

Department of Mental Health

House Human Services Subcommittee

*Deauna Hale, Budget Analyst
Legislative Service Commission*

April 10, 2007

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LSC Redbook

for the

Department of Mental Health

House Human Services Subcommittee

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- Catalog of Budget Line Items
- LSC Budget Spreadsheet By Line Item

April 10, 2007

Department of Mental Health

- Ohio received a five-year, \$12.2 million Transformation State Incentive Grant (TSIG) to transform the mental health system in Ohio
- The executive recommended an additional \$1.3 million to support Turnaround Ohio initiatives through early childhood initiatives

OVERVIEW

The Ohio Department of Mental Health (ODMH) is a cabinet-level agency responsible for ensuring that quality mental health services are available in all communities in Ohio. The Department employs approximately 2,100 staff members. Since the passage of the Mental Health Act of 1988, Ohio 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 (ADAMHS) and seven Community Mental Health Services (CMH) boards serving all 88 counties. The boards are responsible for planning, funding, monitoring, and evaluating the service delivery system within their geographic areas. The local boards contract with local service providers to deliver mental health services in the community.

Integrated Behavioral Healthcare System (IBHS)

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, state-operated hospitals, local boards, and community service providers. Since the enactment of the Mental Health Act of 1988, the Department closed several state hospitals. The average daily resident population at state psychiatric hospitals decreased from 3,147 in FY 1990 to 1,048 in FY 2006. Since 1990, the Department reduced its hospital workforce by more than 3,000 positions and consolidated its nine inpatient facilities under the management of five Integrated Behavioral Healthcare Organizations (BHOs), or state hospitals.

In the last six years, the patient profile changed significantly. Public bed capacity and the average daily population increased 10% since FY 2001 and the number of admissions is up 14%. The average occupancy rate during the current biennium is approximately 91%. The trend for hospital admissions is more short-term stabilization (less than ten days) for acute mental illnesses than long-term stays, which includes the shift in civil needs from long-term services towards short-term more acute and intensive care. The median length of stay for civil patients is now 12 days. The forensic population increased by 13% since FY 2001 and now accounts for 49% of all patients served.

As a result of increased short-term admissions, more acute care patients, and an increased forensic population, the hospital system raised staffing standards to include required, yet more expensive, clinical and special services staff. Staffing costs are one of the primary factors affecting hospital expenditures. The cost to maintain qualified staff continues to rise. One such cost is reflected in the ability to recruit and retain medical staff in a competitive environment.

Most of the hospital operating expenditures are paid for out of the Department's General Revenue Fund (GRF) line item 334-408, Hospital and Community Mental Health Services. This line item supports

the nine inpatient facilities and community-based services at seven of these sites. In addition, the line item provides funding to the 50 ADAMHS/CMH boards.

Community Mental Health Services

Besides maintaining critical inpatient capacity, the Department's primary goals are to increase community mental health services, especially Access to Better Care (ABC) for children, housing for mentally ill offenders, and employment. Medication, case management, and housing, especially for mentally ill offenders, are among the most demanded services in the adult system.

Housing for the mentally ill is a crisis according to the Department. Thirty-seven boards estimate that more than 11,000 consumers are currently homeless. There are waiting lists for supervised housing, with the average waiting period for public housing throughout the state being between nine months and more than a year. Truth in sentencing laws resulted in increased numbers of offenders being released into the community. Approximately 3,000 people with mental illness are referred to the ODMH Community Linkage program annually for assistance with re-entry into the community and accessing community mental health services. Of these, approximately 10% or 300 people per year exit prison homeless.

According to the Department, data comparing FY 2004 to FY 2006 shows that availability of adult general outpatient care decreased, and at several boards, case management services and regular doctor visits are no longer available. To date, 18 boards eliminated adult case management services. Services for children and adolescents also experienced similar service declines in the current biennium. Six boards ended case management services for families, children, and adolescents.

Mental Health Transformation State Incentive Grant (TSIG)

The Mental Health Transformation State Incentive Grant (TSIG) program is part of the federal response to the President's New Freedom Commission on Mental Health. President Bush charged the Commission to make recommendations to improve mental health care and overcome health fragmentation in the mental health system. The Commission released its report, *Achieving the Promise: Transforming Mental Health Care in America*, in July 2003.

In October 2005, the Substance Abuse and Mental Health Services Administration (SAMHSA) awarded Ohio a five-year, \$12 million TSIG to enhance system transformation planning. Ohio was one of seven states to receive the grant and in October 2005, the Controlling Board increased the Department's appropriation authority in line item 333-613, Federal Grant – Administration, by approximately \$2.4 million in FY 2006 and \$2.75 million in FY 2007. Grant funds may only be used for infrastructure changes, such as planning, collaborating, blended funding or developing service concepts, and policies and procedures that support a transformation agenda, not to provide services.

During the first year of the grant, the Department completed a thorough needs assessment and resource inventory (NA/RI) across all state agencies that provide mental health services and supports, and using the information compiled through the NA/RI, developed a statewide Comprehensive Mental Health Plan (CMHP). The goals and strategies in the CMHP address the spectrum of promotion, prevention, early intervention, treatment, and recovery support as well as the needs of all age groups. In 2006, the National Alliance for the Mentally Ill (NAMI) presented the first comprehensive state-by-state analysis of mental health care systems in 15 years. NAMI scored each state on 39 specific criteria. Ohio was one of only five states to receive NAMI's highest rating, one of only two states to receive a 'B' grade, and received the highest numerical rating of all states analyzed. The CMHP is available at www.anewdayohio.org/downloads/cmhp.pdf.

Many of the priorities in the CMHP are in line with priorities established in the Governor's *Turnaround Ohio* agenda. Current TSIG projects that support *Turnaround Ohio* include:

- Projects in Maternal Depression screening, training for early childhood caregivers in early screening, and developing a Center for Excellence for Parent Advocacy to support the early childhood mental health component of the Early Care and Education initiative;
- The ABC School Success initiative, in collaboration with Miami University's Center for School-Based Mental Health Programs, will develop an inventory of school-based mental health programs and services; and
- The Childhood Trauma Task Force is developing workgroups to implement strategies in its strategic plan, including disseminating screening tools, education, and training.

In the upcoming biennium, the Department will also focus on several other TSIG initiatives to improve healthcare, address system finance issues, and improve the quality of healthcare services for people with mental illness; address diversion and re-entry issues of offenders with mental illness; and leverage resources to reduce duplication and improve cross-system work within state agencies.

Access to Better Care (ABC)

In October 2003, Governor Taft met with the Family and Children First Cabinet Council and directed detailed planning be carried out as the Access to Better Care (ABC) project "to improve children's behavioral health services." Participants in the plan include the affected state agencies (the departments of Youth Services, Job and Family Services, Alcohol and Drug Addiction Services, and Education), local representatives, and parents. Using existing funds, the Department added a new mental health service, Intensive Home Based Service (IBHS), to the state Medicaid plan. This program combines current services (counseling, case management, day treatment) into a single team-based approach for children who do not require institutional care. The IBHS program utilizes current resources because services are delivered as a "package."

Two primary strategies emerged from the ABC collaborative planning process: identifying behavioral disorders and intervening early with very young children and their parents. The Department believes that the Help Me Grow program, operating in all counties and emphasizing assessment and services for children with developmental and health risks, can be strengthened to emphasize assessment and treatment for children with behavioral problems or risks. The second aspect of early screening and detection addressed in the ABC initiative is to have mental health professionals identify children's obstacles to learning in preschool settings and schools through current successful models. The ABC effort recommends improvements in school/behavioral health collaboration.

The most urgent and complicated task of the ABC initiative is treating multi-need children, adolescents, and families. Key components of the strategy include family-driven and participative service plans and "wrap-around" service models that seek to eliminate or reduce custody relinquishment and rely on local collaboration to meet family needs.

Challenges for Upcoming Biennium

The Department believes new challenges in the next biennium will increase the pressure and demand for mental health care beyond current limitations. The Department identified the following issues that will pose a challenge in the next biennium:

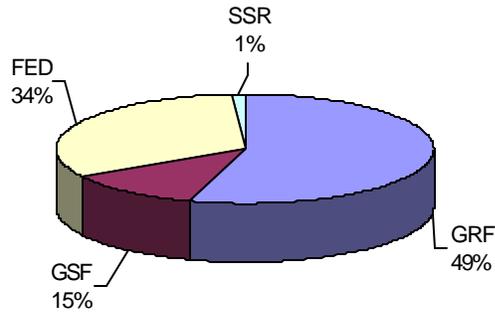
- Increasing Medicaid match costs will divert funds used to serve people who are not Medicaid eligible to cover Medicaid match costs. The Department projects that Medicaid match will exceed estimated FY 2007 levels by 5% in FY 2008 and 6% in FY 2009;
- Forensic population bed days increased 13% since FY 2001 and now consist of 49% of all bed days provided within the hospital system;
- Medication costs, which approach 5% of total hospital operating costs, will continue to rise at rates above inflation (between 9% and 10% annually);
- Further federal Housing and Urban Development (HUD) funding reductions, elimination of new Section 8 subsidies, and reduced low-income housing production, including Capital budget limits, exacerbate the low-income housing supply problem.

An additional factor in many areas of Ohio is the reduction or elimination of inpatient psychiatric care by private hospitals. Between 1997 and 2002, private psychiatric beds for all categories of patients decreased 18% from 3,456 to 2,842. Reduction in private psychiatric hospital care puts greater reliance on the state hospital system as a provider for people with shorter, more acute inpatient needs. As the result of diminished access to private hospital beds, boards in more than 20% of Ohio's counties used more state-operated hospital beds for acute care or short-term stays. State hospital costs are not reimbursable through Medicaid, however Medicaid covers private mental health hospital care.

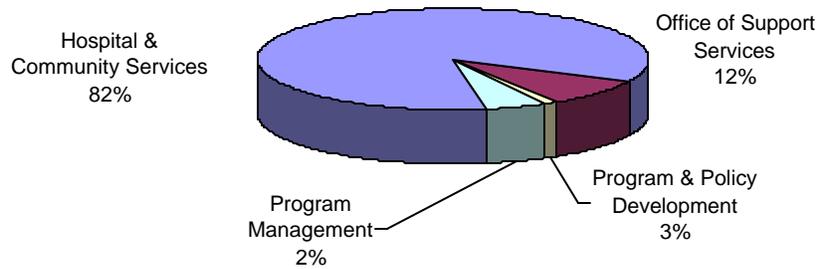
Medicaid Strain on Local System Resources

During the past five years, the number of Medicaid-eligible consumers receiving community mental health services increased an average of 7% per year. Community mental health Medicaid expenditures reached \$250 million in FY 2006, a 1990 real dollars increase of approximately 63% more than FY 1990 expenditures of approximately \$60 million. In the upcoming biennium, the Department estimates needing \$21.2 million – \$9.8 million in FY 2008 and \$11.4 million in FY 2009 – to cover increased Medicaid match requirements. Based on the Department's analysis, Medicaid match is projected to increase 5% in FY 2008 and 6% in FY 2009 above estimated FY 2007 levels. In some counties, the Medicaid match requirement is leading local systems into deficit spending. According to the Department, Medicaid funding growth in Ohio is attributed to two primary factors: increased need for and availability of resources to serve adults returning to, and underinsured people living in, the community and local communities using more state and local matching funds to draw down the federal Medicaid reimbursement. The Department's Medicaid funds are paid out of Fund 3B1 through line item 333-635, Community Medicaid Expansion, for Central Office Administration; line item 334-635, Hospital Medicaid Expansion, for hospital operating expenses; and line item 335-635, Community Medicaid Expansion, for community operating expenses.

**Total Budget by Fund Group
FYs 2008-2009**



Total Budget by Program Series FYs 2008-2009



Staffing Levels

The table below displays the number of staff employed by the Department from FY 2004 through FY 2006. Employee estimates are provided for FYs 2007 through 2009.

Department of Mental Health Staffing Levels						
Program Series/Division	2004	2005	2006	2007*	Estimated	
					2008*	2009*
Community and Hospital Services**	2,428.2	2,434	2,148	2,169	2,169	2,169
Office of Support Services	83	85	83	85	100	100
IBHS, Medical Director and Program and Policy Development	51	52	51	55.5	49.3	47.7
Program Management	201	196	201	214	206.8	200
Totals	2,763.2	2,767	2,483	2,523.5	2,525.1	2,516.7

* FYs 2007 through 2009 are the number of FTE positions funded.

** Community and Hospital Services includes Community Support Network (CSN), which is approximately 325 positions.

MASTER TABLE: EXECUTIVE'S RECOMMENDATIONS FOR FY 2008 AND FY 2009

The following table provides a comprehensive presentation of the executive's recommendations for each of the agency's line items and the programs each line item supports. Please note that some line items may provide funding for multiple program series and/or programs. See the Analysis of Executive Proposal section for more information on specific program funding.

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	333-321	Central Administration	\$23,853,906	\$23,853,906
		<u>Program Series 3: Oversight and Quality</u>	\$4,683,719	\$4,683,719
		<i>Program 3:1 Medical Director and Quality Assurance</i>	\$1,852,403	\$1,852,403
		<i>Program 3:2 Integrated Behavioral Healthcare System</i>	\$242,646	\$242,646
		<i>Program 3:3 Program and Policy Development</i>	\$2,588,670	\$2,588,670
		<u>Program Series 4: Program Management</u>	\$19,170,187	\$19,170,187
		<i>Program 4:1 Program Management</i>	\$19,170,187	\$19,170,187
GRF	333-402	Resident Trainees	\$1,364,919	\$1,364,919
		<u>Program Series 3: Oversight and Quality</u>	\$1,364,919	\$1,364,919
		<i>Program 3:1 Medical Director and Quality Assurance</i>	\$1,364,919	\$1,364,919
GRF	333-403	Pre-Admission Screening Expenses	\$650,135	\$650,135
		<u>Program Series 4: Program Management</u>	\$650,135	\$650,135
		<i>Program 4:1 Program Management</i>	\$650,135	\$650,135
GRF	333-415	Lease Rental Payments	\$23,767,400	\$20,504,500
		<u>Program Series 5: Deb Service</u>	\$23,767,400	\$20,504,500
		<i>Program 5:1 Debt Service</i>	\$23,767,400	\$20,504,500
GRF	333-416	Research Program Evaluation	\$1,001,551	\$1,001,551
		<u>Program Series 4: Program Management</u>	\$1,001,551	\$1,001,551
		<i>Program 4:1 Program Management</i>	\$1,001,551	\$1,001,551
GRF	334-408	Community and Hospital Mental Health Services	\$400,324,545	\$400,324,545
		<u>Program Series 1: Hospital and Community Services</u>	\$400,324,545	\$400,324,545
		<i>Program 1:1 408 Hospital and Community</i>	\$400,324,545	\$400,324,545
GRF	334-410	System Reform	\$0	\$5,000,000
		<u>Program Series 1: Hospital and Community Services</u>	\$0	\$5,000,000
		<i>Program 1:1 408 Hospital and Community</i>	\$0	\$5,000,000
GRF	334-506	Court Costs	\$976,652	\$976,652
		<u>Program Series 1: Hospital and Community Services</u>	\$976,652	\$976,652
		<i>Program 1:7 Community</i>	\$976,652	\$976,652
GRF	335-404	Behavioral Health Services – Children	\$8,076,153	\$8,711,153
		<u>Program Series 1: Hospital and Community Services</u>	\$8,076,153	\$8,711,153
		<i>Program 1:7 Behavioral Healthcare Services for Children</i>	\$8,076,153	\$8,711,153
GRF	335-405	Family and Children First	\$2,260,000	\$2,260,000
		<u>Program Series 1: Hospital and Community Services</u>	\$2,260,000	\$2,260,000
		<i>Program 1:6 Family and Children First Council</i>	\$2,260,000	\$2,260,000

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
GRF	335-419	Community Medication Subsidy	\$7,959,798	\$7,959,798
		<u>Program Series 1: Hospital and Community Services</u>	\$7,959,798	\$7,959,798
		<i>Program 1:3 Community Medication</i>	\$7,959,798	\$7,959,798
GRF	335-505	Local Mental Health Systems of Care	\$99,687,868	\$99,687,868
		<u>Program Series 1: Hospital and Co mmunity Services</u>	\$99,687,868	\$99,687,868
		<i>Program 1:2 Community</i>	\$99,687,868	\$99,687,868
GRF	332-401	Forensic Services	\$4,338,858	\$4,338,858
		<u>Program Series 1: Hospital and Community Services</u>	\$4,338,858	\$4,338,858
		<i>Program 1:5 Forensic Services</i>	\$4,338,858	\$4,338,858
General Revenue Fund Subtotal			\$574,261,785	\$576,633,885
General Services Fund Group				
Fund 151	336-601	General Administration	\$134,060,000	\$148,998,000
		<u>Program Series 2: Office of Support Services</u>	\$134,060,000	\$148,998,000
		<i>Program 2:1 Office of Support Services</i>	\$134,060,000	\$148,998,000
Fund 149	333-609	Central Office Operating	\$1,200,000	\$1,200,000
		<u>Program Series 3: Oversight and Quality</u>	\$161,865	\$161,865
		<i>Program 3:1 Medical Director and Quality Assurance</i>	\$61,877	\$61,877
		<i>Program 3:2 Integrated Behavioral Healthcare Sys</i>	\$7,131	\$7,131
		<i>Program 3:3 Program and Policy Development</i>	\$92,857	\$92,857
		<u>Program Series 4: Program Management</u>	\$1,038,135	\$1,038,135
		<i>Program 4:1 Program Management</i>	\$1,038,135	\$1,038,135
Fund 149	334-609	Hospital Operating Expenses	\$33,800,000	\$33,800,000
		<u>Program Series 1: Hospital and Community Services</u>	\$33,800,000	\$33,800,000
		<i>Program 1:1 408 Hospital and Community</i>	\$33,800,000	\$33,800,000
Fund 150	334-620	Special Education	\$120,930	\$120,930
		<u>Program Series 1: Hospital and Community Services</u>	\$120,930	\$120,930
		<i>Program 1:1 408 Hospital and Community</i>	\$120,930	\$120,930
Fund 4P9	335-604	Community Mental Health Projects	\$250,000	\$250,000
		<u>Program Series 1: Hospital and Community Services</u>	\$250,000	\$250,000
		<i>Program 1:2 Community</i>	\$250,000	\$250,000
General Services Fund Subtotal			\$169,430,930	\$184,368,930
Federal Special Revenue Fund Group				
Fund 324	333-605	Medicaid/Medicare	\$154,500	\$154,500
		<u>Program Series 4: Program Management</u>	\$154,500	\$154,500
		<i>Program 4:1 Program Management</i>	\$154,500	\$154,500
Fund 3A6	333-608	Community and Hospital Services	\$140,000	\$140,000
		<u>Program Series 3: Oversight and Quality</u>	\$140,000	\$140,000
		<i>Program 1:1 408 Hospital and Community</i>	\$140,000	\$140,000
Fund 3A7	333-612	Social Services Block Grant - Administration	\$25,000	\$25,000
		<u>Program Series 3: Oversight and Quality</u>	\$25,000	\$25,000
		<i>Program 3:3 Program and Policy Development</i>	\$25,000	\$25,000
Fund 3A8	333-613	Federal Grant – Administration	\$4,888,105	\$4,888,105
		<u>Program Series 3: Oversight and Quality</u>	\$4,888,105	\$4,888,105
		<i>Program 3:3 Program and Policy Development</i>	\$4,888,105	\$4,888,105

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
Fund 3A9	333-614	Mental Health Block Grant - Administration	\$748,470	\$748,470
		<u>Program Series 3: Oversight and Quality</u>	\$248,000	\$248,000
		<i>Program 3:1 Medical Director and Quality Assurance</i>	\$49,000	\$49,000
		<i>Program 3:3 Program and Policy Development</i>	\$199,000	\$199,000
		<u>Program Series 4: Program Management</u>	\$500,470	\$500,470
		<i>Program 4:1 Program Management</i>	\$500,470	\$500,470
Fund 3B1	333-635	Community Medicaid Expansion	\$13,691,682	\$13,691,682
		<u>Program Series 3: Oversight and Quality</u>	\$126,768	\$126,768
		<i>Program 3:1 Medical Director and Quality Assurance</i>	\$48,460	\$48,460
		<i>Program 3:2 Integrated Behavioral Healthcare System</i>	\$5,584	\$5,584
		<i>Program 3:3 Program and Policy Development</i>	\$72,724	\$72,724
		<u>Program Series 4: Program Management</u>	\$13,564,914	\$13,564,914
		<i>Program 4:1 Program Management</i>	\$13,564,914	\$13,564,914
Fund 324	334-605	Medicaid/Medicare	\$34,500,000	\$50,500,000
		<u>Program Series 1: Hospital and Community Services</u>	\$34,500,000	\$50,500,000
		<i>Program 1:1 408 Hospital and Community</i>	\$34,500,000	\$50,500,000
Fund 3A6	334-608	Federal Miscellaneous	\$586,224	\$586,224
		<u>Program Series 1: Hospital and Community Services</u>	\$586,224	\$586,224
		<i>Program 1:1 408 Hospital and Community</i>	\$586,224	\$586,224
Fund 3A8	334-613	Federal Grants - Hospitals	\$200,000	\$200,000
		<u>Program Series 1: Hospital and Community Services</u>	\$200,000	\$200,000
		<i>Program 1:1 408 Hospital and Community</i>	\$200,000	\$200,000
Fund 3B0	334-617	Adult Basic and Literary Education	\$182,334	\$182,334
		<u>Program Series 1: Hospital and Community Services</u>	\$182,334	\$182,334
		<i>Program 1:1 408 Hospital and Community</i>	\$182,334	\$182,334
Fund 3B1	334-635	Hospital Medicaid Expansion	\$2,000,000	\$2,000,000
		<u>Program Series 1: Hospital and Community Services</u>	\$2,000,000	\$2,000,000
		<i>Program 1:1 408 Hospital and Community</i>	\$2,000,000	\$2,000,000
Fund 3A6	335-608	Federal Miscellaneous - Community	\$2,178,699	\$2,178,699
		<u>Program Series 1: Hospital and Community Services</u>	\$2,178,699	\$2,178,699
		<i>Program 1:2 Community Distribution</i>	\$2,178,699	\$2,178,699
Fund 3A7	335-612	Social Services Block Grant - Community	\$8,657,288	\$8,657,288
		<u>Program Series 1: Hospital and Community Services</u>	\$8,657,288	\$8,657,288
		<i>Program 1:2 Community Distribution</i>	\$8,657,288	\$8,657,288
Fund 3A8	335-613	Fed Grant – Community Mental Health Board Subsidy	\$2,595,040	\$2,595,040
		<u>Program Series 1: Hospital and Community Services</u>	\$2,595,040	\$2,595,040
		<i>Program 1:2 Community Distribution</i>	\$2,595,040	\$2,595,040
Fund 3A9	335-614	Mental Health Block Grant	\$14,969,400	\$14,969,400
		<u>Program Series 1: Hospital and Community Services</u>	\$14,969,400	\$14,969,400
		<i>Program 1:2 Community Distribution</i>	\$14,969,400	\$14,969,400
Fund 3B1	335-635	Community Medicaid Expansion	\$299,614,455	\$316,699,716
		<u>Program Series 1: Hospital and Community Services</u>	\$299,614,455	\$316,699,716
		<i>Program 1:4 Community Medicaid</i>	\$299,614,455	\$316,699,716
Federal Special Revenue Fund Subtotal			\$385,131,197	\$418,216,458

Executive Recommendations for FY 2008 and FY 2009, By Line Item and Program				
Fund	ALI	Title	FY 2008	FY 2009
State Special Revenue Fund Group				
Fund 5V2	333-611	Non-Federal Grants Administration	\$580,000	\$560,000
		<u>Program Series 4: Program Management</u>	\$580,000	\$560,000
		<i>Program 4:1 Program Management</i>	\$580,000	\$560,000
Fund 232	333-621	Family and Children First	\$625,000	\$625,000
		<u>Program Series 1: Hospital and Community Services</u>	\$625,000	\$625,000
		<i>Program 1:6 Family and Children First Council</i>	\$625,000	\$625,000
Fund 4X5	333-607	Behavioral Health Medicaid Services	\$3,000,634	\$3,000,634
		<u>Program Series 4: Program Management</u>	\$3,000,634	\$3,000,634
		<i>Program 4:1 Program Management</i>	\$3,000,634	\$3,000,634
Fund 485	333-632	Mental Health Operating	\$134,233	\$134,233
		<u>Program Series 4: Program Management</u>	\$134,233	\$134,233
		<i>Program 4:1 Program Management</i>	\$134,233	\$134,233
Fund 485	334-632	Mental Health Operating	\$3,100,000	\$3,100,000
		<u>Program Series 1: Hospital and Community Services</u>	\$3,100,000	\$3,100,000
		<i>Program 1:1 408 Hospital and Community</i>	\$3,100,000	\$3,100,000
Fund 692	334-636	Community Mental Health Board Risk Fund	\$80,000	\$80,000
		<u>Program Series 1: Hospital and Community Services</u>	\$80,000	\$80,000
		<i>Program 1:2 Community Distribution</i>	\$80,000	\$80,000
Fund 5AU	335-615	Behavioral Healthcare	\$6,690,000	\$6,690,000
		<u>Program Series 1: Hospital and Community Services</u>	\$6,690,000	\$6,690,000
		<i>Program 1:2 Community Distribution</i>	\$6,690,000	\$6,690,000
Fund 632	335-616	Community Capital Replacement	\$350,000	\$350,000
		<u>Program Series 1: Hospital and Community Services</u>	\$350,000	\$350,000
		<i>Program 1:2 Community Distribution</i>	\$350,000	\$350,000
State Special Revenue Fund Subtotal			\$14,559,867	\$14,539,867
Agency Total Funding			\$1,143,383,779	\$1,193,759,140

ANALYSIS OF EXECUTIVE PROPOSAL

Program Series

1: Hospital and Community Services

Purpose: Hospital and Community Services support two systems that are linked in providing complete care for persons with severe and persistent mental illness, the inpatient system, and the community mental health system.

The following table shows the line items that are used to fund Hospital and Community Services, as well as the executive's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	334-408	Community and Hospital MH Services	\$400,324,545	\$400,324,545
GRF	334-410	System Reform	\$0	\$5,000,000
GRF	334-506	Court Costs	\$976,652	\$976,652
GRF	335-404	Behavioral Health Services – Children	\$8,076,153	\$8,711,153
GRF	335-405	Family and Children First	\$2,260,000	\$2,260,000
GRF	335-505	Local MH Systems of Care	\$99,687,868	\$99,687,868
GRF	335-419	Community Medication Subsidy	\$7,959,798	\$7,959,798
GRF	332-401	Forensic Services	\$4,338,858	\$4,338,858
General Revenue Fund Subtotal			\$523,623,874	\$529,258,874
State Special Revenue Fund				
232	333-621	Family and Children First	\$625,000	\$625,000
485	334-632	Mental Health Operating	\$3,100,000	\$3,100,000
5AU	335-615	Behavioral Healthcare	\$6,690,000	\$6,690,000
632	335-616	Community Capital Replacement	\$350,000	\$350,000
692	334-636	Community MH Board Risk Fund	\$80,000	\$80,000
State Special Revenue Fund Subtotal			\$10,845,000	\$10,845,000
General Services Fund				
149	334-609	Hospital Rotary – Operating Expenses	\$33,800,000	\$33,800,000
150	334-620	Special Education	\$120,930	\$120,930
4P9	335-604	Community Mental Health Projects	\$250,000	\$250,000
General Services Fund Subtotal			\$34,170,930	\$34,170,930
Federal Special Revenue Fund				
3A6	333-608	Community and Hospital Services	\$140,000	\$140,000
3A7	333-612	Social Services Block Grant	\$25,000	\$25,000
3A6	334-608	Federal Letter of Credit	\$586,224	\$586,224
3A8	334-613	Federal Letter of Credit for Human Services	\$200,000	\$200,000
3B0	334-617	Elementary and Secondary Education	\$182,334	\$182,334
3B1	334-635	Hospital Medicaid Expansion	\$2,000,000	\$2,000,000
324	334-605	Medicaid/Medicare	\$34,500,000	\$50,500,000
3A6	335-608	Federal Miscellaneous	\$2,178,699	\$2,178,699
3A7	335-612	Social Services Block Grant	\$8,657,288	\$8,657,288

Fund	ALI	Title	FY 2008	FY 2009
3A8	335-613	Fed Grant – Community MH Subsidy	\$2,595,040	\$2,595,040
3A9	335-614	Mental Health Block Grant	\$14,969,400	\$14,969,400
3B1	335-635	Community Medicaid Expansion	\$299,614,455	\$316,699,716
Federal Special Revenue Fund Subtotal			\$365,648,440	\$398,733,701
Total Funding: Hospital and Community Services			\$934,288,244	\$973,008,505

This analysis focuses on the following specific programs within the Hospital and Community program series:

- **Program 1.01: 408 Hospital and Community**
- **Program 1.02: Community Distribution**
- **Program 1.03: Community Medication Program**
- **Program 1.04: Community Medicaid Program**
- **Program 1.05: Forensic Services**
- **Program 1.06: Family and Children First Council**
- **Program 1.07: Behavioral Healthcare Services for Children**

408 Hospital and Community

Program Description: Line item 334-408, Community and Hospital Mental Health Services, supports two systems that are linked in providing complete care for persons with severe and persistent mental illness. The inpatient system, known as the Integrated Behavioral Healthcare System (IBHS), is made up of five regional Behavioral Healthcare Organizations (BHOs) at nine inpatient sites located throughout the state. They are:

Appalachian Behavioral Healthcare

- Athens Campus
- Cambridge Campus (Guernsey County)

Heartland Behavioral Healthcare

- Massillon Campus (Stark County)

Northcoast Behavioral Healthcare

- Cleveland Campus (Cuyahoga County)
- Northfield Campus (Cuyahoga County)
- Toledo Campus (Lucas County)

Summit Behavioral Healthcare

- Cincinnati Campus (Hamilton County)

Twin Valley Behavioral Healthcare

- Columbus Campus (Franklin County)
- Dayton Campus (Montgomery County)

The role of these state facilities in Ohio's mental health care system changed dramatically during 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 49% 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.

In the last six years, the profile of patients served changed significantly. One factor is sentencing reconfiguration. As a result of Ohio Supreme Court case *Ohio v. Foster*, sentencing reductions could increase the number of mentally ill offenders leaving the prison system, adding additional strain on the mental health system. While public bed capacity and the average daily population have decreased 13% since FY 2001, the number of admissions is up 14%. In addition, civil needs have rapidly shifted from long-term services toward short-term, more acute, more intensive care. The median length of stay for civil patients is now 12 days. The forensic population, which has increased by 13% since FY 2001, is now 49% of all patients served. As a direct result, an additional unit at Twin Valley Behavioral Healthcare's maximum-security site opened in FY 2005.

Funding Source and Line Items: The following table shows the line items that are used to fund the 408 Hospital and Community program, as well as the executive's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	334-408	Community and Hospital MH Services	\$400,324,545	\$400,324,545
GRF	334-410	System Reform	\$0	\$5,000,000
General Revenue Fund Subtotal			\$400,324,545	\$405,324,545
General Services Fund				
149	334-609	Hospital Operating Expenses	\$33,800,000	\$33,800,000
150	334-620	Special Education	\$120,930	\$120,930
General Services Fund Subtotal			\$33,920,930	\$33,920,930
Federal Special Revenue Fund				
3A6	333-608	Community and Hospital Services	\$140,000	\$140,000
3A7	333-612	Social Services Block Grant – Administration	\$25,000	\$25,000
3A6	334-608	Federal Letter of Credit	\$586,224	\$586,224
3A8	334-613	Federal Letter of Credit for Human Services	\$200,000	\$200,000
3B0	334-617	Elementary and Secondary Education	\$182,334	\$182,334
3B1	334-635	Hospital Medicaid Expansion	\$2,000,000	\$2,000,000
324	334-605	Medicaid/Medicare	\$34,500,000	\$50,500,000
Federal Special Revenue Fund Subtotal			\$37,633,558	\$53,633,558

Fund	ALI	Title	FY 2008	FY 2009
State Special Revenue Fund				
485	334-632	Mental Health Operating	\$3,100,000	\$3,100,000
State Special Revenue Fund Subtotal			\$3,100,000	\$3,100,000
Total Funding: Hospital and Community			\$474,979,033	\$495,979,033

Implication of Executive Recommendation: The recommended \$475 million for FY 2008 and \$496 million for FY 2009 for the 408 Hospital and Community program will allow the Department to maintain current capacity, patient safety, and sufficient staffing to operate 49 hospital units for the inpatient system. To avoid increasing hospital rates to cover inflationary increases and stabilize civil bed-day per diem costs, the Department will continue current hospital rates in the next biennium. The executive's recommendation for line item 334-609, Hospital Operating Expenses, is \$9.4 million more than estimated FY 2007 levels. The increased funding allows the Department to utilize reserve funds acquired in the past biennium through financial efficiencies and Medicare rate restructuring to absorb increases in the IBHS. The executive's recommended budget also increases line item 334-605, Medicaid/Medicare, (Fund 324) by \$22.3 million in FY 2008 and \$38.3 million in FY 2009 to cover service expansion. In addition, the executive's budget recommends \$5 million in FY 2009 to implement system reform initiatives upon approval of a plan submitted to the Office of Budget and Management by the Director. The Department plans to review its funding allocations and work with the Office of Budget and Management on implementing necessary changes from the system reform initiative.

Temporary and Permanent Law Provision

System Reform (Section 335.30.10). Requires the Director of Mental Health to develop a plan to use funds from line item 334-410, System Reform, based on a review by the Office of Budget and Management. Upon approval of the plan by the Director of the Office of Budget and Management, the Department of Mental Health can begin using the dollars to implement the approved plan.

Community Distribution

Program Description: The funds listed within this program include all other community funds, excluding GRF line item 334-408, Community and Hospital Mental Health Services. The largest line item in this program, 335-505, Local Mental Health Systems of Care, is distributed by the Department to the ADAMHS/CMH boards to provide an integrated system of mental health care that meets locally determined mental health needs. Boards spend moneys in line item 335-505, Local Mental Health Systems of Care, for operating and service expenditures consistent with their Community Plan/Mutual System Performance Agreement approved by the Department. The basic services supported include: crisis intervention and hospital prescreening, counseling-psychotherapy, community support program services, diagnostic assessment, consultation and education, and residential housing. In addition, line item 335-505, Local Mental Health Systems of Care, supports systemic improvements for "special" categories. Current initiatives include: Ohio Department of Development Trust Fund, Early Childhood Mental Health, Alternative Education, SED Deaf/HOH, PASRR Evaluations, Family/Consumer Education, Toll-Free Consumer Support, Consumer Quality Review Team, and Ohio Family and Children First Council.

Line item, 335-612, Social Services Block Grant – Community, contains Title XX grants that support social service programs. These dollars are disbursed to ADAMHS/CMH boards via an annual subgrant. The boards, in turn, distribute funds to local agencies to provide services to persons suffering from mental illness.

Line item 335-614, Mental Health Block Grant – Community, is used to support community mental health centers.

Line item 334-506, Court Costs, funds a reimbursement program through which the Department reimburses certain county probate court costs in accordance with section 5122.43 of the Revised Code for commitment hearings for persons that are mentally ill. Reimbursable court costs include fees or expenses for police, sheriff, physician, witness, transportation, conveyance assistant, attorney, referee, reporter, and court costs.

Funding Source and Line Items: The following table shows the line items that are used to fund the Community Distribution program, as well as the executive's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	334-506	Court Costs	\$976,652	\$976,652
GRF	335-505	Local Mental Health Systems of Care	\$99,687,868	\$99,687,868
General Revenue Fund Subtotal			\$100,664,520	\$100,664,520
General Services Fund				
4P9	335-604	Community Mental Health Projects	\$250,000	\$250,000
General Services Fund Subtotal			\$250,000	\$250,000
Federal Special Revenue Fund				
3A6	335-608	Federal Miscellaneous	\$2,178,699	\$2,178,699
3A7	335-612	Social Services Block Grant	\$8,657,288	\$8,657,288
3A8	335-613	Fed Grant-Community MH Subsidy	\$2,595,040	\$2,595,040
3A9	335-614	Mental Health Block Grant	\$14,969,400	\$14,969,400
Federal Special Revenue Fund Subtotal			\$28,400,427	\$28,400,427
State Special Revenue Fund				
5AU	335-615	Behavioral Healthcare	\$6,690,000	\$6,690,000
632	335-616	Community Capital Replacement	\$350,000	\$350,000
692	334-636	Community Mental Health Board Risk Fund	\$80,000	\$80,000
State Special Revenue Fund Subtotal			\$7,120,000	\$7,120,000
Total Funding: Community Distribution			\$136,434,947	\$136,434,947

Implication of Executive Recommendation: In general, the executive's recommended budget allows the Department to maintain current capacity. In line item 335-615, Behavioral Healthcare (Fund 5AU), the Department anticipates receiving an additional \$2 million in both fiscal years for the Family and System Team (FAST) allocation from the ODJFS Title IVB Part 2 dollars.

Temporary and Permanent Law Provisions

Community Mental Health Board Risk Fund (Section 335.30.20 of the bill). Requires that line item 334-636, Community Mental Health Board Risk Fund, be used to make payments pursuant to section 5119.62 of the Revised Code.

Local Mental Health Systems of Care (Section 335.40.30 of the bill). Requires that line 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 \$34,818,917 in both fiscal years 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.

Community Medication Program

Program Description: Central Pharmacy Outpatient supplies psychotropic medications to reduce unnecessary hospitalization due to lack of medication and improve overall quality of life. Patients are treated through contracted community mental health centers or inmates through county detention facilities. Central Pharmacy operates as a mail order style pharmacy with the goal of getting the right medication to the right patient at the right time and price. The local boards receive some state subsidy support for the Central Pharmacy program. However, the funding is limited and if exceeded, the local board reimburses the Department.

Funding Source and Line Item: The following table shows the line item that is used to fund the Community Medication program, as well as the executive's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	335-419	Community Medication Subsidy	\$7,959,798	\$7,959,798
General Revenue Fund Subtotal			\$7,959,798	\$7,959,798
Total Funding: Community Medication			\$7,959,798	\$7,959,798

Implication of Executive Recommendation: Since FY 2001, this line item increased approximately 2.1% annually, approximately 7% below the average annual increase in drug costs. This line item does not fund all the medication costs for indigent persons and the CMH boards generally supplement this expense with local dollars. According to the Safety Net Follow-Up Survey, mental health boards reported that this line item only covers approximately 17% of community medications.

The Department estimates that in order to maintain current services and meet the medication needs of consumers, \$2.9 million in FY 2008 and \$3.2 million in FY 2009 more than FY 2007 estimated levels in this line item is needed to supply medications to those in most urgent need without other resources. According to the Department, line item 335-419, Community Medication Subsidy, is funded at levels below need. For example, Medicaid spends more than \$300 million annually for mental health medications, yet 40% of all people receiving community mental health care – almost all indigent – are not Medicaid-eligible and uninsured. Drug companies' charity programs provide an estimated \$20 million in "free medications." However, according to the Department, these funds are increasingly being cut and restricted.

Temporary and Permanent Law Provisions

Community Medication Subsidy (Section 335.40.20 of the bill). Requires that appropriations in GRF line 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.

Community Medicaid Program

Program Description: These funds reflect the federal financial participation (FFP) for the community mental health Medicaid program. Covered community Medicaid services include: diagnostic assessment, partial hospitalization, crisis intervention, counseling and psychotherapy, medication somatic services, and the community support program.

Funding Source and Line Item: The following table shows the line item that is used to fund the Community Medicaid program, as well as the executive's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
Federal Special Revenue Fund				
3B1	335-635	Community Medicaid Expansion	\$299,614,455	\$316,699,716
Federal Special Revenue Fund Subtotal			\$299,614,455	\$316,699,716
Total Funding: Community Medicaid			\$299,614,455	\$316,699,716

Implication of Executive Recommendation: The appropriation in line item 335-635, Community Medicaid Expansion, represents the FFP amounts that are estimated to be received in FY 2008 and FY 2009, respectively. The non-federal share of Community Medicaid is paid with local resources, namely a mix of GRF and local levy dollars, but varies by board area.

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting this program.

Forensic Services

Program Description: The Forensic Services program provides the following services.

Forensic and second opinion evaluations through Community Forensic Psychiatry Centers. The Department is required to fund evaluations for those persons who are pending adjudication to determine their competency to stand trial and/or to determine sanity. Historically, those services were originally provided at Oakwood State Hospital, but the responsibility has moved to regional Community Forensic Psychiatry Centers.

Mental Health Diversion/Reentry Alternatives to Jails and Prisons. These community-based programs at the local level are aimed at serving mentally ill and mentally ill/substance abusing persons involved in the criminal justice system through the provision of diversion alternatives and programs geared at successful reentry into the community.

Community Forensic Monitoring. The Department, in conjunction with the CMH boards, is required to operate a uniform tracking and monitoring program to serve persons on conditional release found Not Guilty by Reason of Insanity and Incompetent to Stand Trial-Unrestorable held under criminal court jurisdiction.

Forensic Fellowship Program. Training for two forensic psychiatrists is funded at the University of Cincinnati and Case Western Reserve University.

Funding Source and Line Item: The following table shows the line item that is used to fund the Forensic Services program, as well as the executive's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	332-401	Forensic Services	\$4,338,858	\$4,338,858
General Revenue Fund Subtotal			\$4,338,858	\$4,338,858
Total Funding: Forensic Services			\$4,338,858	\$4,338,858

Implication of Executive Recommendation: In FYs 2008 and 2009, Forensic Services receives flat funding, allowing the Department to continue current services as mentioned above.

Temporary and Permanent Law Provisions

Forensic Services (Section 335.10.10 of the bill). 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 ODMH 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 incarceration for nonviolent mentally ill offenders, and to provide specialized re-entry services to offenders leaving prisons and jails; and
- To provide forensic monitoring and tracking in addition to community programs serving persons of forensic status on conditional release or probation.

Family and Children First Council

Program Description: The Family and Children First Council is a partnership of government agencies and community organizations committed to improving the well being of children and families. The Ohio Family and Children First Cabinet Council is composed of the Superintendent of Public Instruction and the directors of the departments of Youth Services, Job and Family Services, Mental Health, Alcohol and Drug Addiction Services, and Mental Retardation and Developmental Disabilities. Along with its local partners, the Council is charged with streamlining and coordinating existing governmental services for families seeking assistance for their children. The primary focus of Family and Children First is low-income, at-risk, and multi-needs children and families.

Funding Source and Line Item: The following table shows the line item that is used to fund the Family and Children First Council program, as well as the executive's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	335-405	Family and Children First	\$2,260,000	\$2,260,000
General Revenue Fund Subtotal			\$2,260,000	\$2,260,000
State Special Revenue Fund				
232	333-621	Family and Children First	\$625,000	\$625,000
State Special Revenue Fund Subtotal			\$625,000	\$625,000
Total Funding: Family and Children First Council			\$2,885,000	\$2,885,000

Implication of Executive Recommendation: The executive's recommended level allows the Department to maintain current service levels. Line item, 333-621, Family and Children First, moved from the Department of Education to the Department. In FY 2006, the Ohio Family and Children First Cabinet Council increased its staffing level by hiring an administrative assistant. As a result administrative costs will increase through FY 2009. Funding for this line item provides \$20,000 per county to help maintain the local council infrastructure. In addition, this program also provides technical assistance for the state cabinet council and local councils. Sub. H.B. 289 of the 126th General Assembly established new duties for the Ohio Family and Children First Cabinet Council and county family and children first councils. The executive's recommended budget does not provide for additional funds to cover the costs of the additional duties.

Temporary and Permanent Law Provisions

There are no temporary or permanent provisions affecting this program.

Behavioral Healthcare Services for Children

Program Description: Also known as Access to Better Care (ABC), this program is a major children's initiative developed to respond to the growing realization that under-serving children with alcohol, drug, and/or mental health service needs result in increased costs in other areas. With the involvement and input of parents, advocates, and state and local leaders, the ABC initiative has an emphasis on three strategies: prevention, early intervention, and treatment. This program builds on the behavioral health system of the Alcohol, Drug Addiction, and Mental Health Services, Community Mental Health, and Alcohol and Drug Addiction Services boards and their provider networks to provide a supportive leadership role for Family and Children First Councils (FCF) and their member agencies to better address the needs of children with mental health and substance use issues across the developmental spectrum and across the many settings where these children need or receive care. The ABC initiative honors FCF's commitment to children and families by strengthening the role of parents as empowered advocates for their children via a more parent-child focused service coordination definition.

Funding Source and Line Item: The following table shows the line item that is used to fund the Behavioral Healthcare Services for Children program, as well as the executive's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	335-404	Behavioral Health Services – Children	\$8,076,153	\$8,711,153
General Revenue Fund Subtotal			\$8,076,153	\$8,711,153
Total Funding: Behavioral Healthcare Services for Children			\$8,076,153	\$8,711,153

Implication of Executive Recommendation: The executive's recommended budget allows the Department to maintain current service levels. The appropriated amount exceeds FY 2007 estimated levels by \$622,500 in FY 2008 and \$635,000 in FY 2009. This program also allocates funds to ADAMHS/CMH boards in partnership with local FCF Councils to collaborate on a local wraparound process for children, youth, and families through both base transformation and incentive funding. The recommended levels also allows the Department to continue and expand the six current Behavioral Health Juvenile Justice pilots, serving more than 600 serious juvenile offenders with serious behavioral health needs. In addition to the above services, the Department will be able to support an evaluation conducted by Kent State University's Institute for the Study of Prevention and Violence.

Temporary and Permanent Law Provisions

Behavioral Healthcare Services for Children (Section 335.40.10 of the bill). Temporary law requires that funds in GRF line item 335-404, Behavioral Health Services – Children, are used to provide behavioral health services for children and their families, including mental health and alcohol and other drug treatment services and other necessary supports.

Earmarks \$4.5 million in FY 2008 and \$5.5 million in FY 2009 to local ADAMHS, CMH, and Alcohol and Drug Addiction Services (ADAS) boards based on a distribution formula and guidance defined by a team of state and local stakeholders appointed by the Ohio Family and Children First (OFCF) Cabinet Council.

Earmarks \$1 million in both fiscal years to support projects as determined by the OFCF Cabinet Council, in select areas of the state, to focus on improving behavioral health juvenile justice services.

Earmarks \$500,000 in both fiscal years for children whose primary treatment focus is not a mental health or alcohol or drug addiction disorder and requires services or supports to assist those needs through the county FCF Council.

Program Series

2: Office of Support Services

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

The following table shows the line item that is used to fund the Office of Support Services, as well as the executive's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Services Fund				
151	336-601	General Administration	\$134,060,000	\$148,998,000
General Services Fund Subtotal			\$134,060,000	\$148,998,000
Total Funding: Office of Support Services			\$134,060,000	\$148,998,000

This analysis focuses on the following specific programs within the program series:

■ **Program 2.01: Office of Support Services (OSS)**

Office of Support Services

Program Description: The Office of Support Services (OSS) captures economies of scale by purchasing raw and prepared bulk food items, wholesale pharmaceuticals, pharmacy dispensing, and transportation services on behalf of state facilities and select community agencies. Consultation in the areas of dietary training, cycle menu planning, pharmacy standards, and drug information service is also available. The Office of Support Services receives revenue to operate by billing state departments and agencies for its services; participating state agencies include the departments of Rehabilitation and Correction, Youth Services, and Mental Retardation and Developmental Disabilities.

During the past four years, OSS experienced sales growth from \$84 million to more than \$109 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 an increasing number of eligible nonprofit state and community agencies.

Implication of Executive Recommendation: The executive's recommendations match the Department's funding request for the Office of Support Services. Growth in OSS expenditures exceeded FY 2007 estimates by \$35.5 million (37.8%) in FY 2008 and \$44.5 million (47.4%) in FY 2009. The growth increase can be attributed to (1) an increase in pharmaceutical costs, (2) an increase in nonstate customers, and (3) expanding purchasing volume.

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting this program.

Program Series

3: Oversight and Quality

Purpose: To provide oversight and quality controls for the Integrated Behavioral Healthcare System (IBHS) including hospital chief clinical officers, as well as program and policy development for 50 community mental health (CMH) boards.

The following table shows the line items that are used to fund the Oversight and Quality program series, as well as the executive's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	333-321	Central Administration	\$4,683,719	\$4,683,719
GRF	333-402	Resident Trainees	\$1,364,919	\$1,364,919
General Revenue Fund Subtotal			\$6,048,638	\$6,048,638
General Services Fund				
149	333-609	Central Office Operating	\$161,865	\$161,865
General Services Fund Subtotal			\$161,865	\$161,865
Federal Special Revenue Fund				
3A8	333-613	Federal Grant – Administration	\$4,888,105	\$4,888,105
3B1	333-635	Community Medicaid Expansion	\$126,768	\$126,768
3A9	333-614	Mental Health Block Grant – Administration	\$248,000	\$248,000
Federal Special Revenue Fund Subtotal			\$5,262,873	\$5,262,873
Total Funding: Oversight and Quality			\$11,473,376	\$11,473,376

This analysis focuses on the following specific programs within the program series:

- **Program 3.01: Medical Director and Quality Assurance**
- **Program 3.02: Integrated Behavioral Healthcare System Oversight (IBHS)**
- **Program 3.03: Program and Policy Development**

Medical Director and Quality Assurance

Program Description: The Medical Director is responsible for decisions relating to medical diagnosis, treatment, rehabilitation, and quality assurance. The Office of Quality Assurance exercises clinical supervision of the hospital chief clinical officers, provides clinical oversight of departmental policies, procedures, guidelines, and research projects, and provides oversight of the Department's residency program and best practice initiatives. In addition, the Medical Director is responsible for the clinical aspects of the Department's licensure and certification process for community mental health services.

Funding Source and Line Items: The following table shows the line items that are used to fund the Medical Director and Quality Assurance program, as well as the executive's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	333-321	Central Administration	\$1,852,403	\$1,852,403
GRF	333-402	Resident Trainees	\$1,364,919	\$1,364,919
General Revenue Fund Subtotal			\$3,217,322	\$3,217,322
General Services Fund				
149	333-609	Central Office Rotary – Operating	\$61,877	\$61,877
General Services Fund Subtotal			\$61,877	\$61,877
Federal Special Revenue Fund				
3A9	333-614	Mental Health Block Grant – Administration	\$49,000	\$49,000
3B1	333-635	Community Medicaid Expansion	\$48,460	\$48,460
Federal Special Revenue Fund Subtotal			\$97,460	\$97,460
Total Funding: Medical Director and Quality Assurance			\$3,376,659	\$3,376,659

Implication of Executive Recommendation: The recommended funding levels for this program will maintain current services for clinical supervision of hospital clinical staff and oversight of department policies and research projects, Ohio colleges and universities to educate mental health professionals, and continued quality improvement practices evidenced by improved reporting mechanisms through the Mental Health Board Clinical Leadership Group.

The executive's recommended funding for line item 333-635, Community Medicaid Expansion, exceeded FY 2007 estimated levels by \$5 million (57.2%) in each fiscal year due to increased utilization of mental health services by Medicaid-eligible people. The increase in appropriation for this line item affects multiple program series within the Department. A total of \$48,460 of the appropriation in this line item in each fiscal year is attributable to this program.

Temporary and Permanent Law Provisions

Residency Traineeship Programs (Section 335.20.10 of the bill). Temporary law requires that the appropriation for line item 333-402, Resident Trainees, be used to fund training agreements entered into by ODMH for the development of curricula and the provision of training programs to support public mental health services.

Pre-Admission Screening Expenses (Section 335.20.20 of the bill). Temporary law requires that line item 333-403, Pre-Admission Screening Expenses, be used to pay for costs to ensure that uniform methods for pre-admission screening for persons who have severe mental illness and are referred for long-term Medicaid-certified nursing facility placement.

Integrated Behavioral Healthcare System Oversight (IBHS)

Program Description: The IBHS is composed of a network of five Behavioral Healthcare Organizations (BHOs) having nine inpatient locations and more than 50 community-based programs throughout the state. This program develops, administers, and oversees the administration, budget, and services of the BHOs. The IBHS is organized into four product lines consisting of: Intensive and Specialized Services; Community Support Network; Forensic; and Culture, Family, and Community Services. The program provides support to BHOs through the product line structure to ensure compliance with federal, state, and Joint Commission on Accreditation of Healthcare Organizations (JCAHO) mandates and other accrediting standards.

Funding Source and Line Items: The following table shows the line items that are used to fund the Integrated Behavioral Healthcare System Oversight program, as well as the executive's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	333-321	Central Administration	\$242,646	\$242,646
General Revenue Fund Subtotal			\$242,646	\$242,646
General Services Fund				
149	333-609	Central Office Operating	\$7,131	\$7,131
General Services Fund Subtotal			\$7,131	\$7,131
Federal Special Revenue Fund				
3B1	333-635	Community Medicaid Expansion	\$5,584	\$5,584
Federal Special Revenue Fund Subtotal			\$5,584	\$5,584
Total Funding: Integrated Behavioral Healthcare System Oversight			\$255,361	\$255,361

Implication of Executive Recommendation: The recommended funding levels for this program maintain current services including staff to support the oversight of inpatient BHOs, JCAHO accreditation, and Medicare certification of state psychiatric hospitals, and quality standards of clinical priorities of patient care. Total appropriations in line item 333-609, Central Office Operating, exceed FY 2007 estimated levels in each fiscal year. The increase affects multiple program series.

The executive's recommended funding for line item 333-635, Community Medicaid Expansion, exceeded FY 2007 estimated levels by \$5 million (57.2%) in each fiscal year due to increased utilization of mental health services by Medicaid-eligible people. The increase in appropriation for this line item affects multiple program series within the Department. A total of \$5,584 of the appropriation in this line item in each fiscal year is attributable to this program.

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting this program.

Program and Policy Development

Program Description: This program provides overall management of the 50 CMH boards and promotes the local development of a comprehensive community support system of mental health services. Currently, five area directors act as liaisons to coordinate the Department's relationship with the boards in five regions within the state. This program is also responsible for Systems Development, Children's Services and Prevention, and Consumer Services.

Funding Source and Line Items: The following table shows the line items that are used to fund the Program and Policy Development program, as well as the executive's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	333-321	Central Administration	\$2,588,670	\$2,588,670
General Revenue Fund Subtotal			\$2,588,670	\$2,588,670
General Services Fund				
149	333-609	Central Office Operating	\$92,857	\$92,857
General Services Fund Subtotal			\$92,857	\$92,857
Federal Special Revenue Fund				
3A8	333-613	Federal Grant – Administration	\$4,888,105	\$4,888,105
3A9	333-614	Mental Health Block Grant – Administration	\$199,000	\$199,000
3B1	333-635	Community Medicaid Expansion	\$72,724	\$72,724
Federal Special Revenue Fund Subtotal			\$5,159,829	\$5,159,829
Total Funding: Program and Policy Development			\$7,841,356	\$7,841,356

Implication of Executive Recommendation: The recommended funding levels for this program maintain current services, including staff and operational needs for the Division of Program and Policy Development, Office of Systems Development, Office of Children's Services and Prevention, and the Office of Consumer Services. In addition, the recommended funding will continue to cover overall management of the 50 community mental health boards.

The executive's recommended funding for line item 333-635, Community Medicaid Expansion, exceeded FY 2007 estimated levels by \$5 million (57.2%) in each fiscal year due to increased utilization of mental health services by Medicaid-eligible people. The increase in appropriation for this line item affects multiple program series within the Department. A total of \$72,724 of the appropriation in this line item in each fiscal year is attributable to this program.

Temporary and Permanent Law Provisions

Rate Structure Study Group (Section 335.40.40 of the bill). Temporary law requires the Director to convene a study group made up of state and county representatives and members of provider communities to review the current provider rate structure for mental health services and make recommendations to the Department.

Program Series

4: Program Management

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 the Program Management program series, as well as the executive's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	333-321	Central Administration	\$19,170,187	\$19,170,187
GRF	333-403	Pre-Admission Screening Expenses	\$650,135	\$650,135
GRF	333-416	Research Program Evaluation	\$1,001,551	\$1,001,551
General Revenue Fund Subtotal			\$20,821,873	\$20,821,873
State Special Revenue Fund				
4X5	333-607	Behavioral Health Medicaid Services	\$3,000,634	\$3,000,634
485	333-632	Mental Health Operating	\$134,233	\$134,233
5V2	333-611	Non-Federal Grants Administration	\$580,000	\$560,000
State Special Revenue Fund Subtotal			\$3,714,867	\$3,694,867
General Services Fund				
149	333-609	Central Office Operating	\$1,038,135	\$1,038,135
General Services Fund Subtotal			\$1,038,135	\$1,038,135
Federal Special Revenue Fund				
3A9	333-614	Mental Health Block Grant	\$500,470	\$500,470
3B1	333-635	Community Medicaid Expansion	\$13,564,914	\$13,564,914
324	333-605	Medicaid/Medicare	\$154,500	\$154,500
Federal Special Revenue Fund Subtotal			\$14,219,884	\$14,219,884
Total Funding: Program Management			\$39,794,759	\$39,774,759

Program Management

Program Description: This program includes central office staff members who provide technical assistance and support for all components of the mental health system such as boards, agencies, family groups, consumer groups, state and private hospitals as well as oversight of the day-to-day operation of the Department. Offices or subprograms under the areas of central office administration include: the Director's Office, Human Resources, Fiscal Administration, Office of Information Services, Legal Services, Consumer Services, Licensure and Certification, Capital Development, Program Evaluation and Research, and Office of Forensic Services.

Funding Source and Line Items: The following table shows the line items that are used to fund the Program Management program, as well as the executive's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	333-321	Central Administration	\$19,170,187	\$19,170,187
GRF	333-403	Pre-Admission Screening Expenses	\$650,135	\$650,135
GRF	333-416	Research Program Evaluation	\$1,001,551	\$1,001,551
General Revenue Fund Subtotal			\$20,821,873	\$20,821,873
State Special Revenue Fund				
4X5	333-607	Behavioral Health Medicaid Services	\$3,000,634	\$3,000,634
485	333-632	Mental Health Operating	\$134,233	\$134,233
5V2	333-611	Non-Federal Grants – Administration	\$580,000	\$560,000
State Special Revenue Fund Subtotal			\$3,714,867	\$3,694,867
General Services Fund				
149	333-609	Central Office Rotary – Operating	\$1,038,135	\$1,038,135
General Services Fund Subtotal			\$1,038,135	\$1,038,135
Federal Special Revenue Fund				
3A9	333-614	Mental Health Block Grant	\$500,470	\$500,470
3B1	333-635	Community Medicaid Expansion	\$13,564,914	\$13,564,914
324	333-605	Medicaid/Medicare	\$154,500	\$154,500
Federal Special Revenue Fund			\$14,219,884	\$14,219,884
Total Funding: Program Management			\$39,794,759	\$39,774,759

Implication of Executive Recommendation: The executive's recommended funding level for this program will maintain current services including staff and operational requirements of the central office needed for budget control and coordination, human resources administration, oversight of Medicaid mental health services, research and program evaluation, facility planning and management, information systems, and legal/regulatory services. The executive's recommendation for line item 333-611, Non-Federal Grants Administration, includes a grant the Department received from the Tobacco Use and Prevention Foundation for \$500,000 in each fiscal year. The appropriation increase allows the Department more flexibility in maintaining service levels during the upcoming biennium. During the past five years, the number of Medicaid-eligible consumers receiving community Medicaid mental health services increased approximately 7% per year. The increased growth requires additional spending authority to ensure eligible consumers receive entitlement services.

The executive's recommended funding for line item 333-635, Community Medicaid Expansion, exceeded FY 2007 estimated levels by \$5 million (57.2%) in each fiscal year due to increased utilization of mental health services by Medicaid-eligible people. The increase in appropriation for this line item affects multiple program series within the Department. A total of \$13,564,914 of the appropriation in this line item in each fiscal year is attributable to this program.

Temporary and Permanent Law Provision

Pre-Admission Screening Expenses (Section 335.20.20 of the bill). 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.

Debt Service

Program Description: This program area reflects payments made by the Department for debt service retirement to the Ohio Public Facilities Commission for mental health facilities.

Funding Source and Line Item: The following table shows the line item that is used to fund the Debt Service, as well as the executive's recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Revenue Fund				
GRF	333-415	Lease Rental Payments	\$23,767,400	\$20,504,500
General Revenue Fund Subtotal			\$23,767,400	\$20,504,500
Total Funding: Debt Service			\$23,767,400	\$20,504,500

Implication of Executive Recommendation: The executive's recommended budget fully funds Debt Service payments for mental health facilities to the Ohio Public Facilities Commission. The executive's recommended level for the biennium is \$3.4 million less than requested due to bonds maturing during the upcoming biennium. As a result, expenditures from GRF line item 333-415, Lease Rental Payments, are reduced.

Temporary and Permanent Law Provisions

Lease Rental Payments (Section 335.20.30 of the bill). Sets an aggregate limit of \$49,142,400 that ODMH may pay to the Ohio Public Facilities Commission from GRF line item 333-415, Lease Rental Payments, pursuant to leases and agreements made under section 154.20 of the Revised Code.

REQUESTS NOT FUNDED

Under the executive proposal, the Department received an additional \$96.7 million in FY 2008 and \$147.1 million in FY 2009 to maintain current inpatient capacity and to provide sufficient staff to operate 49 units, which preserves the base for mental health services. The tables below identify areas the Department identified as needing additional funding for sustaining current service levels in the community. Although the Department did not receive full amounts for these additional funding requests, it plans to utilize the additional federal appropriation in line items 334-605, Medicaid/Medicare, and 333-635, Community Medicaid Expansion, to meet service needs in the upcoming biennium.

GRF: Additional Funding for Medicaid Match Requirements						
Fund Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
Additional GRF 334-408 and 335-505	Additional \$15,000,000	\$0	(\$15,000,000)	Additional \$15,000,000	\$0	(\$15,000,000)

The Department projects Medicaid will increase 5% in FY 2008 and another 6% in FY 2009, bringing total Medicaid for mental health (Federal Financial Participation and match) to \$496 million and \$524 million, respectively.

At the executive's recommended level of funding, the Department will use the total increases in appropriation line items 333-635, Community Medicaid Expansion, and 334-605, Medicaid/Medicare, of \$32.8 million in FY 2008 and \$48.8 million in FY 2009. During the past five years, the number of Medicaid-eligible consumers receiving community Medicaid mental health services increased approximately 7% per year. The increased growth requires additional spending authority to ensure eligible consumers receive entitlement services. The recommended level of funding for the community services program series is \$136,434,947 in both fiscal years.

GRF: Additional Funding for Housing Vouchers and Special Categories						
Fund Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
GRF 335-505	Additional \$3,000,000	\$0	(\$3,000,000)	Additional \$3,000,000	\$0	(\$3,000,000)

Thirty-seven boards estimate that more than 11,000 consumers are currently homeless. The average wait for public housing throughout the state is nine months to more than a year, resulting in long waiting lists for supervised housing. The unfunded amount represents a 3% increase above FY 2007 estimated levels.

As mentioned above, at the executive's recommended level of funding, the Department will rely on the increases in federal appropriation line items 333-635, Community Medicaid Expansion, and 334-605, Medicaid/Medicare.

GRF: Additional Funding for Forensic Services						
Fund Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
GRF 332-401	Additional \$130,166	\$0	(\$130,166)	Additional \$130,166	\$0	(\$130,166)

The additional funding would fund grants for Medication Grant Program pilots to purchase medications and related psychiatric services to bridge the gap in medications for those leaving hospitals, prisons, and jails, while waiting for Medicaid approval. The new initiative would incorporate components of New York's Medication Grant Program implemented as a part of New York's Kendra Law.

GRF: Additional Funding for Court Costs						
Fund Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
GRF 334-506	Additional \$715,617	\$0	(\$715,617)	Additional \$715,617	\$0	(\$715,617)

The Department requested a 3% increase above FY 2007 estimated levels for this line item. The executive's recommended level will maintain FY 2007 levels in the upcoming biennium.

GRF: Additional Funding for Family and Children First (OFCF)						
Fund Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
GRF 335-405	Additional \$67,800	\$0	(\$67,800)	Additional \$67,800	\$0	(\$67,800)

The Department requested a 3% increase above FY 2007 estimated levels for this line item. The additional dollars would allow the OFCF to expand initiatives by becoming actively involved in the Department of Youth Services' Reentry Initiative, Department of Job and Family Service's WIA Youth efforts, Department of Education School Readiness initiative and leading expansion of ABC initiatives statewide. The executive's recommended level will maintain FY 2007 levels in the upcoming biennium.

GRF: Additional Funding for Resident Trainees Program						
Fund Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
GRF 333-402	Additional \$40,948	\$0	(\$40,948)	Additional \$40,948	\$0	(\$40,948)

The Department requested a 3% increase above FY 2007 estimated levels for this line item. The additional dollars would be used to increase psychiatric supervision of residents in public child-serving mental health agencies graduating with a specialization in child psychiatry. The increased funding would also be used to assist in closing the gap between the supply and demand for child psychiatrists in the state's public mental health system and recruit new child psychiatrists. The executive's recommended level will maintain FY 2007 levels in the upcoming biennium.

GRF: Additional Funding for Program Management						
Fund Line Item	FY 2008 Requested	FY 2008 Recommended	Difference	FY 2009 Requested	FY 2009 Recommended	Difference
GRF 333-321	Additional \$715,617	\$0	(\$715,617)	Additional \$715,617	\$0	(\$715,617)

The Department requested a 3% increase above FY 2007 estimated levels for this line item. The additional dollars would support increased staff costs as a result of the 3.5% salary increase for state employees. In addition, the requested amount would increase grant awards previously reduced in both fiscal years for line item 333-611, Non-Federal Grants Administration. The executive's recommended level for this line item will maintain FY 2007 levels in the upcoming biennium. The Department received \$500,000 in each fiscal year in line item 333-611, Non-Federal Grants Administration, from the Tobacco Use and Prevention Control Foundation.

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General Revenue Fund

GRF 332-401 Forensic Services

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$4,389,409	\$4,352,826	\$4,319,519	\$4,338,858	\$4,338,858	\$4,338,858
	-0.8%	-0.8%	0.4%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.06 of Am. Sub. H.B. 66 of the 126th 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.
The budget appropriations act requires that the moneys be allocated through community mental health boards to certified community agencies and be distributed according to the criteria delineated in rule 5122:4-1-01 of the Administrative Code. These funds may also be used to provide forensic training to community mental health boards and to forensic psychiatry residency programs in hospitals operated by the Department, and to provide evaluations of patients of forensic status in facilities operated by the Department prior to conditional release to the community.

Am. Sub. H.B. 66 of the 126th General Assembly also instructs that the funds may be used to support projects involving mental health, substance abuse, courts, and law enforcement to identify and develop appropriate alternative services to institutionalization for nonviolent mentally ill offenders, and to provide linkage to community services for severely mentally disabled offenders released from institutions operated by the Department of Rehabilitation and Correction. Funds may also be utilized to provide forensic monitoring and tracking in addition to community programs serving persons of forensic status on conditional release or probation.

GRF 333-200 Maintenance - Central Administration

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$966	\$0	\$0	\$0	\$0	\$0

Source: GRF

Legal Basis: Discontinued line item

Purpose: Funds in this line item were used to pay maintenance costs of the Department. This line item has been replaced by line item 333-321, Central Administration.

GRF 333-300 Equipment - Central Administration

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$20,223	\$0	\$0	\$0	\$0	\$0

Source: GRF

Legal Basis: Discontinued line item

Purpose: Funds in this line item were used to pay equipment costs for administration of the Department. This line item has been replaced by line item 333-321, Central Administration.

GRF 333-321 Central Administration

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$22,276,780	\$23,887,793	\$23,946,423	\$23,853,907	\$23,853,906	\$23,853,906
	7.2%	0.2%	-0.4%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.06 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item is used to pay personal service costs, maintenance, and equipment for the Department. This line item replaces line items 333-100, 333-200, and 333-300.

GRF 333-402 Resident Trainees

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,356,488	\$1,180,040	\$1,585,070	\$1,364,919	\$1,364,919	\$1,364,919
	-13.0%	34.3%	-13.9%	0.0%	0.0%

Source: GRF

Legal Basis: ORC 5119.06(A)(2), 5119.10, and 5119.11; Section 209.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 694 of the 114th G.A.)

Purpose: Moneys in this line item fund psychiatry/psychology residencies and traineeship programs in psychology, nursing, and social work at state universities and teaching hospitals. Under ORC 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. Language in the budget bill specifically calls for the funds to be used to fund training agreement entered into by the Department of Mental Health for the development of curricula and the provision of training programs to support public mental health services.

GRF 333-403 Pre-Admission Screening Expenses

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$650,135	\$650,135	\$650,135	\$650,135	\$650,135	\$650,135
	0.0%	0.0%	0.0%	0.0%	0.0%

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

Legal Basis: Section 209.06 of Am. Sub. H.B. 66 of the 126th 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.

GRF 333-415 Lease Rental Payments

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$24,102,718	\$22,380,819	\$22,340,731	\$23,833,600	\$23,767,400	\$20,504,500
	-7.1%	-0.2%	6.7%	-0.3%	-13.7%

Source: GRF

Legal Basis: Section 209.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A.)

Purpose: These moneys fund debt service payments for long-term capital construction projects of the Department of Mental Health.

GRF 333-416 Research Program Evaluation

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,058,012	\$1,001,428	\$1,001,551	\$1,001,551	\$1,001,551	\$1,001,551
	-5.3%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.06 of Am. Sub. H.B. 66 of the 126th 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 and research institutions, DMH currently funds approximately 20 research projects.

GRF 334-408 Community and Hospital Mental Health Services

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$376,637,527	\$386,495,116	\$389,904,182	\$400,324,545	\$400,324,545	\$400,324,545
	2.6%	0.9%	2.7%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.06.03 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 111 of the 118th G.A.)

Purpose: Moneys in this line item fund 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". Prior to FY 2000, these funds were distributed under ORC 5119.62(B)(2) 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 334-410 System Reform

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$0	\$0	\$5,000,000

Source: GRF

Legal Basis: Section 335.30.10 of H.B. 119 of the 127th G.A.

Purpose: This line item will fund initiatives addressing system reform initiatives identified in an approved department plan following a performance review by the Office of Budget and Management.

GRF 334-506 Court Costs

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$944,666	\$989,364	\$1,024,008	\$976,652	\$976,652	\$976,652
	4.7%	3.5%	-4.6%	0.0%	0.0%

Source: GRF

Legal Basis: ORC 5122.43; Section 209.06.03 of Am. Sub. H.B. 66 of the 126th G.A.

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 attorneys' costs for indigent clients during commitment hearings. For many courts, however, it does not cover the costs of all commitment hearings.

GRF 335-404 Behavioral Health Services-Children

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$5,603,426	\$7,453,653	\$8,076,153	\$8,711,153
		N/A	33.0%	8.4%	7.9%

Source: GRF

Legal Basis: Section 209.06.06 of H.B. 66 of the 126th G.A.

Purpose: Funds in this line item are used to improve community behavioral health treatment and develop a parent advocacy network. The budget bill earmarks an amount up to \$4.5 million in FY 2008 and \$5.5 million in FY 2009 to be distributed to local boards based upon a formula and an approved children's behavioral health transformation plan developed and endorsed by the local Family and Children First Council. Use of the funds must be approved by a team of state and local stakeholders appointed by the Ohio Family and Children First Cabinet Council. Temporary law in the budget act identifies the membership of the team. Specifically, the funds provide flexible, family-centered community behavioral health treatment and support services and to support demonstration projects in select areas of the state focusing on improving behavioral health services for the child welfare and juvenile justice populations. An amount up to \$1 million in each FY 2008 and 2009 is earmarked for projects, as determined by the Ohio Family and Children First Cabinet Council, in select areas around the state to focus on improving behavioral health juvenile services. An amount up to \$500,000 in each fiscal year is earmarked for children who do not have a behavioral health or alcohol or drug addiction disorder but require assistance through the County Family and Children First Council.

GRF 335-405 Family & Children First

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$2,259,928	\$2,260,000	\$2,260,000	\$2,260,000
		N/A	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.06.06 of H.B. 66 of the 126th G.A.

Purpose: This line item was moved from the Department of Education (ALI 200-411) in the 126th biennial budget act. County Family and Children First Councils are local collaborative bodies created to improve services for families seeking government assistance for their children. Section 121.37 of the Ohio Revised Code requires that each county establish a Family and Children First Council. Funding for this line item provides \$20,000 per county to help maintain the local council infrastructure. Previously, a portion of the funds were used for grants to treat multi-need children through the Department of Mental Retardation and Developmental Disabilities. In addition, up to \$500,000 in each fiscal year is to be used for children who do not have a behavioral health issue, but require services from the Council.

GRF 335-419 Community Medication Subsidy

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$7,711,092	\$7,959,798	\$7,959,798	\$7,959,798	\$7,959,798	\$7,959,798
	3.2%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.06.06 of Am. Sub. H.B. 66 of the 126th 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 and to provide subsidized support for methadone costs. 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

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$367,749	\$0	\$0	\$0	\$0	\$0

Source: GRF

Legal Basis: Discontinued line item

Purpose: This line item has been replaced by GRF line item 335-505, Local Mental Health Systems of Care. This line item was 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. An alcohol, drug addiction, and mental health service district must be established in any county, or combination of counties, with a population of 50,000 or more, to provide locally-based planning, evaluation, and coordination services.

GRF 335-505 Local MH Systems of Care

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$88,541,757	\$89,441,409	\$95,231,237	\$99,687,868	\$99,687,868	\$99,687,868
	1.0%	6.5%	4.7%	0.0%	0.0%

Source: GRF

Legal Basis: Section 209.06.06 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item replaces GRF line items 335-502 and 335-508. This line item will be used for the same purposes as both of the discontinued items were used.

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. An alcohol, drug addiction, and mental health service district must be established in any county, or combination of counties, with a population of 50,000 or more, to provide locally-based planning, evaluation, and coordination services.

A portion of the funds in this line item are used to provide services to maintain severely mentally disabled persons in the community and reduce their need for state mental hospital care. Funds are distributed to special projects that have replaced state hospital beds, and to community mental health boards. Funding is distributed to the boards and based on a variety of methodologies including formula and historical distributions.

No less than \$34,818,917 in each fiscal year must be distributed on a per capita basis to community mental health boards and 100,000 each fiscal year must be used to fund family and consumer education and support.

GRF 335-508 Services for Severely Mentally Disabled

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,826,042	\$0	\$0	\$0	\$0	\$0

Source: GRF

Legal Basis: Discontinued line item (originally established by Am. Sub. H.B. 291 of the 115th G.A.)

Purpose: Funds in this line item were replaced by GRF line item 335-505, Local Mental Health Systems of Care. Funds were used for mental health services that maintain severely mentally disabled persons in the community and to reduce the need for state mental hospital care. Appropriated funds were distributed to special projects that have replaced state hospital beds, and to community mental health boards. Funding was 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.

General Services Fund Group

149 333-609 Central Office Operating

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$606,318	\$760,890	\$843,638	\$893,786	\$1,200,000	\$1,200,000
	25.5%	10.9%	5.9%	34.3%	0.0%

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; Section 209.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board in FY 1981; subsequently established in ORC 5119.161 by Am. Sub. H.B. 291 of the 115th G.A.)

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

149 334-609 Hospital Operating Expenses

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$21,550,859	\$15,231,455	\$19,136,074	\$24,408,053	\$33,800,000	\$33,800,000
	-29.3%	25.6%	27.5%	38.5%	0.0%

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

Legal Basis: ORC 5119.161; Section 209.06.03 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board in FY 1981; subsequently established in ORC 5119.161 by Am. Sub. H.B. 291 of the 115th G.A.)

Purpose: These moneys are used to pay the Department's hospitals operating expenses which may include costs related to the Community Support Network (CSN). CSN services are provided in a community setting by DMH employees and paid for by community mental health boards.

150 334-620 Special Education

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$103,007	\$97,899	\$106,254	\$120,930	\$120,930	\$120,930
	-5.0%	8.5%	13.8%	0.0%	0.0%

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

Legal Basis: Section 209.06.03 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board in October 1976)

Purpose: The hospitals receive and expend funds from Fund 150. 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.

151 235-601 Office of Support Services

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$80,749,834	\$85,045,107	\$95,360,008	\$0	\$0	\$0
	5.3%	12.1%			

Source: GSF: 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; material stores; and transportation)

Legal Basis: ORC 5119.16; Section 209.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established in 1972)

Purpose: These moneys are used to fund the Office of Support Services Operations. The Office of Support Services (OSS) was established by ORC 5119.16, to provide certain goods and services to the Departments of Mental Health, Mental Retardation and Developmental Disabilities, Rehabilitation and Correction, Youth Services and other state, county, or municipal agencies.

As of FY 1982, the division receives no GRF support but relies on payments received for goods and services.

151 336-601 General Administration

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$93,898,713	\$134,060,000	\$148,998,000
			N/A	42.8%	11.1%

Source: GSF: 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; material stores; and transportation)

Legal Basis: ORC 5119.16; Section 335.10 of H.B. 119 of the 127th G.A. (originally established in 1972)

Purpose: These moneys are used to fund the Office of Support Services Operations. The Office of Support Services (OSS) was established by ORC 5119.16, to provide certain goods and services to the Departments of Mental Health, Mental Retardation and Developmental Disabilities, Rehabilitation and Correction, Youth Services and other state, county, or municipal agencies.

As of FY 1982, the division receives no GRF support but relies on payments received for goods and services.

4P9 335-604 Community Mental Health Projects

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$200,000	\$30,000	\$10,000	\$250,000	\$250,000	\$250,000
	-85.0%	-66.7%	2400.0%	0.0%	0.0%

Source: GSF: Sale of property and oil and gas leases

Legal Basis: Section 209.06.06 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: Funds in this line item were used to cover startup costs for a PACT (Program for Assertive Community Treatment) pilot program in Athens county in FY 2002 and 2003. The Department plans to use these funds in FYs 2008 and 2009 for community mental health facilities.

Federal Special Revenue Fund Group

324 333-605 Medicaid/Medicare

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$623,929	\$97,110	\$26,546	\$150,000	\$154,500	\$154,500
	-84.4%	-72.7%	465.1%	3.0%	0.0%

Source: FED: Medicaid and Medicare revenues

Legal Basis: Section 209.06 of Am. Sub. H.B. 66 of the 126th 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 for operating expenses of the Department's institutions.

The vast majority of these moneys are Medicare dollars. Since the 117th G.A., Medicaid reimbursement at state hospitals was received only for persons who were mentally ill and also mentally retarded, and for 20% of the cost of certain types of physician services for Medicare-eligible (over age 65) patients. Beginning in FY 1996, freestanding psychiatric hospitals received a federal waiver to become eligible to receive Medicaid coverage for persons under 21 or over 65 years of age. For persons over 65, Medicaid is used to supplement any Medicare coverage. The number of persons under 21 or over 65 who are treated at state psychiatric hospitals is small. Both of the state psychiatric hospitals for youth have closed in order to provide more outpatient services or inpatient services in smaller settings, and many persons over 65 may require treatment in a nursing home instead of a state psychiatric hospital.

324 334-605 Medicaid/Medicare

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$9,984,857	\$10,388,405	\$10,306,215	\$11,873,408	\$34,500,000	\$50,500,000
	4.0%	-0.8%	15.2%	190.6%	46.4%

Source: FED: Medicaid and Medicare revenues

Legal Basis: Section 209.06.03 of Am. Sub. H.B. 66 of the 126th 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.

The vast majority of these moneys are Medicare dollars. Since the 117th G.A., Medicaid reimbursement at state hospitals was received only for the minimal number of beds in a small unit for persons who were mentally ill and also mentally retarded, and for 20% of the cost of certain types of physician services for Medicare-eligible (over age 65) patients. Beginning in FY 1996, freestanding psychiatric hospitals received a federal waiver to become eligible to receive Medicaid coverage for persons under 21 or over 65 years of age. For persons over 65, Medicaid is used to supplement any Medicare coverage. The number of persons under 21 or over 65 who are treated at state psychiatric hospitals is small. Both of the state psychiatric hospitals for youth have closed in order to provide more outpatient services or inpatient services in smaller settings, and many persons over 65 may require treatment in a nursing home instead of a state psychiatric hospital.

3A6 333-608 Community & Hospital Services

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$22,550	\$19,085	\$41,224	\$55,000	\$140,000	\$140,000
	-15.4%	116.0%	33.4%	154.5%	0.0%

Source: FED: Federal Special Revenue Fund Group - Miscellaneous Federal Grants

Legal Basis: ORC 5119.60; Section 209.06 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item includes Federal funding from numerous grantors and a variety of grants that are not continuous, and may have a short 12 to 36 month duration period. Grants placed into this fund are Non-Federal Letter of Credit grants that represent many different programs. Grants within this line item currently include the following: (1) Federal grants for disaster preparedness, (2) crisis counseling grants, and (3) emergency preparedness/communication equipment grants. This line item is used for state administration of grants within this line item.

3A6 335-608 Federal Miscellaneous

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$432,022	\$515,820	\$1,608,102	\$2,178,699	\$2,178,699	\$2,178,699
	19.4%	211.8%	35.5%	0.0%	0.0%

Source: FED: Miscellaneous federal grants

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

Purpose: Appropriations in this line item are used to fund a variety of community based programs, including subsidy payments to Ohio County mental Health Boards and state-wide organizations for grant purposes that include, but are not limited to, those grant activities referenced in appropriation item 333-608.

3A7 333-612 Social Services Block Grant

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$24,874	\$0	\$0	\$25,000	\$25,000	\$25,000
			N/A	0.0%	0.0%

Source: FED: CFDA 93.667, Social Services Block Grant

Legal Basis: originally established in 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

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$8,315,991	\$8,473,650	\$8,854,336	\$8,657,288	\$8,657,288	\$8,657,288
	1.9%	4.5%	-2.2%	0.0%	0.0%

Source: FED: CFDA 93.667, Social Services Block Grant

Legal Basis: ORC 5119.60; Section 209.06.06 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item, along with line item 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

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$158,951	\$176,590	\$844,040	\$4,888,105	\$4,888,105	\$4,888,105
	11.1%	378.0%	479.1%	0.0%	0.0%

Source: FED: Federal Letter of Credit

Legal Basis: Section 209.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board on April 25, 1980)

Purpose: This line item consists of grants that receive funding via the Federal Letter of Credit (Fund 3A8). A few of the Federal programs represented are: (1) Substance Abuse and Mental Health Services Administration - Projects of Regional and National Significance, (2) Mental Health Research Grants, (3) Centers for Medicare and Medicaid Services Research, Demonstration and Evaluation grants, (4) Mental Health Planning and Demonstration Projects, (5) Projects for Assistance in Transition from Homelessness, and (6) Transformation State Incentive Grant (TSIG). This line item represents the administrative portion of the grant functions that occur at the administrative level of each grant program. Line item 335-613 represents funds that are allocated to community mental health boards or state-wide organizations under the above referenced grantors.

3A8 334-613 Federal Letter of Credit

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$0	\$200,000	\$200,000	\$200,000
			N/A	0.0%	0.0%

Source: FED: Miscellaneous Federal grants

Legal Basis: Section 209.06.03 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: The department has applied for various Federal grants and anticipates receiving awards of around \$200,000. When the department receives the award, it will make a request of the Controlling Board for spending authority.

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

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,646,646	\$1,728,940	\$2,365,157	\$2,407,040	\$2,595,040	\$2,595,040
	5.0%	36.8%	1.8%	7.8%	0.0%

Source: FED: Federal Letter of Credit

Legal Basis: Section 209.06.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board on April 25, 1980)

Purpose: This line item consists of grant funds allocated to community mental health boards or state-wide organizations. 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 receipts of certain mental health grants. Line item 333-613 (Fund 3A8) is used for state administration of these programs.

3A9 333-614 Mental Health Block Grant - Administration

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$746,966	\$749,177	\$727,608	\$748,470	\$748,470	\$748,470
	0.3%	-2.9%	2.9%	0.0%	0.0%

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 209.06 of Am. Sub. H.B. 66 of the 126th 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

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$14,166,497	\$15,183,131	\$14,542,504	\$14,969,400	\$14,969,400	\$14,969,400
	7.2%	-4.2%	2.9%	0.0%	0.0%

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 209.06.06 of Am. Sub. H.B. 66 of the 126th 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 boards that otherwise would have received direct grants under the Community Mental Health Centers Act. Community mental health boards contract with community mental health agencies to 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 Adult Basic and Literary Education

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$195,360	\$153,664	\$145,207	\$178,807	\$182,334	\$182,334
	-21.3%	-5.5%	23.1%	2.0%	0.0%

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

Legal Basis: Section 209.06.03 of Am. Sub. H.B. 66 of the 126th 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

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$4,053,297	\$6,468,207	\$8,675,285	\$8,691,683	\$13,691,682	\$13,691,682
	59.6%	34.1%	0.2%	57.5%	0.0%

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

Legal Basis: Section 209.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board 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

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$634,582	\$320,811	\$0	\$2,000,000	\$2,000,000	\$2,000,000
	-49.4%		N/A	0.0%	0.0%

Source: FED: Medicaid reimbursement collected by state DMH hospitals

Legal Basis: Section 209.06.03 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: These funds are used for hospital operating costs.

3B1 335-635 Community Medicaid Expansion

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$229,539,045	\$256,470,330	\$250,219,361	\$282,807,902	\$299,614,455	\$316,699,716
	11.7%	-2.4%	13.0%	5.9%	5.7%

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

Legal Basis: Section 209.06.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board 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). Fund 3B1 receives 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, partial hospitalization in community facilities, and medicaid crossovers. 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

232 333-621 Family and Children First Administration

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$524,577	\$625,000	\$625,000	\$625,000
		N/A	19.1%	0.0%	0.0%

Source: SSR: Pooled funding by the following participating agencies: The Superintendent of Public Instruction, the Office of Budget and Management, and the departments of Job and Family Services, Health, Mental Health, Mental Retardation and Developmental Disabilities, Youth Services, and Alcohol and Drug Addiction Services.

Legal Basis: ORC 121.37; Section 209.06 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: The Ohio Family and Children First (OFCF) organization exists to help families seeking government services and to increase child well-being in Ohio. The OFCF is governed by the Cabinet Council that drives the direction of OFCF and its local counterparts. For FYs 2008 and 2009 moneys in this line item will support a staff of seven FTEs, five of whom are regional coordinators who travel to satellite OFCF offices and provide education and resources to the county coordinators.

485 333-632 Mental Health Operating

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$280	\$8,654	\$32,017	\$134,233	\$134,233	\$134,233
	2990.7%	270.0%	319.3%	0.0%	0.0%

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

Legal Basis: Section 209.06 of Am. Sub. H.B. 66 of the 126th 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

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$1,943,381	\$1,748,114	\$2,098,265	\$2,476,297	\$3,100,000	\$3,100,000
	-10.0%	20.0%	18.0%	25.2%	0.0%

Source: SSR: Private insurance and other third-party payments for persons receiving services at the Behavioral Healthcare Organizations

Legal Basis: Section 209.06.03 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board on July 21, 1982)

Purpose: This line item receives the following receipts: CEO, Insurance, Patient Liabe, Workers' Compensation & Legal. CEO receipts are deposits of monthly reimbursement from the resident's income. Insurance receipts are from private insurance companies for patients receiving treatment in state Behavioral Healthcare Organizations. Patient Liabe are deposits of reimbursement from patients and/or liable relatives. Workers Compensation receipts are reimbursements from Workers Compensation for patients hospitalized with a work-related injury. Legal receipts are received as a result of legal actions taken to secure payment. The funds are passed through to Behavioral Healthcare Organizations for operating expenses.

4X5 333-607 Behavioral Health Medicaid Services

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$2,913,327	\$3,638,395	\$3,167,891	\$3,000,634	\$3,000,634	\$3,000,634
	24.9%	-12.9%	-5.3%	0.0%	0.0%

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 209.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 117 of the 121st G.A.)

Purpose: Beginning in 1996 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.

5AU 335-615 Behavioral Healthcare

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$2,574,110	\$5,126,578	\$4,690,000	\$6,690,000	\$6,690,000
	N/A	99.2%	-8.5%	42.6%	0.0%

Source: SSR: Combination of funds from the Ohio Department of Job and Family Services Federal grant IV B, Part 2 and the Department's GRF 335-505 Local Mental Health Systems of Care line item.

Legal Basis: Section 209.06.06 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item supports Family and Systems Team (FAST) dollars for children with diagnosed mental health and/or addictive conditions and behavioral health needs.

5CH 335-622 Residential State Supplement

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$1,499,960	\$1,500,000	\$0	\$0
		N/A	0.0%		

Source: SSR: Funding will be transferred from the Ohio Housing Trust Authority within the Ohio Department of Development.

Legal Basis: Originally established in Section 209.06.06 of Am. Sub. H.B. 66 of the 126th G.A.

Purpose: This line item is used to provide subsidized support for licensed adult care facilities serving the mentally ill.

5L2 334-619 Health Foundation/Greater Cincinnati

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$51,008	\$0	\$0	\$0	\$0	\$0

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

Legal Basis: Discontinued line item (originally established by Controlling Board on March 6, 2000)

Purpose: This line item is for a consumer wellness study in the Greater Cincinnati area. Funds are 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

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$200,000	\$0	\$0	\$0	\$0	\$0

Source: SSR: City of Cincinnati

Legal Basis: Discontinued line item (originally established by Controlling Board on October 4, 2000)

Purpose: Funds were used to pay design fees for campus improvement projects.

5V2 333-611 Non-Federal Miscellaneous

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$0	\$0	\$83,182	\$153,200	\$580,000	\$560,000
		N/A	84.2%	278.6%	-3.4%

Source: SSR: Private foundations and/or any miscellaneous, non-federal funding source. Examples of potential grant awarding institutions include: The Robert Wood Johnson Foundation, Johnson & Johnson, MacArthur Foundation, Dartmouth College, The National Association of State Mental Health Program Director's (NASMHPD), National Association of State Director's of Special Education (NASDSE), and The University of Maryland

Legal Basis: Section 209.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board on January 27, 2003)

Purpose: A portion of the funds in this line item is used to pay the State Evaluation Coordinator (currently employed by the Department) for work on the Toolkit Project evaluation. Additionally, funds are used to cover one-time funding for statewide training/meeting costs.

632 335-616 Community Capital Replacement

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$250,000	\$44,540	\$479,562	\$350,000	\$350,000	\$350,000
	-82.2%	976.7%	-27.0%	0.0%	0.0%

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

Legal Basis: Section 209.06.06 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Controlling Board on October 30, 2000)

Purpose: The appropriated funds are used for local replacement facility projects.

692 334-636 Community Mental Health Board Risk Fund

2004	2005	2006	2007 Estimate	2008 Executive Proposal	2009 Executive Proposal
\$100,000	\$0	\$0	\$80,000	\$80,000	\$80,000
			N/A	0.0%	0.0%

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 209.06.03 of Am. Sub. H.B. 66 of the 126th 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 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.

LSC Budget Spreadsheet by Line Item, FY 2008 - FY 2009

Fund	ALI	ALI Title	2006	Estimated 2007	Executive 2008	% Change 2007 to 2008	Executive 2009	% Change 2008 to 2009
DMH Mental Health, Department of								
GRF	332-401	Forensic Services	\$ 4,319,519	\$4,338,858	\$ 4,338,858	0.0%	\$ 4,338,858	0.0%
GRF	333-321	Central Administration	\$ 23,946,423	\$23,853,907	\$ 23,853,906	0.0%	\$ 23,853,906	0.0%
GRF	333-402	Resident Trainees	\$ 1,585,070	\$1,364,919	\$ 1,364,919	0.0%	\$ 1,364,919	0.0%
GRF	333-403	Pre-Admission Screening Expenses	\$ 650,135	\$650,135	\$ 650,135	0.0%	\$ 650,135	0.0%
GRF	333-415	Lease Rental Payments	\$ 22,340,731	\$23,833,600	\$ 23,767,400	-0.3%	\$ 20,504,500	-13.7%
GRF	333-416	Research Program Evaluation	\$ 1,001,551	\$1,001,551	\$ 1,001,551	0.0%	\$ 1,001,551	0.0%
GRF	334-408	Community and Hospital Mental Health Services	\$ 389,904,182	\$400,324,545	\$ 400,324,545	0.0%	\$ 400,324,545	0.0%
GRF	334-410	System Reform	----	---	\$ 0	N/A	\$ 5,000,000	N/A
GRF	334-506	Court Costs	\$ 1,024,008	\$976,652	\$ 976,652	0.0%	\$ 976,652	0.0%
GRF	335-404	Behavioral Health Services-Children	\$ 5,603,426	\$7,453,653	\$ 8,076,153	8.4%	\$ 8,711,153	7.9%
GRF	335-405	Family & Children First	\$ 2,259,928	\$2,260,000	\$ 2,260,000	0.0%	\$ 2,260,000	0.0%
GRF	335-419	Community Medication Subsidy	\$ 7,959,798	\$7,959,798	\$ 7,959,798	0.0%	\$ 7,959,798	0.0%
GRF	335-505	Local MH Systems of Care	\$ 95,231,237	\$99,687,868	\$ 99,687,868	0.0%	\$ 99,687,868	0.0%
General Revenue Fund Total			\$ 555,826,008	\$ 573,705,486	\$ 574,261,785	0.1%	\$ 576,633,885	0.4%
149	333-609	Central Office Operating	\$ 843,638	\$893,786	\$ 1,200,000	34.3%	\$ 1,200,000	0.0%
149	334-609	Hospital Operating Expenses	\$ 19,136,074	\$24,408,053	\$ 33,800,000	38.5%	\$ 33,800,000	0.0%
150	334-620	Special Education	\$ 106,254	\$120,930	\$ 120,930	0.0%	\$ 120,930	0.0%
151	235-601	Office of Support Services	\$ 95,360,008	\$0	\$ 0	N/A	\$ 0	N/A
151	336-601	General Administration	----	\$93,898,713	\$ 134,060,000	42.8%	\$ 148,998,000	11.1%
4P9	335-604	Community Mental Health Projects	\$ 10,000	\$250,000	\$ 250,000	0.0%	\$ 250,000	0.0%
General Services Fund Group Total			\$ 115,455,974	\$ 119,571,482	\$ 169,430,930	41.7%	\$ 184,368,930	8.8%
324	333-605	Medicaid/Medicare	\$ 26,546	\$150,000	\$ 154,500	3.0%	\$ 154,500	0.0%
324	334-605	Medicaid/Medicare	\$ 10,306,215	\$11,873,408	\$ 34,500,000	190.6%	\$ 50,500,000	46.4%
3A6	333-608	Community & Hospital Services	\$ 41,224	\$55,000	\$ 140,000	154.5%	\$ 140,000	0.0%
3A6	335-608	Federal Miscellaneous	\$ 1,608,102	\$2,178,699	\$ 2,178,699	0.0%	\$ 2,178,699	0.0%
3A7	333-612	Social Services Block Grant	----	\$25,000	\$ 25,000	0.0%	\$ 25,000	0.0%
3A7	335-612	Social Services Block Grant	\$ 8,854,336	\$8,657,288	\$ 8,657,288	0.0%	\$ 8,657,288	0.0%

LSC Budget Spreadsheet by Line Item, FY 2008 - FY 2009

Fund	ALI	ALI Title	2006	Estimated 2007	Executive 2008	% Change 2007 to 2008	Executive 2009	% Change 2008 to 2009
DMH Mental Health, Department of								
3A8	333-613	Federal Grant-Administration	\$ 844,040	\$4,888,105	\$ 4,888,105	0.0%	\$ 4,888,105	0.0%
3A8	334-613	Federal Letter of Credit	----	\$200,000	\$ 200,000	0.0%	\$ 200,000	0.0%
3A8	335-613	Federal Grant - Community Mental Health Board Subsidy	\$ 2,365,157	\$2,407,040	\$ 2,595,040	7.8%	\$ 2,595,040	0.0%
3A9	333-614	Mental Health Block Grant - Administration	\$ 727,608	\$748,470	\$ 748,470	0.0%	\$ 748,470	0.0%
3A9	335-614	Mental Health Block Grant	\$ 14,542,504	\$14,969,400	\$ 14,969,400	0.0%	\$ 14,969,400	0.0%
3B0	334-617	Adult Basic and Literary Education	\$ 145,207	\$178,807	\$ 182,334	2.0%	\$ 182,334	0.0%
3B1	333-635	Community Medicaid Expansion	\$ 8,675,285	\$8,691,683	\$ 13,691,682	57.5%	\$ 13,691,682	0.0%
3B1	334-635	Hospital Medicaid Expansion	----	\$2,000,000	\$ 2,000,000	0.0%	\$ 2,000,000	0.0%
3B1	335-635	Community Medicaid Expansion	\$ 250,219,361	\$282,807,902	\$ 299,614,455	5.9%	\$ 316,699,716	5.7%
Federal Special Revenue Fund Group Total			\$ 298,355,586	\$ 339,830,802	\$ 384,544,973	13.2%	\$ 417,630,234	8.6%
232	333-621	Family and Children First Administration	\$ 524,577	\$625,000	\$ 625,000	0.0%	\$ 625,000	0.0%
485	333-632	Mental Health Operating	\$ 32,017	\$134,233	\$ 134,233	0.0%	\$ 134,233	0.0%
485	334-632	Mental Health Operating	\$ 2,098,265	\$2,476,297	\$ 3,100,000	25.2%	\$ 3,100,000	0.0%
4X5	333-607	Behavioral Health Medicaid Services	\$ 3,167,891	\$3,000,634	\$ 3,000,634	0.0%	\$ 3,000,634	0.0%
5AU	335-615	Behavioral Healthcare	\$ 5,126,578	\$4,690,000	\$ 6,690,000	42.6%	\$ 6,690,000	0.0%
5CH	335-622	Residential State Supplement	\$ 1,499,960	\$1,500,000	\$ 0	-100.0%	\$ 0	N/A
5V2	333-611	Non-Federal Miscellaneous	\$ 83,182	\$153,200	\$ 580,000	278.6%	\$ 560,000	-3.4%
632	335-616	Community Capital Replacement	\$ 479,562	\$350,000	\$ 350,000	0.0%	\$ 350,000	0.0%
692	334-636	Community Mental Health Board Risk Fund	----	\$80,000	\$ 80,000	0.0%	\$ 80,000	0.0%
State Special Revenue Fund Group Total			\$ 13,012,031	\$ 13,009,364	\$ 14,559,867	11.9%	\$ 14,539,867	-0.1%
Total All Budget Fund Groups			\$ 982,649,599	\$ 1,046,117,134	\$ 1,142,797,555	9.2%	\$ 1,193,172,916	4.4%