



Regional MH funding model for FY 17 and beyond

The current funding formula to fund mental health service delivery regions expires in FY 2017. This will cause regions to experience funding challenges in FY 17 and beyond if a sustainable funding level is not instituted. This will require the state to provide substantial additional funding to the regions. As we are all aware, the original intent of the MH redesign law was to eventually eliminate the need to provide counties with yearly supplemental funding. If a sustainable funding model is not implemented, this will not be achievable.

We would propose the following funding model.

- Retain the per-capita cap of 47.28
- Retain a regional fund balance cap of 25%
- Eliminate levy dollar cap

This formula would eliminate the need for supplemental funding for many years to come. Under this approach, the regional governance board could recommend the required levy amount for each county in the region and it would be approved by individual county boards.

We understand that this may cause some concern that county property tax levies will rise. We believe that there are a number of safeguards against counties levying more than is necessary to provide the core and core plus services prescribed in the MH redesign law.

They include:

Fund balance cap of 25%--This would force regions to ensure that the counties could not levy more than necessary to provide services. Regions with fund balances in excess of 25% would be required to lower their levies.

DHS approval of regional budgets--Currently the DHS must approve regional budgets and budget amendments. Continuing this practice would ensure that counties were not levying to provide services beyond the scope of services authorized by the list of core and core plus services in the MH redesign law.

Craig Hill
Iowa Farm Bureau Federation President
5400 University Ave
West Des Moines, IA 50266-5950

Dear Mr. Hill:

Historically, the Iowa Farm Bureau and the 99 counties in Iowa have been partners in a wide variety of issues, from conservation, to finding efficiencies in government and helping to find ways to reduce the burden on local property tax payers. We work as diligently as you have to make sure that local property tax levies are set at the most responsible levels that still provide the services our constituents demand. We are writing now to ask you to be our partners again.

As you know, a major expenditure category in many county budgets is mental health services. Almost two years ago, the state undertook a dramatic redesign of how these services are provided and more importantly, funded. In 1996, the state removed county's ability to adjust the local levies (by freezing them at that level) to fund these services. In exchange, they provided yearly supplemental funding to cover the increasing costs. Mental health redesign did remove the county's responsibility to pay the Medicaid match for patients covered under that program, but it did not remove the responsibility to provide certain non-medicare reimbursable services.

Now, the state is not planning on providing any degree of supplemental funding. This will not be an issue in FY 2016, but will have devastating consequences to the mental health delivery system beginning in FY 2017 and beyond. As you may be aware, the Urban County Coalition (a coalition of the five largest counties in eastern Iowa) have proposed a funding formula that we believe will provide stable funding for the mental health delivery system for many years to come. Attached, please find an outline of our proposal. As our representatives have worked with yours at the capitol in Des Moines, we understand that you do not support a proposal like the one we have outlined. The reason being, that you would not support any proposal that does not include a dollar cap on the mental health levy, rather than the per capita cap that we are proposing. Because of the inequities of the old funding formula, we believe that the approach we are proposing would in fact lower property taxes in many smaller counties.

We would like you to join us in supporting the Urban County Coalition proposal that we believe will allow counties and regions to provide the services we are required to provide, for our most vulnerable citizens and not unduly burden property tax payers. To that end, we would like to request that you and members of your executive committee meet with us at the earliest possible date to discuss the Iowa Farm Bureau Federation's concerns, and hopefully find a compromise that you could support.

Please do not hesitate to contact us if you have any questions or concerns. We look forward to continuing our partnership.

Sincerely,