

AGENDA

Newport News City Council Work Session

September 11, 2018

*10th Floor Conference Room
City Hall*

- 3:15 p.m. I. Closed Meeting
- 4:30 p.m. II. Leadership Development Academy Graduates: Litter Presentation
- 4:45 p.m. III. Hampton-Newport News Community Services Board (H-NNCSB) State Biennial Fiscal Year (SFY) 2019 Budget and Fiscal Year 2019-2020 Performance Contract Briefing
- 5:15 p.m. V. Noise Ordinance Amendment Briefing
- 5:30 p.m. VI. Comments/Ideas/Suggestions
- VII. Adjourn
- 6:00 p.m. VIII. Dinner

CITY OF NEWPORT NEWS

OFFICE OF THE CITY MANAGER

September 5, 2018

TO: The Honorable City Council


FROM: City Manager

SUBJECT: Hampton-Newport News Community Services Board (H-NNCSB)
FY 2019 - FY 2020 Performance Contract

Annually, the 40 Community Services Boards (CSBs) are required to submit a Performance Contract to the Virginia Department of Behavioral Health and Developmental Services (DBHDS). The Performance Contract submission includes the related budget for State Fiscal Year (SFY) 2019, to include a General Fund contribution in the amount of \$1,523,521 from the City's Adopted FY 2019 Annual Operating Budget.

The Performance Contract serves as a performance reporting and accountability document between the DBHDS and CSBs. The Performance Contract includes the scope of services and responsibilities for CSBs and the DBHDS, the values, roles, and responsibilities of the partners in the public behavioral health system, and general statutory, regulatory, policy and other requirements.

The H-NNCSB Executive Team will review the SFY 2019 Budget and Performance Contract at the September 11 City Council Work Session. Additionally, the Performance Contract is on the September 11 City Council Meeting Agenda for your approval.


Cynthia D. Rohlf

cc: Natale Christian, Executive Director, H-NNCSB
Alan K. Archer, Assistant City Manager
Lisa J. Cipriano, Director, Department of Budget and Evaluation

Hampton-Newport News Community Services Board

State Fiscal Year 2019
Budget/Performance Contract Review
Newport News City Council

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Presentation Agenda

- Performance Contract
- Budget Principles
- Budget Highlights
- Concerning Budget & Environment
Trends/Challenges
- Value Added Services
- Action Request



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Strategic Commitment

Continuing to be THE premier provider of behavioral health care and intellectual and developmental disability services.

Continuing to be recognized throughout Virginia for our leadership, excellence, and commitment to service.



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Hiring the Best People for the Job

879 Total Workforce

- 710 Full-Time
- 136 Part-Time
- 23 On-Call
- 10 Interns and Volunteers



HNCSB is one of the Premier Employers on the Peninsula, providing almost \$45,521,000 in salaries and benefits to staff who reside in our communities

Clinical Staff

- 9 Full and Part-Time Psychiatrists
- 3 Part-Time Primary Care Physicians
- 5 Full and Part-Time Licensed Nurse Practitioners
- 14 Full and Part-Time LCSWs
- 3 Full-Time LCPs
- 26 Full and Part-Time LPCs
- 16 Full and Part-Time RNs
- 24 Full and Part-Time LPNs
- 17 Full-Time CSACs

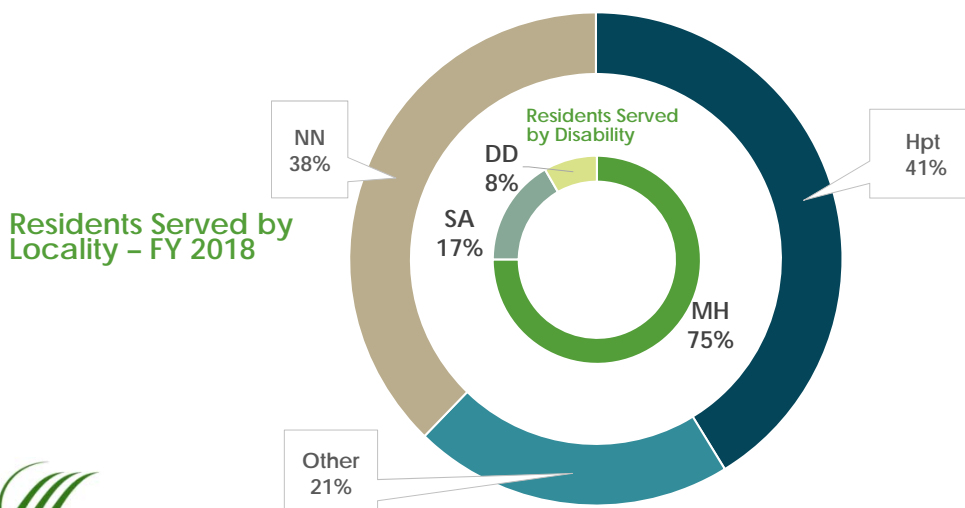


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Comprehensive System Of Care



Committed to Service to Our Communities



Strategically Placed



- HNNCSB is in EVERY school in Newport News
- HNNCSB partners with SEVHS to offer integrated primary health and behavioral health services on-site and with Genoa to provide an on-site pharmacy
- HNNCSB offers full continuum of Juvenile Justice Services – including Juvenile Drug Court, Clinical Services, Juvenile Detention
- HNNCSB trains Newport News First Responders through Crisis Intervention Training, CIT
- HNNCSB offers a full array of housing options from homelessness to permanent supported housing to integrated housing
- HNNCSB partners with NN Healthy Families for Case Management
- HNNCSB administers the NN Drug Court and new Behavioral Dockets
- HNNCSB provides Emergency and Crisis Intervention, Mobile Crisis services and Crisis Stabilization
- HNNCSB continues to provide uncompensated services to NN residents without third party payors.



FY2019 Strategically Moving Forward As The Premier Provider Of Behavioral Health

Maximizing revenue and Responding effectively to changes in the operating environment:

- Implementation of Medicaid Expansion
- Commonwealth Coordinated Care Plus Program (CCC+) Managed Care process
- Changes in payor regulations and billing processes



Applying resources to strategic areas that improve provision of behavioral health

- Implementation of Same Day Access Mental Health Screening Services
- Analysis of Data through utilization of Operational Dashboards
- Implementation of Phase II of employee compensation study
- Independent Assessment, Certification and Coordination Team (IACCT) – supporting our localities in assessing children for admission to residential treatment



Annual Operating Budget and Performance Contract

- **Parties: HNNCSB and the Department of Behavioral Health and Developmental Services (DBHDS)**
- **Describes: Our commitment to**
 - **The individuals we serve**
 - **Cities of Newport News and Hampton**
- **Primary accountability and funding mechanism between DBHDS and the HNNCSB**
- **Budget requires formal approval of the HNNCSB Board of Directors and the City Councils of Newport News and Hampton**



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FY2019 Performance Contract New Requirement

- The FY2019-20 Performance Contract now requires all operating CSBs to maintain an operating reserve sufficient to cover at least two months of personnel and operating expenses and ensure that the CSB's financial position is sound.
- Based on the current HNNCSB budget, this would equate to approximately \$11.6 M.
- The HNNCSB currently has a cash operating balance of \$7.8 M.
- In order to meet the new Performance Contract requirements, we are requesting an increase to the current line of credit from \$3,000,000 to \$5,000,000. This will ensure that we are in compliance with the new state requirements.



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Medicaid Expansion Impact on Budget

- Medicaid expansion goes into effect January 1, 2019 and provides an opportunity for an estimated 400,000 Virginians to gain access to healthcare, approximately 13,000 are living in Hampton and Newport News. We anticipate that a portion of our clients will be eligible for Medicaid with the new guidelines.
- To fund the expansion, a portion of the MH General Funds that CSBs receive will be reduced. DBHDS is currently reviewing ways to equitably reduce the funds across the 40 community services boards. The total amount of required funding is \$11.1 M across the state.
- One proposal is to reduce funding based on the number of uninsured clients receiving Mental Health Case Management services at each board.
- The reduction in funds begins April 2019, with all funds being reduced by the final June 2019 state warrant payment, which equates to approximately \$500,000 based on current methodologies.
- This reduction in revenue may be offset by Medicaid covered services provided by HNNCSB, however, this is not guaranteed.



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Budget Principles

- To the extent possible, programs should be self-supporting, maximizing earned revenue
- Programs should economically and efficiently apply capital, human and support resources, and eliminate or reduce expenses where possible
- State and local funds and excess program revenue should support services for individuals with no payor source
- Programs/services are monitored and right-sized to assure that there is sufficient revenue to cover the cost of services



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FY2019 Budget – Highlights

■ Staff Compensation

- 2% Cost of Living salary increase for staff
- Payroll lag at 2%
- Implementation of Phase II of the compensation study recommendations. This ensures that all Employees with 3 or more years of service in their position are at market rate salary based on study recommendations

■ Fringe Benefits:

- Re-evaluate health insurance to balance required savings with staff impact and maintain reserve for health insurance
- Enhance wellness plan

■ Merger of Next Step and Bright Beginnings day programs into one Psychosocial Program



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FY2019 Budget – Highlights Continued

■ Strategic Plan Initiatives

- Increased Workforce Development – Recruitment, Retention, and Training
- Continue Outcome Measurement/Best Practice Development based on data-driven decisions
- Implementation of Same-Day Access Model to increase access to care
- Funds Capital Requirements for vehicles & equipment & maintenance
- Maintains clinical and administrative programs/services

■ Level State and Federal Funding

- Medicaid Expansion impact on State Funding to CSBs

■ Local Funding

- Increased \$30,000 to support Hampton Drug Court Veteran's Track
- Increased \$125,000 for Newport News Behavioral Health Docket

■ Attainable/conservative fee revenue



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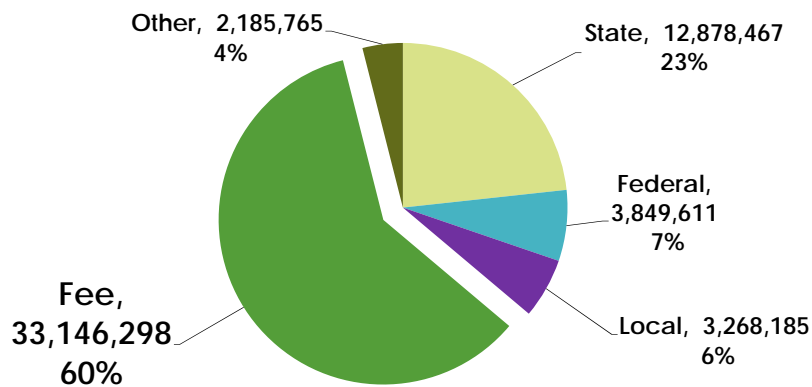
Changes in State, Federal, Local and Earned Revenue

Revenue by Source	FY2018	FY2019	Change
State	\$ 24,013,073	\$ 22,172,209	\$ (1,840,864)
Federal	\$ 3,901,063	\$ 3,849,611	\$ (51,452)
Local**	\$ 3,238,185	\$ 3,268,185	\$ 30,000
Fee	\$ 35,745,766	\$ 33,727,581	\$ (2,018,185)
Other	\$ 2,708,907	\$ 2,185,765	\$ (523,142)
Total Revenue	\$ 69,606,994	\$ 65,203,351	\$ (4,403,643)

**Local Funds to increase by \$125,000 – Newport News Behavioral Health Docket



FY2019 Core Programs Revenue by Source



Core Programs do not include the regional projects for which HNNCSB is the fiscal agent



Concerning Budget & Environment Trends/Challenges



- A decline in fee revenue based on regulatory and fee structure changes, as well as a decrease in referrals
- Recent changes in the operating environment have highlighted the importance of recruiting and retaining licensed and credential-able clinical staff including QMHPs (Qualified Mental Health Professionals) and CSACs (Certified Substance Abuse Counselors)
- Ensuring that our salaries remain competitive within the field
- Effect of Medicaid Expansion on State General Funds
- Increase in the Aging Population
- Continued focus on ESH Census Reduction
- Focus on implementing Same Day Access Mental Health Screening Services model to increase access to care
- Focus on the Opioid Crisis



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Budget Summary

- The FY2019 budget maintains high quality community programs that are responsive to our communities within available funds.
- The FY2019 budget continues to improve the financial health of the HNNCSB and recognizes changes to service delivery models.
- The FY2019 budget continues stewardship of public resources by providing effective and efficient services in a challenging financial environment.



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Action Request

The HNNCSB Board of Directors and staff respectfully request the City Council to approve by resolution:

- FY 2019 Budget
- FY 2019 Performance Contract
- Increase the Line of Credit from \$3,000,000 to \$5,000,000 to ensure compliance with the state Performance Contract

