

HAMILTON COUNTY TAX LEVY REVIEW COMMITTEE  
MENTAL HEALTH LEVY SUBCOMMITTEE  
138 EAST COURT STREET, ROOM 603  
CINCINNATI, OHIO 45202

June 21, 2022

Hon. Stephanie Summerow Dumas, President  
Hon. Alicia Reece, Vice-President  
Hon. Denise Driehaus

Re: Mental Health Levy 2022 Recommendations

Dear Commissioners:

The Hamilton County Tax Levy Review Committee (TLRC) is tasked to evaluate the Mental Health and Recovery Services Board (MHRSB) request for funding via the Mental Health Levy for 2023-2027. TLRC Chair Gwen McFarlin appointed a subcommittee of the TLRC, Edward Herzig MD chair, Christie Kuhns and Bishop Ennis Tait, to conduct the review of the current Mental Health Levy and to make recommendations for the next levy. Health Management Associates (HMA) was retained to conduct a review of the MHRSB and the use of the levy funds for the period 2018-2022. The TLRC thanks the HMA team for their careful and detailed evaluation as well as for the collaboration with the sub-committee, the MHRSB and the agencies. None of this would be possible without Lisa Webb who excellently shepherded the process and the TLRC.

As the report by Health Management Associates, the consultants tasked with reviewing the operations and use of Mental Health Levy funds, documents, there is an increase in citizens with mental health problems and opioid use and a shrinking workforce leading to increasing expenditures. After careful consideration of the MHRSB's request and based on the information in the consultant's report and on the presentation of the MHRSB and agencies and the public comments TLRC strongly recommends that the Commissioners place the Mental Health Levy on the November 2022 General Election ballot with an increase in funding to \$44.9 million as requested by the MHRSB. This report also contains recommendations.

The Review Process:

HMA conducted an in-depth review of operations, management, finances of the MHRSB. The report is attached and is part of this letter. The objectives of this review were (quoted from the report):

“The primary objectives of this evaluation were to assess and/or make recommendations regarding:

- Current operating efficiency of the MHRSB relative to:
  - MHRSB's strategic plan
  - MHRSB's peers
  - Reasonable expectations

- Compliance with, and maximization of, current and planned funding contracts
- Recommendations for Tax Levy contract provisions between Hamilton County and MHRB assuming successful passage of the proposed Tax Levy
- Recommendations for “costs savings and revenue enhancements”

HMA met regularly with the sub-committee and Lisa Webb to evaluate the process and progress. The final report was submitted to the sub-committee and reviewed on May 18, 2022. The findings and recommendations were presented by HMA to the full TLRC on May 25, 2022. The attached report describes the methods for the review and the results as well as their recommendations.

#### Hamilton County Mental Health and Recovery Services Board (MHRB):

The MHRB is authorized by ORC 340, “to develop and manage a continuum of mental health, addiction and prevention services that have a positive impact on the community, are accessible, results oriented, and responsive to individual and family needs” and is reflected in its mission statement. The Board does not provide direct services. Rather, it plans, funds, manages, and evaluates care delivery. Fourteen citizens are Board members, consisting of six members appointed by Ohio Mental Health and Addiction Services and eight members appointed by the Hamilton County Board of County Commissioners. Statutory appointments include a mental health and an alcohol and other drug (AOD) professional, a mental health and an AOD family member, and a mental health and AOD consumer. In addition, the membership attempts to reflect the race and gender composition of the County.

The MHRB provides a wide range of services to adults and children who are mentally disabled and/or are addicted to alcohol and drugs. The services include mental health and addiction treatment, housing, employment, vocational help and court assistance. The small staff is ably led by CEO and President Pat Tribbe.

#### Organizational Structure and Operational Analysis:

HMA details the organizational structure of the Board in Part III and the agencies and services that it oversees in Part IV. From 2018-2020, it served from 16791 to 20836 clients. The number of clients served in 2021 is not yet available. There was a reduction in clients in 2020 due to the impact of COVID 19 (report pages 5-6).

#### COVID 19:

The COVID 19 pandemic has caused a rise in the need for mental health services. To meet the challenges of COVID 19, the MHRB was able to provide Personal Protective Equipment to the agencies and pivot from in-person treatment to telehealth. The Federal declaration of a Public Health Emergency provided additional funding as well as waivers for telehealth. Most likely, there will be reduced or no Federal funding when the PHE expires that will affect the budget of the MHRB.

At the same time, the COVID 19 pandemic has caused a rise in the need for mental health services. In February 2021 it was reported that 4 in 10 adults in the US have reported symptoms

of anxiety or depressive disorder, up from 1 in 10 adults in 2019. Nationally 52% of agencies are seeing an increased need for services. (page 29)

#### New Programs:

There are new programs started by the State of Ohio. These include the 988 Suicide Prevention Behavioral Health hot line and Ohio RISE (Resilience through Integrated Systems and Excellence). These programs are described in the report (pages 6-7). The effect of these programs on MHR SB budgets and revenues is unknown as of this report.

#### Challenges:

One major challenge facing healthcare is a reduction in the workforce partly due to the stresses of the pandemic leading to burnout. Many professionals are leaving their fields or finding new positions. Another major challenge is the effect inflation will have on operations and salaries. Thus, there may be a significant increase in request for funding by the agencies to maintain current and new programs. A second major challenge is the increased demand for mental health services that are attributed to the effects of the pandemic. Other challenges include transportation availability, wait lists, cost of medications and inadequate insurance coverage.

The COVID 19 Public Health Emergency is set to expire in September 2022. When this happens, individuals whose circumstances have changed, due to income changes, age or other factors, may no longer be eligible for services under Medicaid, with these services now needing to be covered by the levy. The impacts of this will not be known until 2023 or later.

#### Quality of oversight and programs:

The HMA report details the oversight of the programs and agencies by the MHR SB. The evaluation finds that MHR SB has positive relations with its provider network. The agencies' clients also report satisfaction with services and that they are treated with respect.

#### Finances:

The crux of any levy is to fund these necessary programs for the benefit of the citizens. There is necessarily a balance that must be achieved between these needs and the ability of the taxpayers to fund the programs. A review of the current financial data reveals that expenses have increased from 2017 to 2022 (projected) causing a reduction of the ending balance carryover from \$25.9 million to \$10.3 million. Therefore 3.5 months of operations would be covered by the carryover.

Three scenarios are presented for consideration. The first two are predicated on keeping the carryover balance at \$8.4 million or roughly 3 months of operations. This is the minimum recommended amount of funds to cover cash needs of the levy.

In the first scenario, no increase in the current levy would be requested. Although there is an increase in revenues of \$5 million over the five-year period, expenditures would need to be reduced by \$4.5 million to maintain current service levels. The second scenario shows an increase based on the Hamilton County TLRC levy allowable inflation calculation. Revenues

would increase significantly and allow an increase in expenditures of \$13.9 million over the 5-year period.

The third scenario is the request by the MHR SB for an increase to \$44.9 million annually over the 5 years of the levy leading to an increase of \$42 million in total. MHR SB argues that total funds from 2008 to 2022 might have been increased if an (unknown) inflation rate had been factored.

The table below describes the financial picture for the 5 years of the levy with the MHR SB Requested Funding Level of \$44.9 M/yr. It includes:

- Increase in provider contract amounts for rate and payment increases (\$4M over levy cycle)
- Expansion and additional services (\$2.2 M)
  - Crisis services – mobile response and stabilization services, suicide prevention hotline, school-based suicide prevention strategies
  - Supportive Housing Expansion – HomeLink Housing Support Team, Housing Assistance Program
  - Employment Vocational Support
  - Behavioral Health Workforce Support

	Year 1	Year 2	Year 3	Year 4	Year 5		
	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022		
	Cash Basis	Cash Basis	Cash Basis	Projected	Projected	Totals	Avg. P/Yr
Beginning Balance	\$ 25,405,054	\$24,923,843	\$22,994,144	\$24,895,806	\$18,892,510	\$ 25,405,054	
Revenues	\$ 35,076,610	\$34,837,816	\$35,729,315	\$36,257,704	\$35,777,752	\$177,679,197	\$ 35,535,839
Expenditures:							
Provider Contracts	\$ 32,499,252	\$33,542,958	\$30,806,526	\$38,800,344	\$37,322,548	\$172,971,628	\$ 34,594,326
MHR SB Operating	\$ 2,621,977	\$ 2,794,493	\$ 2,572,723	\$ 3,013,698	\$ 2,702,290	\$ 13,705,181	\$ 2,741,036
Auditor & Treasurer Fees	\$ 436,591	\$ 430,066	\$ 448,403	\$ 446,959	\$ 500,000	\$ 2,262,018	\$ 452,404
BOE/ TLRC Expenses	\$ -	\$ -	\$ -	\$ -	\$ 117,000	\$ 117,000	\$ 23,400
Total Expenditures	\$ 35,557,820	\$36,767,516	\$33,827,652	\$42,261,001	\$40,641,838	\$189,055,828	\$ 37,811,166
Planned Capital Expenditure	\$ -	\$ -	\$ -	\$ -	\$ 3,700,000	\$ 3,700,000	
Ending Balance	\$ 24,923,843	\$22,994,144	\$24,895,806	\$18,892,510	\$10,328,423	\$ 10,328,423	

	Year 1	Year 2	Year 3	Year 4	Year 5		
	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027	Totals	Avg. P/Yr
Beginning Balance	\$ 10,328,423	\$11,721,006	\$12,253,082	\$11,907,442	\$10,666,531	\$ 10,328,423	
Revenues	\$44,917,918	\$44,917,918	\$44,917,918	\$44,917,918	\$44,917,918	\$224,589,590	\$ 44,917,918
Expenditures:							
Provider Contracts	\$ 40,268,999	\$41,074,379	\$41,895,866	\$42,733,783	\$43,588,459	\$209,561,486	\$ 41,912,297
MHR SB Operating	\$ 2,756,336	\$ 2,811,463	\$ 2,867,692	\$ 2,925,046	\$ 2,983,547	\$ 14,344,084	\$ 2,868,817
Auditor & Treasurer Fees	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 2,500,000	\$ 500,000
BOE/ TLRC Expenses	\$ -	\$ -	\$ -	\$ -	\$ 119,340	\$ 119,340	\$ 23,868
Total Expenditures	\$ 43,525,335	\$44,385,842	\$45,263,558	\$46,158,829	\$47,191,346	\$226,524,911	\$ 45,304,982
Planned Capital Expenditure							
Ending Balance	\$11,721,006	\$12,253,082	\$11,907,442	\$10,666,531	\$8,393,103	\$8,393,103	

Change in Levy Revenues	\$ 9,841,308	\$10,080,102	\$ 9,188,603	\$ 8,660,214	\$ 9,140,166	\$ 46,910,393	\$ 9,382,079
Change in Levy Expenses	\$ 7,967,515	\$ 7,618,326	\$11,435,906	\$ 3,897,828	\$ 6,549,508	\$ 37,469,082	\$ 7,493,816

Every 1% increase in levy funding would generate approximately \$1.78 million in additional funding over the five-year levy period (\$356,000 annually).

#### Possible Federal New Funding:

The proposed Federal budget requests the following:

- “...making permanent the current demonstration for Certified Community Behavioral Health Clinics (\$24 billion in costs over 10 years)
- Providing \$7.5 billion for planning grants and a Medicaid provider capacity demo for mental health treatment

- Requiring state Medicaid programs to allow reimbursement for mental health and physical health visits provided to a Medicaid enrollee which happen on the same day
- Establishing a \$2.5 billion fund for CMS to reward states for certain improvements in behavioral health...” (report page 8).

This is the proposal from the Biden administration. As always, the unknown is what the final budget will be approved by Congress.

#### Additional recommendations:

1. Contract:  
Currently there is no contract between Hamilton County and the MHR SB. The negotiations were interrupted by the COVID pandemic. A new contract needs to be finalized.
2. County wide partnership for some mental health services:  
During the current levy, the TLRC has become aware of that it may be helpful for both the budget and efficiency if some administrative functions could be shared. One recommendation is that the MHR SB partner with JFS to develop opportunities to utilize Children’s Services funding to help lower the taxpayer burden on the mental health levy would help to move the conversation on this issue forward. Already, there is collaboration and cooperation in the FAIR and HOPE programs. The MHR SB has shown a willingness to consider this. These conversations should continue with JFS for additional partnerships to benefit county residents.
3. Strategic Plan:  
The most recent strategic plan was written in 2017. A needs assessment was accomplished in February 2022. The TLRC recommends that an updated strategic plan needs to be done since there have been many changes that have occurred that impact the mental health field over the last 5 years. HMA and the TLRC recommend that the MHR SB consider hiring a consultant to help with devising a new plan.
4. Contracting: According to the report, contracts with the vendors generally have been unchanged for many years. MHR SB could consider multi-year contracts for its usual vendors. There are many efficiencies that would reduce staff time and costs. It would also be in the best interest of the MHR SB if the accounts receivable extensions timeline could be shortened or eliminated.
5. Workforce income:  
One of the issues in the retention of the workforce is low pay. MHR SB provides a smaller percentage of gross revenue for large organizations but a higher percentage in smaller organizations. HMA recommends “that funding directed to address workforce shortages, specifically by supporting more competitive salaries or benefits, be targeted to small providers whose primary funding source is from the MHR SB.” The TLRC supports this idea.

Based on the information above, it is our recommendation that the requested increase is reasonable. We thank you for the opportunity to serve Hamilton County.

Respectfully submitted

Edward B. Herzig MD Chair  
Christie Kuhns