

**Local Government Advisory Committee
Room 473, Human Services Building, Salem
September 12, 2008
Minutes**

ATTENDING

Randy Blackburn	DHS – Office of Federal Financial Policy
Rod Calkins	Marion County Health Department
Janet Carlson	Marion County Commissioner
Bill Coulombe	DHS – Public Health Division
Morgan Cowling	Association of Oregon Counties
Ron Dodge	Polk County Commissioner
Linda Fleming	Conference of Local Health Officials
Gordon Fultz	Association of Oregon Counties
Bruce Goldberg	DHS – Director
John Hartner	Oregon Association of Community Corrections
Tony Howell	League of Oregon Cities
Chuck Hurliman	Tillamook County Commissioner
George Kloeppe	Lane Council of Governments
Linda Modrell	Benton County Commissioner
Jim Neely	DHS – Children, Adults and Families Division
Gina Nikkel	Assoc. of Oregon Community Mental Health Programs
Jean Phillips	DHS – Division of Medical Assistance Programs
Clyde Saiki	DHS – Deputy Director
James Toews	DHS – Seniors and People with Disabilities Division
Gillian Wesenburg	Douglas County Commission on Children and Families

WELCOME AND INTRODUCTIONS

Chuck Hurliman called the meeting to order and roundtable introductions were made. The minutes from the August meeting were approved. Changes to the agenda include Gordon's report on the Congressional delegation deferred to October meeting and the addition of Medicaid Federal Medical Assistance Percentage (FMAP) discussion by Randy Blackburn.

DIRECTOR'S REPORT/LEGISLATIVE UPDATE – Bruce Goldberg

Bruce discussed the economic slowdown and how it affects the DHS budget. Projected caseload for food stamps is up 8%, TANF up 14.7% and Oregon Health Plan up 3.9%. The state revenue forecast at the end of August was \$100 million lower than previously predicted. The overall revenue forecast for 2009-11 also appears to be less than previously expected. Due to these increases in caseloads, DHS will be going to E-Board with a deficit. DHS will be taking the standard cost saving measures such as hiring freezes, cut backs in services, supplies, and training in order to offset the deficit. Bruce is meeting with the Governor and legislative leadership to discuss options. The current economic difficulties could result in problems for a needs-based budget, but DHS will still be presenting it to the Governor. DHS and partners should not back away from the needs-based budget model.

Bruce announced that Bob Nikkel will be taking on a new role of the integration of mental health services with physical health services. Richard Harris from Central City Concern will be filling in as the AMH interim director while a search is conducted.

DHS will be putting out an RFP for a recruiting agency to conduct a search for the new Public Health Director, since the last search proved unsuccessful.

Randy Blackburn briefly discussed possible changes in the Medicaid Federal Medical Assistance Percentage (FMAP). There are four proposed stimulus bills that pertain to FMAP and will be before Congress in September 2008.

Action Item:

Randy Blackburn will send the document electronically to Diana to forward to LGAC.

MEDICAID AUDIT WORKGROUP UPDATE – Jeremy Emerson

The Medicaid Audit Workgroup was formed four months ago to look at improving the process and bring forward recommendations that require a higher level of decision making. Some of the improvements include a more thorough Q&A section of the DHS website to assist providers, the development of a better preliminary letter, and more outreach and education on what to expect from an audit. The workgroup also looked at the top ten administrative and financial findings and will come up with an outline. Recommendations on what could be improved or changed will be brought back to DHS leadership. The audit unit has an educational/technical program, but many providers are not aware to ask for this service.

UPDATE ON THE APPROACH TO CONGRESSIONAL DELEGATION – Gordon Fultz

Deferred to October meeting.

TWO NEW INITIATIVES – John Hartner

Ballot Measure 61 would impose mandatory minimum prison sentencing requirements for certain theft, ID theft, forgery, drugs and burglary crimes. This measure has mandatory prison time for first time felons.

Ballot Measure 57 is the Legislature's response to the previous measure. Measure 57 deals with the same crimes, but also sets aside funding for drug and alcohol treatment for offenders. This measure only requires mandatory prison time for repeat felons.

Neither ballot measure contains funding sources, so if either measure passes, the funding will need to come from another source like education, human services, corrections, etc.

The PEW report that came out earlier this year indicates incarceration has no significant impact in reducing crime. The United States over incarcerates more people for drug offenses and property crime than any other country in the world. There is evidence that by incarcerating may actually be making our communities more dangerous. The PEW report is available on line.

Action Item:

John Hartner will send Diana the link to the PEW report forward to LGAC.

COST ALLOCATION AND READJUSTMENTS IN PUBLIC HEALTH – Linda Fleming

The instability of cost allocation to the tobacco prevention program has impacted funding to local public health programs. Tobacco funding was reinstated in the last legislative session, but was not set to be distributed until January 2008. The counties had to submit their plan to the state prior to June 25 on how the funds were to be used. On August 8 during a tobacco coordinators meeting everyone was told to stop and not do anything because of issues around the expenditures related to cost allocation.

DHS administrative costs in public health are distributed through the cost allocation plan. In the past we have set a certain percentage, but the feds did not like that methodology. Two years ago, DHS tried to adjust the formula to make it more equitable and predictable, but there are still some problems with the methodology. Bruce asked Jim Scherzinger, Deputy Director of Finance, to review the system and to recommend and implement any needed changes.

AOC HUMAN SERVICES REPORT – Janet Carlson

Topics for the AOC Human Services meeting at 12:30 p.m. today are the Oregon Everyday Heroes presentation, Legislative Concepts from Marion County presentation, housing alliance discussion, comprehensive mental health study discussion, and Commission on Children and Families issues.

Topics for next meeting

Transformation update – Fariborz Pakseresht

MMIS update – project manager (suggested by Tony Howell)

Cost Allocation update – Jim Scherzinger