



Agenda Item

File #: 23-0922

Requested Agenda Date:

10/3/2023

Requested Agenda Title:

Budget Adjustment: Behavioral Health Services requests to true up its Medicaid budget by \$5.2M.

Requested Agenda Item Description: Summary of Medicaid True Up Request:

State Fiscal Year 2023 Medicaid revenue above budget	\$1,100,000
State Fiscal Year 2024 Medicaid revenue above budget	\$ 500,000
Quarter 2 - 4 enhanced Medicaid provider payments	\$1,500,000
2.5% of forecasted Medicaid - address variability	\$2,100,000

Total Medicaid True-Up Request	\$5,200,000
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State FY23 actual and projected FY24 revenues are exceeding current budget by a combined \$1.6 million.

BHS understood that the COVID crisis 5% quarterly enhanced Medicaid payments to the provider network would end after the first quarter of 2023 with the end of the COVID 19 Health Emergency Declaration, but we have learned that it will continue through Mar 31, 2025. This additional funding is projected to be \$1.5 million and is a simple passthrough to the network of service providers.

Medicaid is currently in the midst of significant change that is making it very difficult to project funding. BHS per member rates increased significantly this year to address program growth and inflation and at the same time a significant number of residents are losing their Medicaid eligibility due to the "unwinding". Compounding these challenges, the State has had difficulty with the implementation of its new PRISM Medicaid data system and it is unable to give us accurate reports of the number of eligible clients all the way back to March, which drives how we are paid on a per member per month basis. For these reasons, we are requesting to budget an additional 2.5% of total projected Medicaid revenues against the possibility that we and the State are under-projecting. Contractually, 98% of all Medicaid revenue received must be paid to Optum to administer to the needs of the Medicaid provider network.

This request has no impact on County General Funds.

Requested Action: Discussion - Vote Needed**Presenter(s) (with titles):** Hoa Nguyen, Council Budget and Policy Analyst**Time Needed:** Less than 5 MINS**Is this Item Time-Sensitive and/or Requesting a Time-Certain?** No

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Requesting Staff Member: Tim Whalen, Behavioral Health Services, Division Director

Are Supporting Documents Needed for this Agenda Item Request? Yes