

- Appropriations for the FY 2002-2003 biennium are 1.1% above FY 2000-2001 actual expenditures
- FY 2003 GRF appropriations are approximately \$1.7 million below FY 2002 GRF appropriations

Department of Mental Health

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ROLE

The Department of Mental Health (DMH) is a cabinet level agency that is responsible for ensuring that quality mental health services are available in all communities in Ohio. The department employs approximately 3,140 personnel. In the years since the passage of the Mental Health Act of 1988, Ohio has 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. There are 50 single-county or multi-county mental health boards covering all 88 counties in Ohio. The boards are responsible for planning, funding, monitoring, and evaluating the service delivery system within their geographic areas. The community mental health boards contract with local service providers to deliver mental health services in the community.

Agency In Brief					
Number of Employees	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2002	2003	2002	2003	
3,140	\$817.7 million	\$824.4 million	\$515.6 million	\$513.8 million	Am. Sub. H.B. 94

OVERVIEW

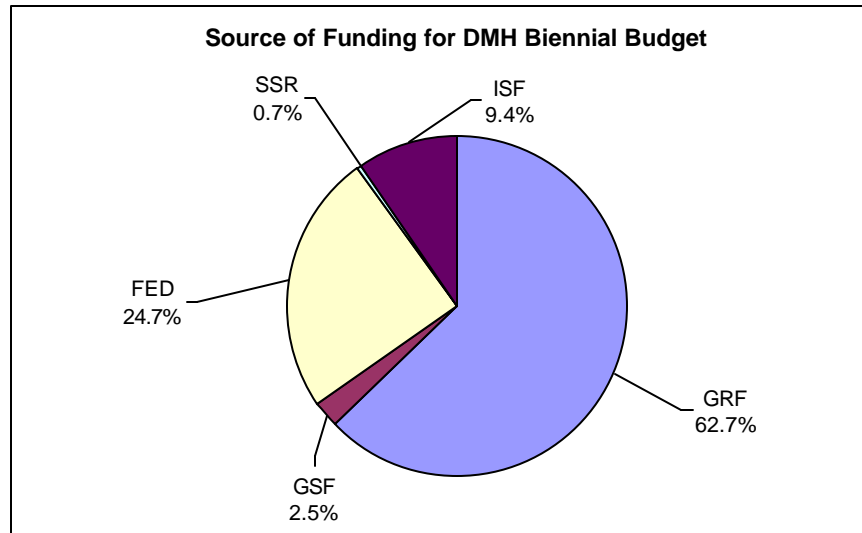
The department has a total all funds biennial budget of \$1,642,195,688. This represents a 1.1 percent increase over actual spending in the FY 2000-2001 biennium. However, FY 2002 total appropriations are 3.75 percent below FY 2001 actual expenditures. For FY 2003, total appropriations are 0.8 percent over FY 2002 appropriations. The GRF portion of the department's FY 2002-2003 budget is 1.7 percent above FY 2000-2001 actual expenditures.

APPROPRIATION BY FUND GROUP

General Revenue funds represent 62.7 percent of the total biennial appropriations for the department. Over 80 percent of these GRF dollars are designated for hospital and community mental health services. Federal dollars represent 24.7 percent of total biennial appropriations. The federal share of Medicaid dollars for Medicaid covered mental health services account for over 80 percent of this federal revenue. The portion of services that are reimbursed with federal Medicaid funds is determined by the federal

medical assistance percentage (FMAP). For federal fiscal year 2002, Ohio's FMAP is 58.78 percent. This means that for every \$100 in services that are reimbursable under the Medicaid program, the federal government would reimburse \$58.78 and \$41.22 would be covered through state or local resources.

The following chart illustrates the various funding sources of the Department of Mental Health's biennial budget by fund group: General Revenue Fund (GRF), Federal Special Revenue Fund (FED), Intergovernmental Service Fund (ISF), General Services Fund (GSF), and State Special Revenue Fund (SSR).



BUDGET ISSUES

COMMUNITY AND HOSPITAL SERVICES

The three major department GRF line items: 334-408, Community Mental Health and Hospital Services, 335-502, Community Mental Health Programs, and 335-508, Services for Severely Mentally Disabled, provide the majority of department funds to both the community and hospital systems. For FY 2002, across these three GRF line items, the budget act provides a 2.4 percent increase over FY 2001 actual expenditures. However, FY 2003 appropriations for these three line items decrease by approximately 1.0 percent, or \$3.25 million when compared to FY 2002 appropriations.

Hospital Services

DMH currently operates five Behavioral Health Care Organizations or BHCO's (formerly known as state psychiatric hospitals) at nine inpatient sites located throughout the state. They are as follows:

APPALACHIAN PSYCHIATRIC HEALTHCARE SYSTEM

- Athens Campus
- Cambridge Campus

MASSILLON PSYCHIATRIC CENTER

NORTHCOAST BEHAVIORAL HEALTHCARE SYSTEM

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

PAULINE WARFIELD LEWIS CENTER**TWIN VALLEY PSYCHIATRIC SYSTEM**

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

In March 2001, a consolidation of the state's two maximum-security facilities in Dayton and Columbus took place. This consolidation involved transferring dozens of patients to the Columbus campus and eliminating approximately 50 jobs.

According to the department, with the appropriation increase in GRF line item 334-408 in FY 2002, plus the savings that will occur due to the consolidation of the hospital maximum-security forensic services in Dayton and Columbus to the Columbus campus, hospital services are expected to stay relatively constant in FY 2002. However, in FY 2003, the \$3.75 million decrease in GRF funding in line item 334-408, Community Mental Health and Hospital Services, combined with rising costs due to pay raises and other factors, will result in a decrease in hospital services.

Starting in October 2001, the department and the community mental health boards will be discussing the details of the budget's impact on hospital and community services in FY 2003. A plan will be devised in December 2001 to determine what areas of the mental health system will absorb the impact of the budget action. If the plan results in a budget cut for hospitals, then roughly 200 positions would have to be eliminated in order to balance the department's budget. This would require the closure of one to three campuses, depending on which facilities are targeted.

Community Services Provided by Local Agencies

The department is responsible for the oversight of behavioral healthcare services managed locally by 50 community mental health boards that are directly responsible for the local planning and funding of these services. The local system of care's primary role is to provide acute care services for persons who do not have the financial ability to purchase private care. Community mental health boards contract with community agencies to provide services such as individual and group counseling, residential treatment, crisis intervention, case management, and employment assistance to persons with severe and persistent mental illness. Over 400 community agencies provide mental health services to more than 178,000 adults and 72,000 youth each year.

As stated earlier, three GRF line items: 334-408, Community Mental Health and Hospital Services, 335-502, Community Mental Health Programs, and 335-508, Services for Severely Mentally Disabled, provide the majority of department funds to the community. Appropriation levels contained in the budget act will result in a decrease in mental health services and operations, especially in FY 2003, in either the community or the hospital system. Constraints on local funding could lead to the termination of some local programs, ultimately decreasing mental health services in the community. Each community mental health board will set its own priorities and determine potential areas for program cuts.

Community Services Provided by State Employees

The Community Support Network (CSN) program, formerly known as State Operated Services (SOS), re-deploys state hospital staff in the community, at the request of local community mental health boards, to fill gaps in community service systems, as well as to provide expertise regarding the treatment of individuals who are at substantial risk for hospitalization. There are approximately 600 state employees currently performing this function. Local community health boards must pay the state for CSN services that they request. (Boards can choose to pay for CSN services with state subsidies that they are to receive.)

Currently, 83 CSN programs operate statewide, which provide a variety of services to both adult and juvenile client populations. Forensic, residential, substance abuse, and community teams provide the CSN services to approximately 5,000-6,000 persons annually.

In FY 2003, the \$3.75 million decrease in GRF funding in line item 334-408, Community Mental Health and Hospital Services, will result in a decrease in services. Community mental health boards purchase CSN services to fill gaps in community service treatment systems. The department expects the constraints on local funding will lead to termination of some CSN programs, resulting in potential employee reductions in FY 2002 and FY 2003.

MEDICAID WAIVER FOR COMMUNITY MENTAL HEALTH SERVICES

The budget act requires the Department of Job and Family Services, with the assistance of the Department of Mental Health, and after consulting with certain community mental health facilities, as well as the chairperson and ranking minority member of specific House of Representatives and Senate committees, to develop and submit an application to the federal government for a Medicaid waiver. According to the department, the waiver would enable community mental health boards to be more selective when contracting with health care providers and could result in savings. Under Medicaid regulations, federal free choice provider requirements have resulted in boards having to award Medicaid agreements, and local matching funds, to providers who serve non-priority client populations. In some communities, in order to provide funds to new providers, local funds have been taken away from core mental health services. The waiver would allow the boards to turn down providers if adequate access to that service exists locally.

The budget act provides that any of the federal Medicaid statutes and regulations that can be waived may be waived as necessary to better ensure both of the following:

- That Medicaid coverage and payment methods for community mental health services are consistent with the service priorities established by the Department of Mental Health and the boards of alcohol, drug addiction, and mental health services;
- That Medicaid-covered community mental health services can be provided in a manner that maximizes the effectiveness of resources available to the department and the boards.

As stipulated in the budget act, the provisions of the waiver are to be implemented no later than July 1, 2002.


NEW BUDGET LINE ITEMS

Fund	Line item	Name	Appropriations	
			FY 2002	FY 2003
632	335-616	Community Capital Replacement	\$250,000	\$250,000
4P9	335-604	Community Mental Health Projects	\$200,000	\$200,000
3B1	334-635	Hospital Medicaid Expansion	\$2,000,000	\$2,000,000

FORENSIC SERVICES

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

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

GRF line item 332-401, Forensic Services, provides funds for the regional community psychiatric centers. The budget act decreases funding for this line item by 1.3 percent in FY 2002, below FY 2001 actual expenditures by \$55,800, and increases funding in FY 2003 by 1.9 percent, or \$79,300. According to the department, due to the decreased level of funding and the rising costs in the community, there will be some reprioritizing of community services that may end up affecting community forensic service levels. 

FY 2002 - 2003 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

*FY 1999: FY 2000: FY 2001: **FY 2002** % Change **FY 2003** % Change*
Appropriations: 2001 to 2002: Appropriations: 2002 to 2003:

Report For: Main Operating Appropriations Bill

Version: Enacted

DMH Mental Health, Department of

GRF	332-401	Forensic Services	\$ 3,858,403	\$ 4,156,383	\$4,315,366	\$ 4,259,513	-1.29%	\$ 4,338,858	1.86%
GRF	333-100	Personal Services - Central Administra	\$ 17,125,939	\$ 18,141,793	\$15,074,658	\$ 17,024,323	12.93%	\$ 16,807,353	-1.27%
GRF	333-200	Maintenance - Central Administration	\$ 1,802,904	\$ 2,359,408	\$2,468,132	\$ 2,276,155	-7.78%	\$ 2,318,555	1.86%
GRF	333-300	Equipment - Central Administration	\$ 786,257	\$ 703,232	\$615,335	\$ 490,894	-20.22%	\$ 500,038	1.86%
GRF	333-402	Resident Trainees	\$ 1,319,337	\$ 1,365,663	\$1,282,965	\$ 1,472,858	14.80%	\$ 1,500,294	1.86%
GRF	333-403	Pre-admission Screening Expenses	\$ 645,750	\$ 645,750	\$658,665	\$ 638,246	-3.10%	\$ 650,135	1.86%
GRF	333-409	Volunteer Recruitment	\$ 0	\$ 0		\$ 0	N/A	\$ 0	N/A
GRF	333-415	Lease Rental Payments	\$ 31,527,351	\$ 29,399,997	\$27,565,340	\$ 24,754,900	-10.20%	\$ 26,275,300	6.14%
GRF	333-416	Research Program Evaluation	\$ 953,202	\$ 926,270	\$914,547	\$ 956,224	4.56%	\$ 972,178	1.67%
GRF	333-701	Cambridge Environment Improvement	----	----	\$645,242	\$ 0	-100.00%	\$ 0	N/A
GRF	334-408	Community and Hospital Mental Health	\$ 329,825,597	\$ 343,537,836	\$348,498,822	\$ 356,469,071	2.29%	\$ 352,719,838	-1.05%
GRF	334-409	Volunteer Recruitment-Hospitals	\$ 0	\$ 0		\$ 0	N/A	\$ 0	N/A
GRF	334-506	Court Costs	\$ 992,683	\$ 1,010,915	\$1,026,171	\$ 958,791	-6.57%	\$ 976,652	1.86%
GRF	335-406	Vocational Rehabilitation	\$ 0	----		----	N/A	----	N/A
GRF	335-419	Community Medication Subsidy	\$ 6,448,068	\$ 7,181,673	\$7,701,549	\$ 7,682,295	-0.25%	\$ 7,701,549	0.25%
GRF	335-502	Community Mental Health Programs	\$ 37,517,778	\$ 37,294,696	\$38,344,494	\$ 38,166,674	-0.46%	\$ 38,166,674	0.00%
GRF	335-508	Services for Severely Mentally Disable	\$ 57,943,559	\$ 58,549,469	\$57,572,105	\$ 60,405,135	4.92%	\$ 60,905,135	0.83%
General Revenue Fund Total			\$ 490,746,828	\$ 505,273,085	\$ 506,683,392	\$ 515,555,079	1.75%	\$ 513,832,559	-0.33%
149	333-609	Central Office Rotary - Operating	\$ 633,744	\$ 1,435,170	\$2,604,245	\$ 2,013,823	-22.67%	\$ 2,037,918	1.20%
149	334-609	Hospital Rotary - Operating	\$ 2,567,159	\$ 6,155,814	\$19,046,665	\$ 10,451,492	-45.13%	\$ 10,451,492	0.00%
150	334-620	Special Education	\$ 80,000	\$ 170,832	\$193,942	\$ 152,500	-21.37%	\$ 152,500	0.00%
4P9	335-604	Community Mental Health Projects	----	----		\$ 200,000	N/A	\$ 200,000	0.00%
4N8	335-606	Family Stability Incentive	\$ 6,982,646	\$ 4,934,599	\$7,045,651	\$ 7,460,600	5.89%	\$ 7,647,115	2.50%
General Services Fund Group Total			\$ 10,263,549	\$ 12,696,415	\$ 28,890,503	\$ 20,278,415	-29.81%	\$ 20,489,025	1.04%
324	333-605	Medicaid/Medicare	\$ 165,587	\$ 605,651	\$388,895	\$ 379,009	-2.54%	\$ 375,219	-1.00%
3A6	333-608	Community & Hospital Services	\$ 0	----		\$ 0	N/A	\$ 0	N/A
3A7	333-612	Social Services Block Grant	\$ 0	\$ 0		\$ 25,000	N/A	\$ 25,000	0.00%
3A8	333-613	Federal Grant-Administration	\$ 0	\$ 7,190	\$61,812	\$ 87,000	40.75%	\$ 58,000	-33.33%
3A9	333-614	Mental Health Block Grant	\$ 539,049	\$ 521,177	\$991,512	\$ 642,264	-35.22%	\$ 642,264	0.00%

FY 2002 - 2003 Final Appropriation Amounts

All Fund Groups

<i>Line Item Detail by Agency</i>			<i>FY 1999:</i>	<i>FY 2000:</i>	<i>FY 2001:</i>	<i>FY 2002 Appropriations:</i>	<i>% Change 2001 to 2002:</i>	<i>FY 2003 Appropriations:</i>	<i>% Change 2002 to 2003:</i>
DMH Mental Health, Department of									
3B1	333-635	Community Medicaid Expansion	\$ 2,394,878	\$ 2,148,709	\$6,350,092	\$ 6,550,000	3.15%	\$ 5,550,000	-15.27%
324	334-605	Medicaid/Medicare	\$ 13,028,873	\$ 14,775,824	\$13,575,304	\$ 8,791,748	-35.24%	\$ 9,043,700	2.87%
3A6	334-608	Subsidy for Federal Grants	\$ 1,447	\$ 0		\$ 0	N/A	\$ 0	N/A
3A8	334-613	Federal Letter of Credit	---	\$ 30,100		\$ 9,000	N/A	\$ 0	-100.00%
3B0	334-617	Elementary/Secondary Education	\$ 95,795	\$ 166,653	\$172,791	\$ 202,774	17.35%	\$ 214,340	5.70%
5L2	334-619	Health Foundation/Greater Cincinnati	---	\$ 1,392	\$136,534	\$ 131,600	-3.61%	\$ 94,869	-27.91%
3B1	334-635	Hospital Medicaid Expansion	---	---		\$ 2,000,000	N/A	\$ 2,000,000	0.00%
3A6	335-608	Federal Miscellaneous	---	---	\$25,294	\$ 0	-100.00%	\$ 0	N/A
3A7	335-612	Social Services Block Grant	\$ 8,833,150	\$ 9,503,475	\$10,913,752	\$ 9,314,108	-14.66%	\$ 9,314,108	0.00%
3A8	335-613	Federal Grant - Community Mental Heal	\$ 861,616	\$ 339,272	\$1,426,601	\$ 960,000	-32.71%	\$ 960,000	0.00%
3A9	335-614	Mental Health Block Grant	\$ 8,898,402	\$ 15,852,228	\$19,363,322	\$ 12,754,654	-34.13%	\$ 12,737,654	-0.13%
3B1	335-635	Community Medicaid Expansion	\$ 118,140,365	\$ 133,942,288	\$176,716,368	\$ 157,480,000	-10.89%	\$ 165,355,000	5.00%
Federal Special Revenue Fund Group Total			\$ 152,959,162	\$ 177,893,959	\$ 230,122,276	\$ 199,327,157	-13.38%	\$ 206,370,154	3.53%
5M2	333-602	PWLC Campus Improvement	---	---	\$177,310	\$ 1,000,000	463.98%	\$ 0	-100.00%
4X5	333-607	Behavioral Health Medicaid Services	\$ 6,155,701	\$ 6,824,591	\$2,658,304	\$ 2,759,400	3.80%	\$ 2,828,385	2.50%
485	333-632	Mental Health Operating	\$ 37,254	\$ 4,143	\$48,934	\$ 130,959	167.62%	\$ 134,233	2.50%
485	334-632	Mental Health Operating	\$ 2,445,375	\$ 1,663,798	\$2,635,733	\$ 1,991,448	-24.44%	\$ 1,989,912	-0.08%
692	334-636	Community Mental Health Board Risk F	\$ 0	\$ 0	\$1,500,000	\$ 361,323	-75.91%	\$ 370,356	2.50%
632	335-616	Community Capital Replacement	---	---		\$ 250,000	N/A	\$ 250,000	0.00%
State Special Revenue Fund Group Total			\$ 8,638,330	\$ 8,492,532	\$ 7,020,281	\$ 6,493,130	-7.51%	\$ 5,572,886	-14.17%
151	235-601	General Administration	\$ 67,343,496	\$ 71,600,298	\$76,411,799	\$ 76,095,310	-0.41%	\$ 78,181,973	2.74%
Intragovernmental Service Fund Group Total			\$ 67,343,496	\$ 71,600,298	\$ 76,411,799	\$ 76,095,310	-0.41%	\$ 78,181,973	2.74%
Mental Health, Department of Total			\$ 729,951,365	\$ 775,956,289	\$ 849,128,251	\$ 817,749,091	-3.70%	\$ 824,446,597	0.82%