

**Financial Plan 2023-2024 2nd Omnibus
Behavioral Health Fund /000001120**

Category	2021-2022 Actuals	2023-2024 Adopted Budget	2023-2024 Current Budget	2023-2024 Biennial-to-Date Actuals	2023-2024 Estimated	2025-2026 Projected	2027-2028 Projected
Beginning Fund Balance	(30,952,629)	70,315,126	113,978,516	113,978,516	113,978,516	177,531,461	164,463,822
Revenues							
Federal	22,167,622	21,414,784	21,414,784	(142,102)	20,175,332	21,627,956	22,789,377
COVID Revenues	22,452,196	24,735,582	26,370,549	(1,453,792)	26,370,549	-	-
MCO-Medicaid	492,469,958	452,464,404	452,464,404	111,681,483	489,764,404	533,943,181	561,870,496
MCO-Medicaid Leakage	70,732,413	74,000,000	79,180,000	10,377,343	79,180,000	80,367,700	81,573,216
MCO-Non-Medicaid	8,991,391	5,893,900	5,893,900	2,119,290	7,185,530	6,648,336	6,998,703
State HCA Non-Medicaid	88,748,526	103,238,156	103,238,156	27,032,947	103,238,156	104,359,436	109,859,178
State Grants - Others	12,754,609	16,544,834	16,544,834	(4,811,514)	16,544,834	6,881,893	7,244,569
Taxes (County Millage)	7,467,262	7,754,428	7,741,676	2,048,874	7,741,676	8,067,712	8,423,605
Other	1,625,568	258,200	258,200	4,636	256,722	275,206	289,985
Intergovernmental	12,699,123	8,140,376	8,140,376	1,262,485	7,577,262	7,248,584	7,248,584
General Fund Transfer	6,815,217	-	200,000	118,105	200,000	-	-
Health Through Housing Transfer	8,712,160	12,524,798	12,524,798	3,065,327	12,524,798	13,993,761	15,356,571
MIDD Transfer	15,000,000	15,500,000	15,500,000	3,875,000	15,500,000	15,500,000	15,500,000
Other Interfund Transfers	13,163,929	13,551,327	14,535,237	2,615,481	18,036,598	11,048,159	11,641,446
Total Revenues	783,799,974	756,020,789	764,006,914	157,793,563	804,295,861	809,961,924	848,795,729
Expenditures							
Salaries/Wages and Benefits	41,348,238	54,705,583	54,705,583	11,655,291	48,621,165	58,863,207	61,924,094
Supplies	223,953	370,784	370,784	56,558	282,792	303,153	319,432
Other Operating Charges	450,343,952	554,649,821	552,518,511	99,307,122	546,964,637	637,389,248	670,768,170
COVID Expenditures	24,503,985	24,735,582	26,370,549	(1,453,792)	26,370,549	-	-
MCO-Medicaid Leakage Expense	70,732,413	74,000,000	79,180,000	10,377,343	79,180,000	80,367,700	81,573,216
Contributions Other	35,760	-	-	16,320	32,640	-	-
Intragovernmental Services	12,962,424	15,841,176	15,841,176	2,534,769	15,088,599	16,981,741	17,864,791
Intragovernmental Contributions	35,752,247	25,908,253	25,908,253	5,943,166	27,168,390	29,124,514	30,688,501
Total Expenditures	635,902,972	750,211,199	754,894,856	128,436,777	743,708,773	823,029,563	863,138,204
Other Fund Transactions							
* Adjustment from Budgetary to GAAP	-	-	-	-	-	-	-
* Adj Beg. Balance (recognized gain / loss)	(2,965,857)	-	-	2,965,857	2,965,857	-	-
Total Other Fund Transactions	(2,965,857)	-	-	2,965,857	2,965,857	-	-
Ending Fund Balance	113,978,516	76,124,716	123,090,574	146,301,159	177,531,461	164,463,822	150,121,347
Reserves							
Non-Medicaid Operating Reserve	5,370,943	5,370,943	5,370,943	5,370,943	5,370,943	5,370,943	5,370,943
Medicaid Contract Termination Reserve	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Medical Loss Ratio Reserve	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
Medicaid 60-Day Reserve	28,000,000	-	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000
Rainy Day Reserve (60 days)	5,059,805	6,003,174	4,359,048	4,359,048	4,359,048	4,148,178	4,324,463
Total Reserves	57,430,748	30,374,117	56,729,991	56,729,991	56,729,991	56,519,121	56,695,406
Reserve Shortfall	-	-	-	-	-	-	-
Ending Undesignated Fund Balance	56,547,768	45,750,599	66,360,583	89,571,168	120,801,470	107,944,701	93,425,941

Financial Plan Notes

All financial plans have the following assumptions, unless otherwise noted in below rows. 2023-2024 Adopted Budget ties to PBCS.

Revenue Notes:

- Outyear revenue inflation assumes national CPI, except as follows:
 - Managed Care Organization (MCO)-Medicaid and Non-Medicaid revenue through 2026 is based on utilization trends and past experience.
 - County Millage assumes 99% of the August 2023 OEFA forecast.
 - Health through Housing sales tax assumes 9% of the August 2023 OEFA forecast.
 - Intergovernmental revenues are based on specific contract terms and are not escalated in the out years.
 - One-time revenues in 2023-2024 are removed from the out years.

Expenditure Notes:

- Medicaid leakage expense (within Other Operating Charges) assumes 1.5% annual inflation based on past experience. Medicaid leakage is payments to or revenue from other jurisdictions when Medicaid enrollees access services outside their home county.
- One-time expenditures in 2023-2024 are removed from the out years.
- 2023-2024 Estimated is below 2023-2024 Current Budget due to projected underspend in the Medicaid line of business. The requested 2nd Omnibus supplemental will provide a buffer in appropriation as projections in this fund are volatile due to the end of the federal public health emergency.

Reserve Notes:

- The operating reserve for Non-Medicaid reflects funds provided to DCHS by the state when integrated managed care was implemented, to provide a reserve for non-Medicaid services.
- The Rainy Day reserve represents 60 days of expenditures, excluding those backed by Medicaid, Non-Medicaid, and interfund transfers which are reserved elsewhere.
- A Reserve for Medical Loss Ratio (MLR) has been added. BHRD has a contractual agreement to share the risk of financial loss with one King County behavioral health managed care organization.
- A reserve for contract termination has been added to cover BHRD's financial obligations for Medicaid services in the event a managed care organization terminates its contract with the King County integrated care network. These charges may be incurred for 18 months after the contract is terminated.