,923	\$19,344,086	(\$444,837)	(2.2%)	\$22,808,798	\$3,464,712	17.9%	\$24,178,778	\$1,369,980	6.0%
Fund 149	\$2,513,951	\$2,037,918	(\$476,033)	(18.9%)	\$1,087,454	(\$950,464)	(46.6%)	\$1,103,578	\$16,124	1.5%
Fund 3B1	\$1,730,248	\$3,648,297	\$1,918,049	110%	\$1,626,430	(\$2,021,867)	(55.4%)	\$1,645,222	\$18,792	1.2%
<b>Total</b>	<b>\$24,033,122</b>	<b>\$25,030,301</b>	<b>\$997,179</b>	<b>4.1%</b>	<b>\$25,522,682</b>	<b>\$492,381</b>	<b>2.0%</b>	<b>\$26,927,578</b>	<b>\$1,404,896</b>	<b>5.5%</b>

The table above shows the inverse relationship between central office’s GRF and non-GRF program support funds over the last biennium. A portion of Fund 149 (rotary) is used to supplement the civil service payroll for costs that exceed the Department’s GRF appropriation. Referring to the table above, one can see that as the Department utilizes more non-GRF rotary funding, and thus depletes these cash reserves, the GRF amount has increased. This means that as the reserves continue to deplete over the next biennium, the Department must utilize more GRF to meet payroll, maintenance, and purchased service costs.

The executive recommended appropriations for Central Administration for FY 2004 indicates a 21% increase over FY 2003 estimates. According to the Department, the increase in GRF for FY 2004 is actually around 17.9% because of the depleting rotary account (Fund 149). The increased GRF is needed because of the increased costs associated with operating a hospital. For example, the Department

estimates that aside from normal increases such as a 1% step increase for civil servant employees, it also expects increases in contracted services, maintenance and equipment, and medication.

**Earmarking:** None

**Permanent and Temporary Law:** Temporary law states that GRF line item 333-402, Resident Trainees, be used to fund training agreements entered into by DMH for the development of curricula and the provision of training programs to support public mental health services.

Temporary law states that GRF line item 333-403, Pre-Admission Screening Expenses, be used to pay for costs to ensure that uniform statewide methods for pre-admission screening are in place to perform assessments for persons in need of mental health services or for whom institutional placement in a hospital or in another inpatient facility is sought. Pre-admission screening includes the following activities: pre-admission assessment, consideration of continued stay requests, discharge planning and referral, and adjudication of appeals and grievance procedures.

**Debt Service Payments**

**Program Series 5**

---

**Purpose:** To cover debt service payments on bonds issued for long-term capital construction projects.

The following table shows the line items that are used to fund this program series, as well as the Governor’s recommended funding levels.

<b>Fund</b>	<b>ALI</b>	<b>Title</b>	<b>FY 2004*</b>	<b>FY 2005*</b>
GRF	333-415	Rental Payments OPFC	\$25,936,000	\$23,207,000
<b>Total funding: Debt Service Payments Program Series</b>			<b>\$25,936,000</b>	<b>\$23,207,000</b>

\* amounts rounded to the nearest thousand

**Debt Service Payments**

**Program Description:** This program covers debt service payments on bonds issued for long-term capital construction projects.

**Funding Source:** GRF

**Line Item:** GRF 333-415, Rental Payments OPFC

**Implication of Recommendation:** The Executive has recommended continuation funding for debt service.

**Earmarking:**

**Permanent and Temporary Law:** Temporary law sets an aggregate limit of \$49,142,400 that DMH must pay pursuant to leases and agreements made under section 154.20 of the Revised Code.

## ADDITIONAL FACTS AND FIGURES

Department of Mental Health Staffing Levels (FTEs)						
Division	2000	2001	2002	2003*	2004*	2005*
IBHS (State Hospitals)	2,282	2,295	2,297	2,088	2,046	2,046
Community Support Network	524	496	392	372	392	392
Central Office	225	224	222	218	222	222
Services to DRC	20	20	20	19	19	19
Office of Support Services	90	84	82	82	85	85
<b>Totals</b>	<b>3,141</b>	<b>3,111</b>	<b>3,011</b>	<b>2,779</b>	<b>2,764</b>	<b>2,764</b>

\*FY 2003, FY 2004, and FY 2005 numbers are estimates

Overall, the number of DMH personnel has continued to drop as the agency has downsized and closed state psychiatric hospitals. The Department began closing hospitals in the mid-1990s, therefore, downsizing hospital staff, and transitioning psychiatric services to the Office of Support Services in 1998. In FY 2002, hospital staff position abolishment and restricted hiring resulted in a 12% reduction in inpatient work force. The majority of the positions that were abolished were not direct care. The current staff to patient ratio in the hospitals is two to one.

Under the Governor's recommended funding levels, and including the 2.5% reduction in FY 2003, the Department does not foresee additional staff downsizing. Hospitals may experience a reduction in staff due to normal attrition.

## PERMANENT AND TEMPORARY LAW

This section describes permanent and temporary law provisions contained in the executive budget that will affect the department's activities and spending decisions during the next biennium.

### Permanent Law Provisions

#### *Inclusion of Assertive Community Treatment and Intensive Home-Based Services in State Medicaid Plan (R.C. sections 5111.022 and 5119.01)*

The bill includes assertive community treatment and intensive home-based services as Medicaid reimbursable services. The bill requires the Department of Job and Family Services to request federal approval by October 1, 2003, to include assertive community treatment and intensive home-based services as Medicaid reimbursable services. It also requires the Director of Mental Health to adopt rules by October 1, 2003, in consultation with the Department of Job and Family Services, to establish certification standards for assertive community treatment and intensive home-based services.

### Temporary Law Provisions

#### *Forensic Services (Section 69)*

Temporary law restricts how funds in GRF line item 322-401, Forensic Services, may be used as follows:

- To provide psychiatric services to courts of common pleas;
- Funds to be allocated through community mental health boards to certified community agencies in accordance with administrative rule to be used for forensic training to community mental health boards and to forensic psychiatric residency programs in state psychiatric hospitals and to provide psychiatric evaluations of patients of forensic status in DMH facilities prior to conditional release to the community;
- To support projects involving mental health, substance abuse, courts, and law enforcement to identify and develop appropriate alternative services to institutionalization for non-violent mentally ill offenders, and to provide linkages to community services for severely mentally disabled offenders released from Department of Rehabilitation and Correction institutions; and
- To provide forensic monitoring and tracking in addition to community programs serving persons of forensic status on conditional release or probation.

#### *Residency Traineeship Programs (Section 69)*

Temporary law requires that the appropriation for line item 333-402, Resident Trainees, be used to fund training agreements entered into by DMH for the development of curricula and the provision of training programs to support public mental health services.

**Pre-Admission Screening Expenses (Section 69)**

Temporary law requires that line item 333-403, Pre-Admission Screening Expenses, be used to ensure that uniform methods for pre-admission screening for persons in need of mental health services be in place statewide.

**Lease Rental Payments (Section 69)**

Sets an aggregate limit of \$51.0 million that DMH may pay to the Ohio Public Facilities Commission from line item 333-415, Rental Payments OPFC, pursuant to leases and agreements made under section 154.20 of the Revised Code.

**Community Mental Health Board Risk Fund (Section 69.01)**

Requires that appropriation line item 334-636 be used to make payments pursuant to section 5119.62 of the Revised Code.

**Community Medication Subsidy (Section 69.03)**

Requires that appropriations in line item 335-419 must be used to provide subsidized support for psychotropic medication needs of indigent citizens in the community to reduce unnecessary hospitalization because of lack of medication. It also may be used to provide subsidized support for methadone costs.

**Local Mental Health Systems of Care (Section 69.03)**

Requires that appropriation line item 335-505 be used for mental health services provided by community mental health boards in accordance with a community mental health plan submitted pursuant to section 340.03 of the Revised Code and as approved by the Department.

Requires at least \$34,478,611 in FY 2004 and at least \$34,439,670 in FY 2005 be distributed by the Department on a per capita basis to community mental health boards.

Earmarks \$100,000 in each fiscal year to fund family and consumer education and support

**Behavioral Health Medicaid Services (Section 69.03)**

Temporary law requires DMH to administer the IMD Medicaid program as delegated by the Department of Human Services, and to use funds in line item 333-607, Behavioral Health Medicaid Services, to make payments for free-standing psychiatric hospital inpatient services.

## REQUESTS NOT FUNDED

The Department requested total funding of \$950,197,767 in FY 2004 and \$1,009,452,087 in FY 2005. The Executive recommended \$916,918,489 and \$945,623,604, respectively. The executive recommendations are below the Department’s requested level of funding by \$33,279,278 in FY 2004 and \$63,828,483 in FY 2005.

The Department received core budget level funding for hospitals and community services, forensic services, and central office. The Executive partially funded some supplemental requests for these services as well. The following tables indicate which requests were partially funded or not funded at all.

GRF: Forensic Services - Continuation Plus Inflation						
Fund Line Item	FY 2004 Requested	FY 2004 Recommended	Difference	FY 2005 Requested	FY 2005 Recommended	Difference
GRF 332-401	\$777,691	\$647,525	(\$130,166)	\$911,761	\$647,525	(\$264,236)

The Department will be able to continue funding at the 13 diversion alternatives, current projects will not be cut, and the community forensic monitoring will be continued at the current level.

GRF: Central Office - Continuation Plus Inflation						
Fund Line Item	FY 2004 Requested	FY 2004 Recommended	Difference	FY 2005 Requested	FY 2005 Recommended	Difference
GRF 333-402	\$154,530	\$0	(\$154,530)	\$159,166	\$0	(\$159,166)
GRF 333-416	\$4,401	\$0	(\$4,401)	\$34,579	\$0	(\$34,579)

The executive recommended funding levels will support current staffing levels with no increases. The Department also requested, but did not receive, additional funding in GRF line item 333-402, Resident Trainees and GRF line item 333-416, Research Program Evaluation to restore the FY 2003 budget cut with 3% inflation.

GRF: Central Office – IPPS Implementation						
Fund Line Item	FY 2004 Requested	FY 2004 Recommended	Difference	FY 2005 Requested	FY 2005 Recommended	Difference
GRF 333-321	\$0	\$0	(\$0)	\$4,232,500	\$232,500	(\$4,000,000)

The purpose of this project is to prepare DMH for significant anticipated changes in Medicare’s reimbursement for services provided to inpatient psychiatric clients with the goals of maximizing revenues and organizational efficiencies. Major components of the project include:

- (1) Prepare DMH for anticipated inclusion in CMS’ Inpatient Prospective Payment System (IPPS) to be designed for behavioral health facilities and the current Outpatient Prospective Payment System (OPPS);
- (2) Focus in the near term on best practices for the purpose of standardizing and maximizing revenue streams across the OBHS; and

- (3) Address the back-end information system purchase efforts by issuing a Request For Proposal, making a vendor selection, and then implementing the new system. The executive recommended funding levels will not support the requested amount for the IPPS implementation; the Department will need to seek other sources of funding.

The Department received no funding for the following supplemental requests. They will need to find ways to reprioritize and use other sources of funding, or make cuts in these services, to operate without this funding.

<b>GRF: Community MH Programs</b>						
<b>Fund Line Item</b>	<b>FY 2004 Requested</b>	<b>FY 2004 Recommended</b>	<b>Difference</b>	<b>FY 2005 Requested</b>	<b>FY 2005 Recommended</b>	<b>Difference</b>
GRF 335-505	\$12,356,096	\$0	(\$12,356,096)	\$15,417,414	\$0	(\$15,417,414)

The Department requested, but did not receive, additional funding to restore FY 2003 budget cuts with 3% inflation for community mental health programs.

<b>GRF: Additional Case Managers</b>						
<b>Fund Line Item</b>	<b>FY 2004 Requested</b>	<b>FY 2004 Recommended</b>	<b>Difference</b>	<b>FY 2005 Requested</b>	<b>FY 2005 Recommended</b>	<b>Difference</b>
GRF 335-505	\$7,079,901	\$0	(\$7,079,901)	\$21,488,561	\$0	(\$21,488,561)

The Department requested, but did not receive, additional funding to hire additional case managers and improve caseload ratios.

<b>GRF: Medicaid Match</b>						
<b>Fund Line Item</b>	<b>FY 2004 Requested</b>	<b>FY 2004 Recommended</b>	<b>Difference</b>	<b>FY 2005 Requested</b>	<b>FY 2005 Recommended</b>	<b>Difference</b>
GRF 335-505	\$12,338,238	\$0	(\$12,338,238)	\$20,076,703	\$0	(\$20,076,703)

The Department requested but did not receive, funding to provide additional matchable resources to address Medicaid match needs.

## General Revenue Fund

### GRF 332-401 Forensic Services

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$4,156,383	\$4,315,366	\$4,152,291	\$4,230,387	\$4,152,291	\$4,152,291
	3.8%	-3.8%	1.9%	-1.8%	0.0%

**Source:** GRF

**Legal Basis:** Section 74 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am Sub. HB 117 of the 121st G.A.)

**Purpose:** Funds are used to support 12 regional community forensic psychiatric centers which provide sanity and competency evaluation services for municipal courts, juvenile courts, and courts of common pleas. Funds are also used to support mental health diversion alternative projects. These community based projects are aimed at serving non-violent mentally ill and/or mentally ill substance abusing persons involved in the criminal justice system through diversion alternatives. This line item also supports the coordination of state hospitals, community psychiatric evaluation centers, community mental health boards, and local providers to develop and implement programs and procedures for community-based systems of forensic care.

### GRF 333-100 Personal Services - Central Administration

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$18,141,793	\$15,074,658	\$17,124,762	\$16,387,169	\$0	\$0
	-16.9%	13.6%	-4.3%	-100.0%	N/A

**Source:** GRF

**Legal Basis:** ORC 5119

**Purpose:** Under the Executive's budget proposal, this line item would be discontinued and replaced by line item 333-321, Central Administration. This line item is used to pay personal service costs for administration of the Department.

### GRF 333-200 Maintenance - Central Administration

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$2,359,408	\$2,468,132	\$2,278,226	\$2,092,965	\$0	\$0
	4.6%	-7.7%	-8.1%	-100.0%	N/A

**Source:** GRF

**Legal Basis:** ORC 5119

**Purpose:** Under the Executive's budget proposal, this line item would be discontinued and replaced by line item 333-321, Central Administration. This line item is used to pay maintenance costs of the Department.

**GRF 333-300 Equipment - Central Administration**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$703,232	\$615,335	\$385,935	\$380,349	\$0	\$0
	-12.5%	-37.3%	-1.4%	-100.0%	N/A

**Source:** GRF

**Legal Basis:** ORC 5119

**Purpose:** Under the Executive's budget proposal, this line item would be discontinued and replaced by line item 333-321, Central Administration. This line item is used to pay equipment costs for administration of the Department.

**GRF 333-321 Central Administration**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$0	\$0	\$0	\$0	\$22,000,000	\$22,000,000
	N/A	N/A	N/A	N/A	0.0%

**Source:** GRF

**Legal Basis:** Proposed under Section 69 of H.B. 95 of the 125th G.A.

**Purpose:** This line item is used to pay personal costs, maintenance, and equipment for the Department. Under the Executive's budget proposal, this line item would replace line items 333-100, 333-200, and 333-300.

**GRF 333-402 Resident Trainees**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$1,365,663	\$1,282,965	\$1,551,633	\$1,330,796	\$1,330,796	\$1,330,796
	-6.1%	20.9%	-14.2%	0.0%	0.0%

**Source:** GRF

**Legal Basis:** Section 74 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am. Sub. H.B. 694 of the 114th G.A.) and ORC 5119.06(A)(2), 5119.10, and 5119.11

**Purpose:** Funds psychiatry/psychology residencies and traineeship programs in psychology, nursing, and social work at state universities and teaching hospitals. Under ORC sections 5119.06(A)(2), 5119.10, and 5119.11, the Department of Mental Health, in affiliation with institutions of higher education, must provide curricula development, training programs, and tuition reimbursement for mental health professionals.

**GRF 333-403 Pre-Admission Screening Expenses**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$645,750	\$658,665	\$638,246	\$633,882	<b>\$633,882</b>	<b>\$633,882</b>
	2.0%	-3.1%	-0.7%	<b>0.0%</b>	<b>0.0%</b>

**Source:** GRF (receives 50 percent federal match in Medicaid dollars)

**Legal Basis:** Section 74 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A.)

**Purpose:** Funds are used to cover expenditures related to the development, administration, and delivery of screening assessments designed to help ensure that only those persons in need of institutional placements receive such services. These screenings take place before a Medicaid-eligible person is admitted to a psychiatric hospital or nursing home, or may be done after a person has been placed in a facility to determine the appropriateness of continued placement. Moneys in this line item may also be used for discharge planning and referral, and adjudication of appeals and grievance procedures.

Previously, the Department of Job and Family Services had been responsible for pre-admission screening for Medicaid-eligible persons admitted to psychiatric units in general hospitals. Prior to July 1995, Medicaid coverage was not provided for persons receiving services in an Institution for the Mentally Disabled (IMD), such as a state operated psychiatric hospital or other free-standing psychiatric facility. In July 1995, Ohio was granted a waiver to allow coverage for Medicaid-eligible persons who are under 21 or over 65 years of age and are treated in an IMD. There are roughly 11,000 to 12,000 Medicaid-covered psychiatric admissions per year to the psychiatric units of general hospitals. An additional 1,000 Medicaid admissions per year are anticipated through the IMD waiver for persons under 22 or over 65.

**GRF 333-415 Lease Rental Payments**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$29,399,997	\$27,565,340	\$24,581,264	\$26,275,300	<b>\$25,935,650</b>	<b>\$23,206,750</b>
	-6.2%	-10.8%	6.9%	<b>-1.3%</b>	<b>-10.5%</b>

**Source:** GRF

**Legal Basis:** Section 74 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A.)

**Purpose:** Funds debt service payments for long-term capital construction projects of the Department of Mental Health.

**GRF 333-416 Research Program Evaluation**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$926,270	\$914,547	\$810,289	\$993,438	<b>\$810,289</b>	<b>\$810,289</b>
	-1.3%	-11.4%	22.6%	<b>-18.4%</b>	<b>0.0%</b>

**Source:** GRF

**Legal Basis:** Section 74 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am. Sub. H.B. 694 of the 114th G.A.)

**Purpose:** These funds are used for departmental research projects. The Department of Mental Health (DMH) promotes, directs, conducts, and coordinates scientific research concerning the causes and preventions of mental illness for both adults and children, the effectiveness of mental health services, and the impact of changes in the public mental health system. In collaboration with universities or research institutions, DMH currently funds approximately 20 research projects.

**GRF 333-701 Cambridge Environment Improvement**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$0	\$645,242	\$95,263	\$0	<b>\$0</b>	<b>\$0</b>
	N/A	-85.2%	-100.0%	<b>N/A</b>	<b>N/A</b>

**Source:** GRF

**Legal Basis:** Discontinued line item (originally established by Controlling Board on September 11, 2000)

**Purpose:** The amount previously appropriated in this line item was used to cover one-time expenses associated with a clean-up project at the Summit Behavioral Healthcare Organization (formerly Pauline-Warfield Lewis Center).

**GRF 334-408 Community and Hospital Mental Health Services**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$343,537,836	\$348,498,822	\$356,719,170	\$363,404,622	<b>\$376,716,546</b>	<b>\$386,793,392</b>
	1.4%	2.4%	1.9%	<b>3.7%</b>	<b>2.7%</b>

**Source:** GRF

**Legal Basis:** Section 74.01 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am. Sub. H.B. 111 of the 118th G.A.)

**Purpose:** Funds both hospital operating budgets and the services purchased by the community mental health boards. This line item was created to reflect changes to the delivery of mental health services made in S.B. 156, the "Mental Health Act of 1988". These funds were distributed under section 5119.62(B)(2) of the Revised Code to hospitals and to boards which have an approved community mental health plan. In July 1999, a class action lawsuit by ADAMH boards sought to obtain full and fair distribution of funds from the Department of Mental Health (DMH) for use by community mental health boards for the purpose of local management of mental health services for persons with severe mental disabilities. The suit was resolved through a settlement agreement between the parties, which gave local boards greater control over the distribution of funds from DMH and the "freedom of choice" in the use of such funds (subject to review and approval by DMH). Therefore, beginning in FY 2000 all non-forensic funds in this line item were distributed in accordance with the 408 settlement agreement.

**GRF 334-506 Court Costs**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$1,010,915	\$1,026,171	\$926,461	\$952,236	<b>\$926,461</b>	<b>\$926,461</b>
	1.5%	-9.7%	2.8%	<b>-2.7%</b>	<b>0.0%</b>

**Source:** GRF

**Legal Basis:** ORC 5122.43

**Purpose:** This line item is used to reimburse county probate courts for expenses associated with commitment proceedings for the non-criminal mentally ill pursuant to ORC 5122.43. It also pays the attorneys' costs for indigent clients during commitment hearings. For many courts, however, it does not cover the costs of all commitment hearings.

**GRF 335-419 Community Medication Subsidy**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$7,181,673	\$7,701,549	\$7,682,295	\$7,509,010	<b>\$7,509,010</b>	<b>\$7,509,010</b>
	7.2%	-0.3%	-2.3%	<b>0.0%</b>	<b>0.0%</b>

**Source:** GRF

**Legal Basis:** Section 74.02 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am. Sub. H.B. 171 of the 117th G.A.)

**Purpose:** Funds are used to assist community mental health boards with the purchase of psychotropic medication for indigent persons. The goal is to reduce hospitalization that is caused by a lack of medication. The appropriation levels do not, however, fund all the medication costs for indigent persons, and the community mental health boards generally pick up the remaining costs.

**GRF 335-502 Community Mental Health Programs**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$37,294,696	\$38,344,494	\$36,612,580	\$33,987,444	<b>\$0</b>	<b>\$0</b>
	2.8%	-4.5%	-7.2%	<b>-100.0%</b>	<b>N/A</b>

**Source:** GRF

**Legal Basis:** ORC 5119.62

**Purpose:** Under the Executive's budget proposal, this line item will be discontinued and replaced by GRF line item 335-505, Local Mental Health Systems of Care. Funds are used to pay a portion of the operating expenses and/or other general mental health purposes of the state's 50 community mental health boards. The boards contract with local public and private non-profit agencies to provide services to persons suffering from mental illness in their county or multi-county service areas. Subsidies are based on the ratio of the census population of each service district to the population of the state.

The community board network was established by H.B. 648 of the 107th G.A. in 1967, and its responsibilities are codified in Chapter 340. of the Revised Code. Each county of 50,000 or more persons is authorized to establish a board to provide locally-based planning, evaluation, and coordination services.

**GRF 335-505 Local MH Systems of Care**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$0	\$0	\$0	\$0	\$89,687,868	\$89,687,868
	N/A	N/A	N/A	N/A	0.0%

**Source:** GRF

**Legal Basis:** Section 69 of the introduced version of H.B. 95 of the 125th G.A.

**Purpose:** Under the Executive's budget proposal, this line item will combine and replace GRF line item 335-502 and GRF line item 335-508. Funds will be used for the same purposes as those in these line items. For Community Mental Health Programs, funds are used to pay a portion of the operating expenses and/or other general mental health purposes of the state's 50 community mental health boards. The boards contract with local public and private non-profit agencies to provide services to persons suffering from mental illness in their county or multi-county service areas. Subsidies are based on the ratio of the census population of each service district to the population of the state. The community board network was established by H.B. 648 of the 107th G.A. in 1967, and its responsibilities are codified in Chapter 340. Of the Revised Code. Each county of 50,000 or more persons is authorized to establish a board to provide locally-based planning, evaluation, and coordination services.

Funds for Services for Severely Mentally Disabled are used to maintain severely mentally disabled persons in the community and reduce the need for state mental hospital care. Appropriated funds are distributed to special projects that have replaced state hospital beds, and to community mental health boards. Funding is distributed to the boards by a variety of methodologies including formula and historical distributions. Under Am. Sub. H.B. 111 of the 118th G.A., the purpose of this line item was changed to include new programs for severely emotionally disturbed youth and for housing the mentally disabled.

Section 69.03 of the as introduced version of H.B. 95 of the 125th G.A. earmarks an amount that must be not less than \$34,818,917 in FY 2004 and \$34,818,917 in FY 2005 of the appropriated funds to be distributed by the Department on a per capita basis to community mental health boards and \$100,000 of the appropriation in each fiscal year must be used to fund family and consumer education and support.

**GRF 335-508 Services for Severely Mentally Disabled**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$58,549,469	\$57,572,105	\$57,716,586	\$55,700,424	\$0	\$0
	-1.7%	0.3%	-3.5%	-100.0%	N/A

**Source:** GRF

**Legal Basis:** Section 74.02 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am. Sub. H.B. 291 of the 115th G.A.)

**Purpose:** Under the Executive's budget proposal, this line item will be discontinued and replaced by GRF line item 335-505, Local Mental Health Systems of Care. Funds mental health services that maintain severely mentally disabled persons in the community and reduce the need for state mental hospital care. Appropriated funds are distributed to special projects that have replaced state hospital beds, and to community mental health boards. Funding is distributed to the boards by a variety of methodologies including formula and historical distributions. Under Am. Sub. H.B. 111 of the 118th G.A., the purpose of this line item was changed to include new programs for severely emotionally disturbed youth and for housing the mentally disabled. Section 74.03 of Am. Sub. H.B. 94 of the 124th G.A. earmarks \$2.8 million of the appropriated funds to be used for the following purposes: \$100,000 in each fiscal year must be used to fund family and consumer education and support and \$2.7 million in each fiscal year must be transferred from the GRF to Fund 4N8, Family Stability Incentive. Under the Executive budget proposal, the earmark for the Family Stability Incentive will be discontinued.

## General Services Fund Group

**149 333-609 Central Office Rotary - Operating**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$1,435,170	\$2,604,245	\$2,513,951	\$2,037,918	\$1,087,454	\$1,103,578
	81.5%	-3.5%	-18.9%	-46.6%	1.5%

**Source:** GSF: Payments for goods and services provided by the department to other governmental and non-governmental entities, employee housing and cafeteria receipts, fees for copying services, the proceeds from the sale of other personal property under the agency's control, and payments from community mental health boards and agencies for training, seminars, and printed materials provided by the department.

**Legal Basis:** ORC 5119.161 (originally established by Am. Sub. H.B. 291 of the 115th G.A. through Controlling Board in FY 1981)

**Purpose:** These moneys are used to pay the Department's central office operating expenses.

**149 334-609 Hospital Rotary - Operating Expenses**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$6,155,814	\$19,046,665	\$17,698,111	\$10,451,492	<b>\$22,908,053</b>	<b>\$24,408,053</b>
	209.4%	-7.1%	-40.9%	<b>119.2%</b>	<b>6.5%</b>

**Source:** GSF: Shared Service Agreements, Community Support Network (CSN) payments from county boards (MACSIS billable)

**Legal Basis:** ORC 5119.161 (originally established by Am. Sub. H.B. 291 of the 115th G.A. through Controlling Board in FY 1981)

**Purpose:** These moneys are used to pay the department's hospitals operating expenses related to the Community Support Network (CSN). CSN services are provided in a community setting by DMH employees and paid for by the boards.

**150 334-620 Special Education**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$170,832	\$193,942	\$120,557	\$152,500	<b>\$120,930</b>	<b>\$120,930</b>
	13.5%	-37.8%	26.5%	<b>-20.7%</b>	<b>0.0%</b>

**Source:** GSF: Moneys from the state's Department of Education

**Legal Basis:** Section 74.01 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Controlling Board in October 1976)

**Purpose:** The hospitals receive and expend funds from this line item. These funds are used for educating school-age residents in mental health institutions (including forensic psychiatric facilities) and include adult education programs and G.E.D. classes. Teachers, supplies, and equipment may be paid from this fund.

**4N8 335-606 Family Stability Incentive**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$4,934,599	\$7,045,651	\$4,054,295	\$7,647,115	<b>\$0</b>	<b>\$0</b>
	42.8%	-42.5%	88.6%	<b>-100.0%</b>	<b>N/A</b>

**Source:** GSF: Title IV-B from the Department of Job and Family Services and \$2.7 million from 335-508 in DMH's budget in each fiscal year of the next biennium transferred into this fund. Under the executive recommended budget proposal, this program will end and the fund will no longer receive revenue.

**Legal Basis:** Section 74.02 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Controlling Board in June 1996)

**Purpose:** This program will end in FY 2003. Started as a pooled-funding mechanism from several state agencies. Counties can access these funds based on reducing the number of unnecessary out-of-home placements for children. Urban counties began to access these funds during the FY 1998-1999 biennium.

**4P9 335-604 Community Mental Health Projects**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$0	\$0	\$200,000	\$200,000	<b>\$200,000</b>	<b>\$200,000</b>
	N/A	N/A	0.0%	<b>0.0%</b>	<b>0.0%</b>

**Source:** GSF: sale of property and oil and gas leases

**Legal Basis:** Section 74.02 of Am. Sub. H.B. 94 of the 124th G.A.

**Purpose:** These funds were used to cover startup costs for a PACT (Program for Assertive Community Treatment) pilot program in Athens county. The Department plans to use these funds in FYs 2004 and 2005 for community mental health facilities.

## Federal Special Revenue Fund Group

**324 333-605 Medicaid/Medicare**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$605,651	\$388,895	\$507,660	\$959,705	<b>\$523,761</b>	<b>\$514,923</b>
	-35.8%	30.5%	89.0%	<b>-45.4%</b>	<b>-1.7%</b>

**Source:** FED: Medicaid and Medicare revenues

**Legal Basis:** Section 74 of Am. Sub. H.B. 94 of the 124th G.A. (originally established in Am. Sub. H.B. 291 of the 115th G.A. to ensure that federal Medicaid and Medicare moneys were reflected in the Federal Special Revenue Fund)

**Purpose:** Funds are used for Medicaid/Medicare refunds.

**324 334-605 Medicaid/Medicare**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$14,775,824	\$13,575,304	\$11,406,738	\$12,825,989	<b>\$10,484,944</b>	<b>\$10,916,925</b>
	-8.1%	-16.0%	12.4%	<b>-18.3%</b>	<b>4.1%</b>

**Source:** FED: Medicaid and Medicare revenues

**Legal Basis:** Section 74.01 of Am. Sub. H.B. 94 of the 124th G.A. (originally established in Am. Sub. H.B. 291 of the 115th G.A. to ensure that federal Medicaid and Medicare moneys were reflected in the Federal Special Revenue Fund)

**Purpose:** Funds are used for operating expenses of the Department's institutions.

**3A6 335-608 Federal Miscellaneous**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$0	\$25,294	\$0	\$28,172	<b>\$0</b>	<b>\$0</b>
	N/A		N/A	<b>-100.0%</b>	<b>N/A</b>

**Source:** FED: Miscellaneous federal grants

**Legal Basis:** Originally established by Controlling Board on December 1, 2000

**Purpose:** The appropriations were used for a variety of grant programs.

**3A7 333-612 Social Services Block Grant**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$0	\$0	\$0	\$25,000	<b>\$25,000</b>	<b>\$0</b>
	N/A	N/A	N/A	<b>0.0%</b>	<b>-100.0%</b>

**Source:** FED: CFDA 93.667, Social Services Block Grant

**Legal Basis:** ORC 5119.60

**Purpose:** Funding is used for central office administration related to the Title XX, Social Services Block Grant program.

**3A7 335-612 Social Services Block Grant**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$9,503,475	\$10,913,752	\$7,076,735	\$9,314,108	<b>\$9,314,108</b>	<b>\$9,314,108</b>
	14.8%	-35.2%	31.6%	<b>0.0%</b>	<b>0.0%</b>

**Source:** FED: CFDA 93.667, Social Services Block Grant

**Legal Basis:** ORC 5119.60

**Purpose:** This line item, along with 333-612, is used to receive and disburse the department's Title XX sub-grants. Title XX moneys are "passed through" to DMH from the Ohio Department of Job and Family Services. Community mental health boards receive an annual sub-grant of Title XX funds which they distribute to local agencies to provide services to mentally ill persons. No state match is required.

**3A8 333-613 Federal Grant-Administration**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$7,190	\$61,812	\$75,946	\$58,000	<b>\$57,470</b>	<b>\$57,984</b>
	759.7%	22.9%	-23.6%	<b>-0.9%</b>	<b>0.9%</b>

**Source:** FED: CFDA 93.125, Mental Health Planning and Demonstration Projects; CFDA 93.128, Mental Health Statistics Improvement Program; CFDA 93.150, Projects for Assistance in Transition from Homelessness (PATH).

**Legal Basis:** Section 74 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Controlling Board on April 25, 1980)

**Purpose:** These funds are used for state administration of federal grants. Line item 335-613 (Fund 3A8) is used to fund the local level implementation of the programs.

**3A8 334-613 Federal Letter of Credit**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$30,100	\$0	\$0	\$0	<b>\$0</b>	<b>\$0</b>
		N/A	N/A	<b>N/A</b>	<b>N/A</b>

**Source:** FED: Carryover moneys from the ORYX Grant

**Legal Basis:** Discontinued line item (originally established by Controlling Board on December 10, 1999)

**Purpose:** Funds are no longer utilized.

**3A8 335-613 Federal Grant - Community Mental Health Board Subsidy**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$339,272	\$1,426,601	\$1,663,741	\$1,717,040	<b>\$1,717,040</b>	<b>\$1,717,040</b>
	320.5%	16.6%	3.2%	<b>0.0%</b>	<b>0.0%</b>

**Source:** FED: CFDA 93.125, Mental Health Planning and Demonstration Projects; CFDA 93.128, Mental Health Statistics Improvement Program; CFDA 93.150, Projects for Assistance in Transition from Homelessness (PATH), and the Creating Safe and Supportive Environments for Learning Program; CFDA 93.230

**Legal Basis:** Section 74.01 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Controlling Board on April 25, 1980)

**Purpose:** These funds go to the local level for implementation of the community mental health board program or service. Under federal regulations, the department must separate letter of credit funds from all other federal moneys. A letter of credit is the federal mechanism for transferring moneys from the Federal Reserve to the department, and is the procedure for receipt of certain mental health grants. Line item 333-613 (Fund 3A8) is used for state administration.

**3A9 333-614 Mental Health Block Grant**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$521,177	\$991,512	\$933,787	\$819,171	<b>\$827,363</b>	<b>\$835,636</b>
	90.2%	-5.8%	-12.3%	<b>1.0%</b>	<b>1.0%</b>

**Source:** FED: CFDA 93.958, Block Grants for Community Mental Health Services (as authorized by the Public Health Services Act Title XIX Part B, as amended)

**Legal Basis:** Section 74 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am. Sub. H.B. 694 of the 114th G.A.)

**Purpose:** Funding is used to support central office administration costs associated with the block grant program.

**3A9 335-614 Mental Health Block Grant**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$15,852,228	\$19,363,322	\$16,554,473	\$14,679,952	<b>\$16,887,218</b>	<b>\$17,056,090</b>
	22.1%	-14.5%	-11.3%	<b>15.0%</b>	<b>1.0%</b>

**Source:** FED: CFDA 93.958, Block Grants for Community Mental Health Services (as authorized by the Public Health Services Act Title XIX Part B, as amended). Until FY 1990, these line items also received federal Alcohol and Drug Abuse Block Grant funds.

**Legal Basis:** Section 74.02 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am. Sub. H.B. 694 of the 114th G.A.)

**Purpose:** These block grant funds must be used to support community mental health centers that otherwise would have received direct grants under the Community Mental Health Centers Act. Community mental health centers provide acute care services which include individual/group counseling, residential treatment, crisis intervention, and case management to persons with severe and persistent mental illness.

**3B0 334-617 Elementary and Secondary Education Act**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$166,653	\$172,791	\$152,392	\$214,340	<b>\$248,644</b>	<b>\$251,866</b>
	3.7%	-11.8%	40.7%	<b>16.0%</b>	<b>1.3%</b>

**Source:** FED: Federal moneys under the Elementary and Secondary Education Act (ESEA) and the Adult Basic Education Act (ABE)

**Legal Basis:** Section 74.01 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Controlling Board in 1966)

**Purpose:** Funds are used for educating school-age residents and adults in mental health institutions. All moneys are used within mental health institutions.

**3B1 333-635 Community Medicaid Expansion**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$2,148,709	\$6,350,092	\$5,119,310	\$8,230,202	<b>\$4,126,430</b>	<b>\$4,145,222</b>
	195.5%	-19.4%	60.8%	<b>-49.9%</b>	<b>0.5%</b>

**Source:** FED: U.S. Department of Health and Human Services

**Legal Basis:** Section 74.02 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Controlling Board action on July 21, 1982)

**Purpose:** In the biennial appropriation acts, separate appropriations appear in the Division of Administration and Statewide Programs (line item 333-635) and the Division of Community Support Services (line item 335-635). Funds in this line item are used for administrative costs for overseeing Community Medicaid and payments to private Institutions for Mental Disease (IMD's), after depleting 4X5 funds (Medicaid match).

**3B1 334-635 Hospital Medicaid Expansion**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$0	\$0	\$4,534,931	\$2,000,000	<b>\$2,000,000</b>	<b>\$2,000,000</b>
	N/A	N/A	-55.9%	<b>0.0%</b>	<b>0.0%</b>

**Source:** FED: Medicaid reimbursement collected by state DMH hospitals

**Legal Basis:** Section 74.01 of Am. Sub. H.B. 94 of the 124th G.A.

**Purpose:** These funds will be used for hospital administrative costs.

**3B1 335-635 Community Medicaid Expansion**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$133,942,288	\$176,716,368	\$181,611,451	\$205,000,000	<b>\$220,472,136</b>	<b>\$237,766,721</b>
	31.9%	2.8%	12.9%	<b>7.5%</b>	<b>7.8%</b>

**Source:** FED: U.S. Department of Health and Human Services

**Legal Basis:** Section 74.02 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Controlling Board action on July 21, 1982)

**Purpose:** In the biennial appropriation acts, separate appropriations appear in the Division of Administration and Statewide Programs (333-635) and the Division of Community Support Services (335-635). These line items receive Medicaid dollars for certain community mental health services provided by mental health professionals. These services include: outpatient mental health care, unscheduled emergency mental health care, and partial hospitalization in community facilities. The funds from these line items are passed through to community mental health boards and agencies for operating expenses based on billed services.

## State Special Revenue Fund Group

**485 333-632 Mental Health Operating**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$4,143	\$48,934	\$25,612	\$134,233	<b>\$134,233</b>	<b>\$134,233</b>
	1081.1%	-47.7%	424.1%	<b>0.0%</b>	<b>0.0%</b>

**Source:** SSR: Private insurance and other third-party payments for persons in Department of Mental Health hospitals.

**Legal Basis:** Section 74 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Controlling Board on July 21, 1982)

**Purpose:** Funds in this line item are used to refund third party payers who paid inadvertently.

**485 334-632 Mental Health Operating**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$1,663,798	\$2,635,733	\$2,973,866	\$1,989,912	<b>\$2,387,253</b>	<b>\$2,476,297</b>
	58.4%	12.8%	-33.1%	<b>20.0%</b>	<b>3.7%</b>

**Source:** SSR: Private insurance and other third-party payments for persons receiving services at community mental health boards

**Legal Basis:** Section 74.01 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Controlling Board on July 21, 1982)

**Purpose:** This line item receives insurance and other third-party payments for certain community mental health services provided by mental health professionals. These services include: outpatient mental health care, unscheduled emergency mental health care, and partial hospitalization in community mental health facilities. The funds are passed through to community mental health boards and agencies for operating expenses based upon billed services.

**4X5 333-607 Behavioral Health Medicaid Services**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$6,824,591	\$2,658,304	\$2,562,848	\$2,828,385	<b>\$2,913,327</b>	<b>\$3,000,634</b>
	-61.0%	-3.6%	10.4%	<b>3.0%</b>	<b>3.0%</b>

**Source:** SSR: Federal Disproportionate Share (DSH), paid by the federal government to the state of Ohio for uncompensated care in state psychiatric hospitals.

**Legal Basis:** Section 74 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A.)

**Purpose:** Beginning in 1999 the Department took over the responsibility of paying private Institutions for Mental Disease (IMDs) from the Department of Job and Family Services. This fund was provided as the state match for making payments to private IMDs.

**5L2 334-619 Health Foundation/Greater Cincinnati**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$1,392	\$136,534	\$187,053	\$120,410	<b>\$26,000</b>	<b>\$0</b>
	9708.5%	37.0%	-35.6%	<b>-78.4%</b>	<b>-100.0%</b>

**Source:** SSR: Grant from the Health Foundation of Greater Cincinnati

**Legal Basis:** Section 74.01 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Controlling Board on March 6, 2000)

**Purpose:** The line item is for a consumer wellness study in the Greater Cincinnati area. Funds will be used to pay for the salaries of nurse practitioners who are conducting the study at the Summit Behavioral Healthcare Organization (formerly Pauline-Warfield Lewis Center).

**5M2 333-602 PWLC Campus Improvement**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$0	\$177,310	\$911,895	\$200,000	<b>\$200,000</b>	<b>\$200,000</b>
	N/A	414.3%	-78.1%	<b>0.0%</b>	<b>0.0%</b>

**Source:** SSR: various

**Legal Basis:** Section 74 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Controlling Board on October 4, 2000)

**Purpose:** Funds are used for campus improvement projects.

**632 335-616 Community Capital Replacement**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$0	\$0	\$171,619	\$250,000	<b>\$250,000</b>	<b>\$250,000</b>
	N/A	N/A	45.7%	<b>0.0%</b>	<b>0.0%</b>

**Source:** SSR: Proceeds from the sale of DMH community facilities that were funded with capital dollars

**Legal Basis:** Section 74.02 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Controlling Board on October 30, 2000)

**Purpose:** The appropriated funds will be used for local replacement facility projects.

**692 334-636 Community Mental Health Board Risk Fund**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$0	\$1,500,000	\$0	\$370,356	<b>\$100,000</b>	<b>\$100,000</b>
	N/A		N/A	<b>-73.0%</b>	<b>0.0%</b>

**Source:** SSR: GRF provided seed money for the new fund; payments from boards after FY 1990 (due to minimal use of the fund the boards have not had to supply additional funding)

**Legal Basis:** Section 74.01 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by H.B. 111 of the 118th G.A. as required by S.B. 156 of the 117th G.A.; S.B. 156 restructured the mental health service delivery system in Ohio, giving the community mental health (648) boards responsibility for determining which services they will provide)

**Purpose:** The purpose of this line item is to function as a self-insurance fund to cover, if necessary, part of the costs of over-utilization of hospital services.

## Intragovernmental Service Fund Group

**151 235-601 General Administration**

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$71,600,298	\$76,411,799	\$77,350,307	\$78,181,973	<b>\$85,181,973</b>	<b>\$85,181,973</b>
	6.7%	1.2%	1.1%	<b>9.0%</b>	<b>0.0%</b>

**Source:** ISF: Moneys from other entities that purchase goods and services from the Division of General Administration (these services include: food management; warehousing and distribution; drugs and pharmaceutical services farm operations; laundry operation and management; vocational horticulture; material stores; and transportation)

**Legal Basis:** ORC 5119.16 (originally established in 1972)

**Purpose:** As of FY 1982, the division receives no GRF support but relies on payments received for goods and services provided to mental health institutions, community mental health boards and agencies, the Department of Mental Retardation and Developmental Disabilities, the Department of Rehabilitation and Correction, the Department of Youth Services, other boards and commissions, and community programs.

**As Introduced****As Passed by the House****Subject: Separate or Combined Boards for Alcohol, Drug Addiction, and Mental Health Services**

No provision.

**R.C. 340.021**

Sets January 1, 2004, as the deadline for permitting counties with a population of 250,000 or more to combine alcohol, drug addiction and mental health boards that were established in 1989 as separate boards.  
Fiscal effect: This provision could result in savings by reducing duplication in board operations for those larger counties that merge alcohol and drug addiction and mental health boards. At this time, it is difficult to know whether any counties will merge their boards.

**Subject: Federal Medicaid Reimbursement for ADAMHS Board Administrative Costs**

No provision.

**R.C. 5111.025**

Requires, rather than permits, the Director of Job and Family Services to modify or establish a new method for paying for Medicaid-covered community mental health and alcohol and drug addiction services and requires that the modified or new manner include a provision for obtaining federal financial participation for the costs that each board of alcohol, drug addiction, and mental health services incurs in its administration of those services.  
Fiscal effect: Could increase Medicaid reimbursement to ADAMHS boards for administrative costs.

## As Introduced

## As Passed by the House

**Subject: Community Mental Health Certification Standards**

R.C. 5119.611

Requires the Director of Mental Health to include assertive community treatment and intensive home-based mental health services in rules establishing certification standards for community mental health services.  
Fiscal effect: None.

R.C. 5119.611

No change.

**As Introduced****As Passed by the House****Subject: Forensic Services****Section: 69**

Restricts how funds in GRF appropriation item 322-401, Forensic Services, may be used as follows:

- (1) To provide psychiatric services to courts of common pleas;
- (2) Funds to be allocated through community mental health boards to certified community agencies in accordance with administrative rule to be used for forensic training to community mental health boards and to forensic psychiatric residency programs in state psychiatric hospitals and to provide psychiatric evaluations of patients of forensic status in DMH facilities prior to conditional release to the community;
- (3) To support projects involving mental health, substance abuse, courts, and law enforcement to identify and develop appropriate alternative services to institutionalization for non-violent mentally ill offenders, and to provide linkages to community services for severely mentally disabled offenders released from Department of Rehabilitation and Correction institutions; and
- (4) To provide forensic monitoring and tracking in addition to community programs serving persons of forensic status on conditional release or probation.

**Subject: Residency Traineeship Programs****Section: 69**

Requires that GRF appropriation item 333-402, Resident Trainees, be used to fund training agreements entered into by DMH for the development of curricula and the provision of training programs to support public mental health services.

**Section: 69**

No change.

**Section: 69**

No change.

**As Introduced****As Passed by the House****Subject: Pre-admission Screening Expenses****Section: 69**

Requires that GRF appropriation item 333-403, Pre-Admission Screening Expenses, be used to ensure that uniform methods for pre-admission screening for persons in need of mental health services be in place statewide.

**Section: 69**

No change.

**Subject: Lease Rental Payments****Section: 69**

Sets an aggregate limit of \$51.0 million that DMH may pay to the Ohio Public Facilities Commission from GRF appropriation item 333-415, Rental Payments OPFC, pursuant to leases and agreements made under section 154.20 of the Revised Code.

**Section: 69**

No change.

**Subject: Community Mental Health Board Risk Fund****Section: 69.01**

Requires that appropriation item 334-636, Community Mental Health Board Risk Fund, (Fund 692) in the state special revenue fund group, be used to make payments pursuant to section 5119.62 of the Revised Code.

**Section: 69.01**

No change.

**Subject: Community Medication Subsidy****Section: 69.03**

Requires that GRF appropriation item 335-419, Community Medication Subsidy, must be used to provide subsidized support for psychotropic medication needs of indigent citizens in the community to reduce unnecessary hospitalization because of lack of medication. It also may be used to provide subsidized support for methadone costs.

**Section: 69.03**

No change.

**As Introduced****As Passed by the House****Subject: Local Mental Health Systems of Care****Section: 69.03**

Requires that GRF appropriation item 335-505, Local Mental Health Systems of Care, be used for mental health services provided by community mental health boards in accordance with a community mental health plan submitted pursuant to section 340.03 of the Revised Code and as approved by the Department.

Requires at least \$34,478,611 in FY 2004 and at least \$34,439,670 in FY 2005 be distributed by the Department on a per capita basis to community mental health boards. Earmarks \$100,000 in each fiscal year to fund family and consumer education and support

**Subject: Behavioral Health Medicaid Services****Section: 69.03**

Requires DMH to administer the IMD Medicaid program as delegated by the Department of Human Services, and requires DMH to use funds in appropriation item 333-607, Behavioral Health Medicaid Services, (Fund 4X5) in the state special revenue fund group, to make payments for free-standing psychiatric hospital inpatient services.

**Section: 69.03**

No change.

**Section: 69.03**

No change.

**As Introduced****As Passed by the House****Subject: Berea Children's Home**

No provision.

**Section: 131E**

Moves the \$250,000 appropriation and earmark for the Berea Children's Home from CAP-480, Community Assistance Projects, in the Department of Mental Retardation and Developmental Disabilities, to CAP-479, Community Assistance Projects, in the Department of Mental Health. Earmarking language requires the Department of Mental Health to use \$250,000 of CAP-479, Community Assistance Projects, for the Berea Children's Home.

**Subject: Achievement Centers for Children in Cuyahoga County**

No provision.

**Section: 131E**

Moves the \$500,000 capital appropriation and earmark for the Achievement Centers for Children in Cuyahoga County from CAP-479, Community Assistance Projects, in the Department of Mental Health, to CAP-480, Community Assistance Projects, in the Department of Mental Retardation and Developmental Disabilities. Earmarking language requires the Department of Mental Retardation and Developmental Disabilities to use \$500,000 of CAP-480, Community Assistance Projects, for the Achievement Centers for Children in Cuyahoga County.

## LSC Budget Spreadsheet by Line Item, FY 2004 - FY 2005

Fund	ALI	ALI Title	Estimated 2003	As Introduced 2004	House Sub Bill 2004	% Change Est. 2003 to House 2004	As Introduced 2005	House Sub Bill 2005	% Change House 2004 to House 2005
<b>DMH Mental Health, Department of</b>									
GRF	332-401	Forensic Services	\$4,230,387	\$ 4,338,858	\$ 4,152,291	-1.8%	\$ 4,338,858	\$ 4,152,291	0.0%
GRF	333-100	Personal Services - Central Administration	\$16,387,169	\$ 0	\$ 0	-100.0%	\$ 0	\$ 0	N/A
GRF	333-200	Maintenance - Central Administration	\$2,092,965	\$ 0	\$ 0	-100.0%	\$ 0	\$ 0	N/A
GRF	333-300	Equipment - Central Administration	\$380,349	\$ 0	\$ 0	-100.0%	\$ 0	\$ 0	N/A
GRF	333-321	Central Administration	\$0	\$ 22,808,798	\$ 22,000,000	N/A	\$ 24,178,778	\$ 22,000,000	0.0%
GRF	333-402	Resident Trainees	\$1,330,796	\$ 1,364,919	\$ 1,330,796	0.0%	\$ 1,364,919	\$ 1,330,796	0.0%
GRF	333-403	Pre-Admission Screening Expenses	\$633,882	\$ 650,135	\$ 633,882	0.0%	\$ 650,135	\$ 633,882	0.0%
GRF	333-415	Lease Rental Payments	\$26,275,300	\$ 25,935,650	\$ 25,935,650	-1.3%	\$ 23,206,750	\$ 23,206,750	-10.5%
GRF	333-416	Research Program Evaluation	\$993,438	\$ 1,001,551	\$ 810,289	-18.4%	\$ 1,001,551	\$ 810,289	0.0%
GRF	333-701	Cambridge Environment Improvement	\$0	\$ 0	\$ 0	N/A	\$ 0	\$ 0	N/A
GRF	334-408	Community and Hospital Mental Health Services	\$363,404,622	\$ 380,249,629	\$ 376,716,546	3.7%	\$ 390,506,082	\$ 386,793,392	2.7%
GRF	334-506	Court Costs	\$952,236	\$ 976,652	\$ 926,461	-2.7%	\$ 976,652	\$ 926,461	0.0%
GRF	335-419	Community Medication Subsidy	\$7,509,010	\$ 7,711,092	\$ 7,509,010	0.0%	\$ 7,959,798	\$ 7,509,010	0.0%
GRF	335-502	Community Mental Health Programs	\$33,987,444	\$ 0	\$ 0	-100.0%	\$ 0	\$ 0	N/A
GRF	335-505	Local MH Systems of Care	\$0	\$ 89,687,868	\$ 89,687,868	N/A	\$ 89,687,868	\$ 89,687,868	0.0%
GRF	335-508	Services for Severely Mentally Disabled	\$55,700,424	\$ 0	\$ 0	-100.0%	\$ 0	\$ 0	N/A
<b>General Revenue Fund Total</b>			<b>\$ 513,878,022</b>	<b>\$ 534,725,152</b>	<b>\$ 529,702,793</b>	<b>3.1%</b>	<b>\$ 543,871,391</b>	<b>\$ 537,050,739</b>	<b>1.4%</b>
149	333-609	Central Office Rotary - Operating	\$2,037,918	\$ 1,087,454	\$ 1,087,454	-46.6%	\$ 1,103,578	\$ 1,103,578	1.5%
149	334-609	Hospital Rotary - Operating Expenses	\$10,451,492	\$ 22,908,053	\$ 22,908,053	119.2%	\$ 24,408,053	\$ 24,408,053	6.5%
150	334-620	Special Education	\$152,500	\$ 120,930	\$ 120,930	-20.7%	\$ 120,930	\$ 120,930	0.0%
4N8	335-606	Family Stability Incentive	\$7,647,115	\$ 0	\$ 0	-100.0%	\$ 0	\$ 0	N/A
4P9	335-604	Community Mental Health Projects	\$200,000	\$ 200,000	\$ 200,000	0.0%	\$ 200,000	\$ 200,000	0.0%
<b>General Services Fund Group Total</b>			<b>\$ 20,489,025</b>	<b>\$ 24,316,437</b>	<b>\$ 24,316,437</b>	<b>18.7%</b>	<b>\$ 25,832,561</b>	<b>\$ 25,832,561</b>	<b>6.2%</b>
324	333-605	Medicaid/Medicare	\$959,705	\$ 523,761	\$ 523,761	-45.4%	\$ 514,923	\$ 514,923	-1.7%
324	334-605	Medicaid/Medicare	\$12,825,989	\$ 10,484,944	\$ 10,484,944	-18.3%	\$ 10,916,925	\$ 10,916,925	4.1%
3A6	335-608	Federal Miscellaneous	\$28,172	\$ 0	\$ 0	-100.0%	\$ 0	\$ 0	N/A

## LSC Budget Spreadsheet by Line Item, FY 2004 - FY 2005

Fund	ALI	ALI Title	Estimated 2003	As Introduced 2004	House Sub Bill 2004	% Change Est. 2003 to House 2004	As Introduced 2005	House Sub Bill 2005	% Change House 2004 to House 2005
<b>DMH Mental Health, Department of</b>									
3A7	333-612	Social Services Block Grant	\$25,000	\$ 25,000	\$ 25,000	0.0%	\$ 0	\$ 0	-100.0%
3A7	335-612	Social Services Block Grant	\$9,314,108	\$ 9,314,108	\$ 9,314,108	0.0%	\$ 9,314,108	\$ 9,314,108	0.0%
3A8	333-613	Federal Grant-Administration	\$58,000	\$ 57,470	\$ 57,470	-0.9%	\$ 57,984	\$ 57,984	0.9%
3A8	335-613	Federal Grant - Community Mental Health Board Subsidy	\$1,717,040	\$ 1,717,040	\$ 1,717,040	0.0%	\$ 1,717,040	\$ 1,717,040	0.0%
3A9	333-614	Mental Health Block Grant	\$819,171	\$ 827,363	\$ 827,363	1.0%	\$ 835,636	\$ 835,636	1.0%
3A9	335-614	Mental Health Block Grant	\$14,679,952	\$ 16,887,218	\$ 16,887,218	15.0%	\$ 17,056,090	\$ 17,056,090	1.0%
3B0	334-617	Elementary and Secondary Education Act	\$214,340	\$ 248,644	\$ 248,644	16.0%	\$ 251,866	\$ 251,866	1.3%
3B1	333-635	Community Medicaid Expansion	\$8,230,202	\$ 4,126,430	\$ 4,126,430	-49.9%	\$ 4,145,222	\$ 4,145,222	0.5%
3B1	334-635	Hospital Medicaid Expansion	\$2,000,000	\$ 2,000,000	\$ 2,000,000	0.0%	\$ 2,000,000	\$ 2,000,000	0.0%
3B1	335-635	Community Medicaid Expansion	\$205,000,000	\$ 220,472,136	\$ 220,472,136	7.5%	\$ 237,766,721	\$ 237,766,721	7.8%
<b>Federal Special Revenue Fund Group Total</b>			<b>\$ 255,871,679</b>	<b>\$ 266,684,114</b>	<b>\$ 266,684,114</b>	<b>4.2%</b>	<b>\$ 284,576,515</b>	<b>\$ 284,576,515</b>	<b>6.7%</b>
485	333-632	Mental Health Operating	\$134,233	\$ 134,233	\$ 134,233	0.0%	\$ 134,233	\$ 134,233	0.0%
485	334-632	Mental Health Operating	\$1,989,912	\$ 2,387,253	\$ 2,387,253	20.0%	\$ 2,476,297	\$ 2,476,297	3.7%
4X5	333-607	Behavioral Health Medicaid Services	\$2,828,385	\$ 2,913,327	\$ 2,913,327	3.0%	\$ 3,000,634	\$ 3,000,634	3.0%
5L2	334-619	Health Foundation/Greater Cincinnati	\$120,410	\$ 26,000	\$ 26,000	-78.4%	\$ 0	\$ 0	-100.0%
5M2	333-602	PWLC Campus Improvement	\$200,000	\$ 200,000	\$ 200,000	0.0%	\$ 200,000	\$ 200,000	0.0%
632	335-616	Community Capital Replacement	\$250,000	\$ 250,000	\$ 250,000	0.0%	\$ 250,000	\$ 250,000	0.0%
692	334-636	Community Mental Health Board Risk Fund	\$370,356	\$ 100,000	\$ 100,000	-73.0%	\$ 100,000	\$ 100,000	0.0%
<b>State Special Revenue Fund Group Total</b>			<b>\$ 5,893,296</b>	<b>\$ 6,010,813</b>	<b>\$ 6,010,813</b>	<b>2.0%</b>	<b>\$ 6,161,164</b>	<b>\$ 6,161,164</b>	<b>2.5%</b>
151	235-601	General Administration	\$78,181,973	\$ 85,181,973	\$ 85,181,973	9.0%	\$ 85,181,973	\$ 85,181,973	0.0%
<b>Intragovernmental Service Fund Group Total</b>			<b>\$ 78,181,973</b>	<b>\$ 85,181,973</b>	<b>\$ 85,181,973</b>	<b>9.0%</b>	<b>\$ 85,181,973</b>	<b>\$ 85,181,973</b>	<b>0.0%</b>
<b>Total All Budget Fund Groups</b>			<b>\$ 874,313,995</b>	<b>\$ 916,918,489</b>	<b>\$ 911,896,130</b>	<b>4.3%</b>	<b>\$ 945,623,604</b>	<b>\$ 938,802,952</b>	<b>3.0%</b>