



**Multnomah County Community Health Council
Citizen Budget Advisory Committee 2004
Health Department's Budget Proposal FY04-05**

Introduction

The Multnomah County Community Health Council serves as the Health Department's citizen's advisory board and CBAC. It is also the federally-mandated governing body of Multnomah County's system of Community Health Centers. It is an appointed group, including members of the community with an interest in public health, representatives from local health and social service organizations, and most importantly, consumer members who utilize the Health Department's clinical services. The Council works closely with the Director and staff of the Health Department, meeting monthly throughout the year to provide community guidance on a wide variety of public health services, programs and policies affecting Multnomah County residents. One of our most important functions as a Council is to review and monitor Health Department's annual budget.

CBAC Report Reparation

In preparing this report, we met with (1) Lillian Shirley, Department Director; (2) Wendy Lear, Finance Manager; and (3) Vanetta Abdellatif, Integrated Clinical Services Director. We receive regular updates from the Department's leadership, including various service group directors.

Health Department's Proposed Reductions'

The Health Department faces the daunting task of finding solutions to serve the County's growing under/uninsured population in the face of shrinking revenues. Significant budget constraints will result in distressing losses in clinical capacity, infrastructure, and medication support to our community partners.

So far the proposed budget cuts include:

Reduction	Plan of Action
\$6.4 million budget gap resulting from reductions in County General Fund for FY05 to do the same service that the Health Department provided this year, and a decrease in Medicaid revenues related to serving an increased number of uninsured clients.	Health Department must eliminate approximately 45.0 FTE in all service areas.
\$5 - \$8 million shortfall due to rising personnel costs as well as an anticipated decline in Medicaid OHP reimbursements	Health Department will likely close service sites. A configuration involving: <ul style="list-style-type: none">• Reducing the number of days or hours

<p>in the coming year because of Measure 30's failure.</p>	<p>of operation at school based health clinics (SBHC's).</p> <ul style="list-style-type: none"> • Closing up to three primary care clinic facilities and consolidating office spaces.
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The cuts are deep, with major reductions to integrated clinical services, early childhood programs, and corrections health.

The Health Department is now in the planning stage for additional budget-driven reductions in services that will result from the defeat of Measure 30.

Perspectives & Concerns

From the Council's perspective, the Department has been a responsible manager of its financial and human resources. In the past, the Health Department was able to serve people poor enough to have Medicaid and make services available to under/uninsured people in the county. This year Health Department is committed to meeting the needs of its existing clients, yet faces severe challenges in contemplating how to serve new clients or to improve the services it offers.

We suggest that any decision to implement additional cuts take into the account of following considerations:

- We do not want to see the Health Department risk its "federally qualified health center" (FQHC) status and its ability to obtain federal dollars. Federal funding requires that county health centers keep a certain level of care within the clinic system. To qualify for federal funding, health centers must maintain (1) a system of care that ensures access to primary and preventive services, and facilitates access to comprehensive health and social services, (2) quality services responsive to the needs and culture of the target community and/or populations, and (3) effective clinical and administrative leadership and procedures to guide the provision of services and quality improvement programs. The Multnomah Health Department is not currently in danger of losing federal primary care grants, but as the budget cuts deepen, we are concerned about the direction the Department will be forced to take and the impact on our FQHC status. Cutting sites and provider teams will result in lost Medicaid revenue. For example, some of the redesign models the Department is considering cut providers, support, and sites to save \$4.8 million results in the loss of an estimated \$2.3 million in Medicaid and client fees. Cutting provider teams, without cutting building and operating costs, typically results in more revenue lost than costs saved, worsening the financial picture.
- We are very concerned about the impacts of Measure 30. The exact magnitude is unknown, but we know for sure that the State will not be able to fund the Oregon Health Plan as we currently know it. In this year alone, the changes in the OHP have resulted in a jump from 26% to 33 % uninsured. This was reported Sunday 4/4 in the

Oregonian. The Department has budgeted to serve 26% uninsured. This current increase has resulted in an operating deficit for this year already, without taking into account the impact of the next year's cuts by the State. If Oregon Health Plan Standard goes away as a result of Measure 30's failure, the uninsured served by the Department will increase from 33% to 50%. The Health Department can not take such a huge revenue loss and still operate at the level acceptable to us.

- We worry about the community-wide consequences of having to turn newly uninsured clients away, continuing to take care of our patients who have lost their insurance in 2004, and cutting services that prevent worsening health conditions. These conditions will need to be treated in a more expensive way later. The community stands to lose more financially when increasing numbers of residents have no chance of accessing health care and end up using emergency room service as their only option.

Recommendations

- Compassion for the disadvantaged community members

We reported last year that Portland had been ranked number 1 among the 100 largest cities in the US in meeting key Healthy People 2000 goals. We are now facing an alarming healthcare crisis. All the concerns we expressed in our CBAC reports from the last two years have now become a reality. The numbers of medically under/uninsured are on the rise. People have already fallen off the system, and more are expected to lose their coverage after the defeat of Measure 30. We urge you to keep in mind those who are in danger of losing adequate health insurance, and the fact that many in need are already invisible.

- Role of the state

With under/uninsured population increasing and available financial resources decreasing, the Health Department's fiscal burden can only become heavier. We ask the County to keep pressure on the state to uphold its responsibility to find funding solutions. We urge you to advocate as you can with E-Board for systemic changes of the state's health care system. Multnomah County simply cannot continue serving its residents without adequate funding and support from both the state and federal government.

- Clinics and capacity

With inevitable changes in Oregon Health Plan going from bad to worse, we are concerned about the very real possibility of closing major health centers and school-based programs and the reduction in clinical/nursing staff. The Council is very concerned about the Health Department's ability to fulfill its mission effectively, and we ask the Board to find ways to preserve essential health services.

The proposed reductions are drastic and severe, particularly in light of the cumulative reductions that have been made over the last several years. The Health Department is now nearing a crisis state. They have cut all the fat from the budget. By cutting into the “meat” of clinics, we will be shutting out our most vulnerable citizens, many of whom are not able to speak of for themselves and whose very lives depend on the county health clinics. We cannot close the doors of our clinics, and we can no longer use a “band aid” approach to meet the needs of our community. Any advances in recent years will have been for naught. At the very least, we must keep what we have.

Submitted on April 5, 2004 by the Multnomah County Community Health Council:

Members of the Community Health Council:

Anne Potter, Chair
Bill Hancock, Vice-Chair
Jay Thiemeyer, Secretary/Treasurer
Eric Valkenaar, Member at Large
Sophia Tseng, CBAC Chair
Cheyenne
Sandy Spiegel
Donna Sather
Earnie Dory
Vickie Hendricks
Lilia Evangelista
Shirley Davies
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