Public Health Finance

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www.dhd4.org

Serving: Alpena, Cheboygan, Montmorency and Presque Isle County

Objectives

- Sources of Revenue
- Sources of Expenditures
- MDHHS Comprehensive Agreement (CPBC)
- Grants and Grant Requirements
- Budgeting
- Challenges/Opportunities

Sources of Revenue

- Federal Awards (often passed through the State)
- State Funds
- Local Agreements
- Private Funds (Foundations, Charities)
- First Party Payments (fees for services paid directly by the service recipient)
- Third Party Payments (Medicaid, Medicare, Private Insurance)
- Federal Cost-based Reimbursement
  - Match Requirements (Family Planning & Other)
  - Sources Available for Use towards Match
    - First Party Payments – Private Pay
    - Third Party Payments – Private Insurance Only (i.e. BCBS, BCN, Aetna)
    - Local Funds Other – County Government Funds, Local Grants
  - Matching Funds Must be Non-Federal Sources
- Federally Provided Vaccine – Value of VFC Vaccine
- Donations

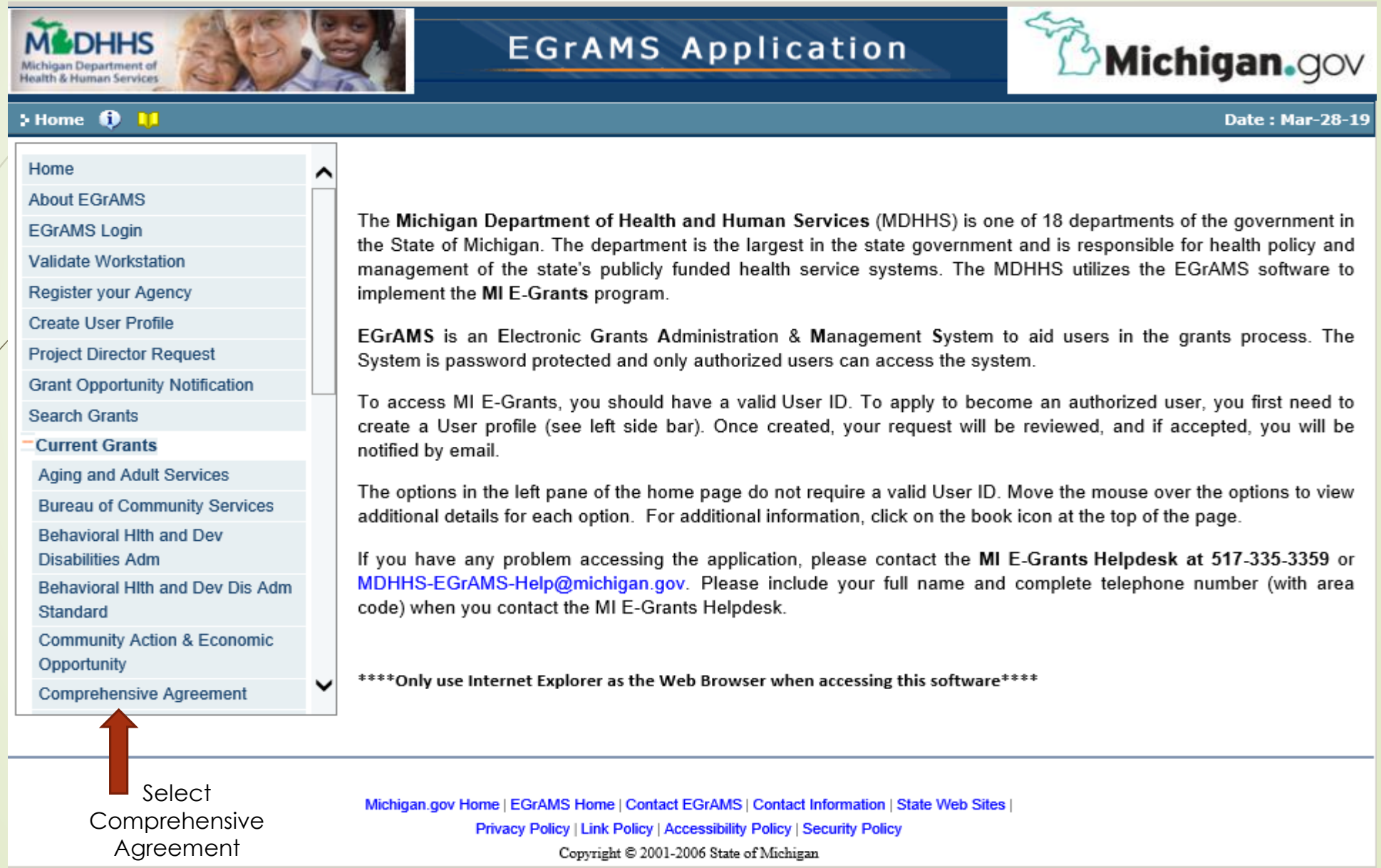
Sources of Expenditures

- Become familiar with your own organization's structure of expense categories
- MDHHS Categories:
  - Salaries
  - Fringe Benefits
  - Capital Expenditures (items purchased $5,000+)
  - Contractual (Subcontractors/Subrecipients)
  - Supplies & Materials (including postage and printing expenses
  - Travel (Mileage, lodging, meals)
  - Communication (telephone, internet, website)
  - County/City Central Services (central support activities)
  - Space Costs (building space/utilities)
  - All Other (training, insurance, advertising, etc.)
  - Indirect Cost/Cost Allocation

MDHHS Comprehensive Agreement

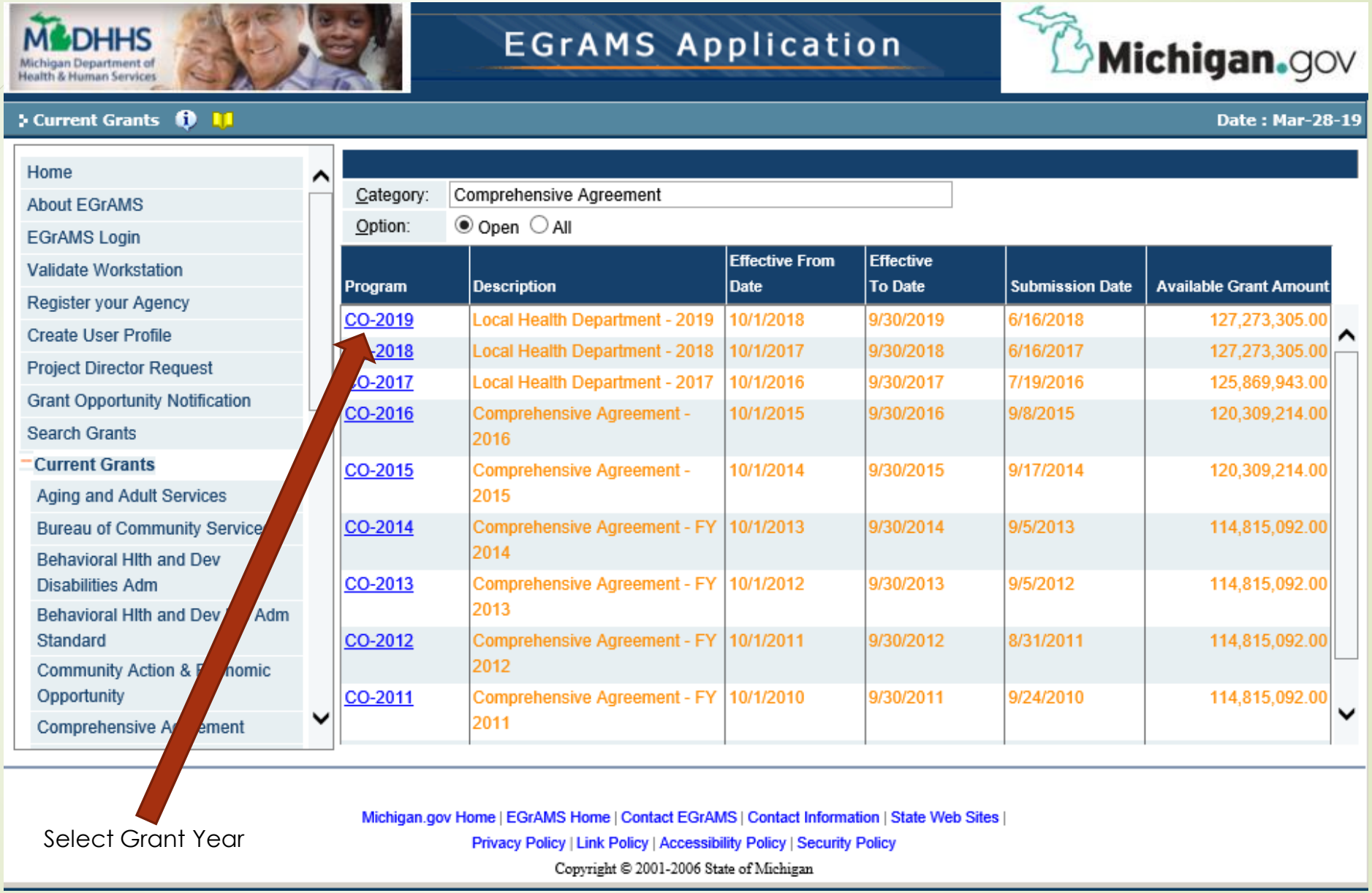
- Comprehensive Planning, Budgeting, and Contracting (CPBC) Agreement
  - Mandated Services (7)
  - Categorical Services
  - Basic Services
  - Annual State Allocation funding
  - Caseload requirements
  - Project Work Plans
- FY19 Initial Allocations received in June 2018
- Budgets Due in EGrAMS in July 2018
- Any budget amendments requested by the Local Health Department (LHD) must be communicated to the MDHHS project Grant Contract Administrator (See attachment III of the contract) so that it can be opened in EGrAMS during the next scheduled contract amendment.

EGrAMS Documents
(EGRAMS-MI.COM/DCH)



Select Comprehensive Agreement

EGrAMS Documents



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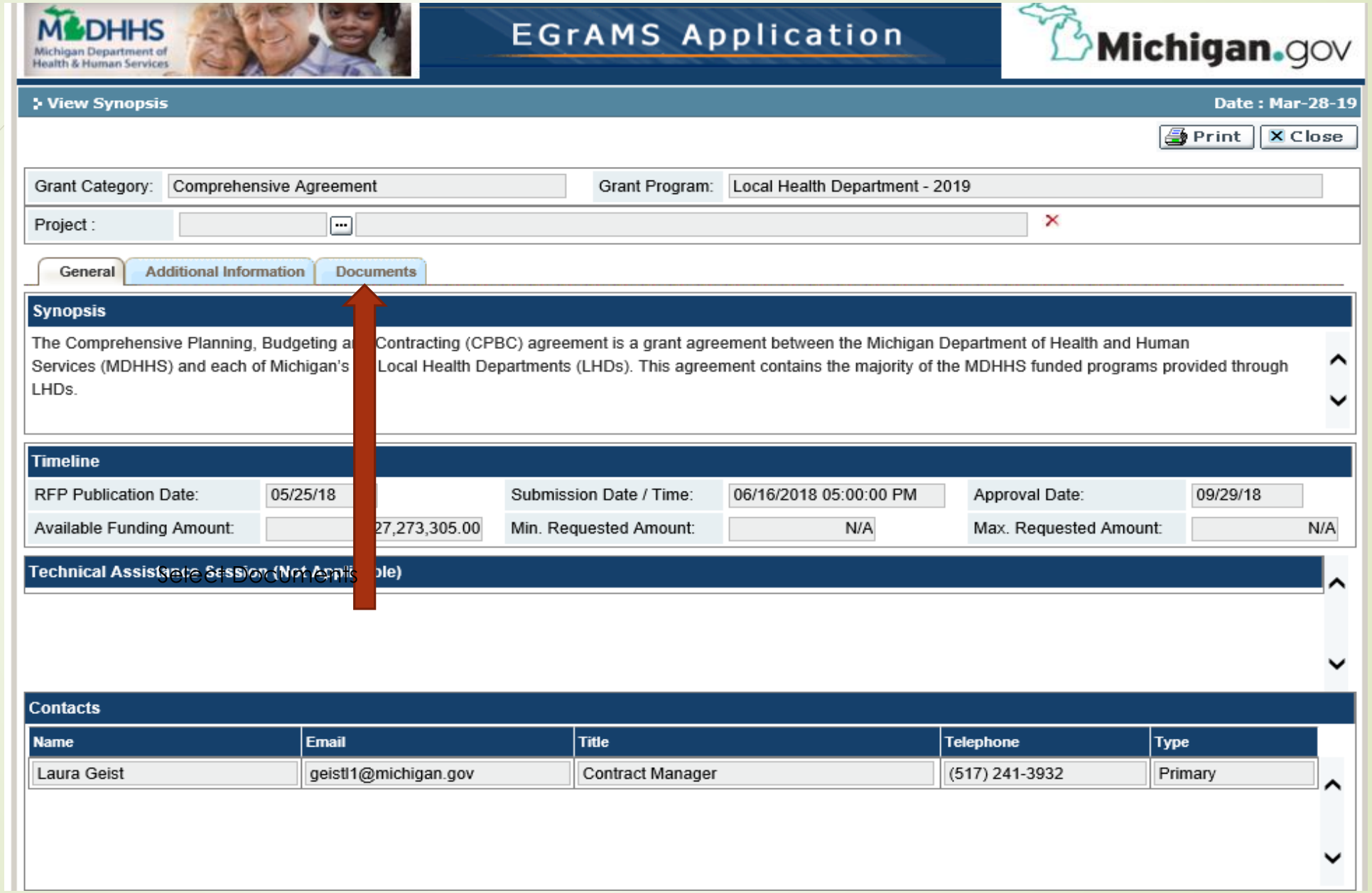
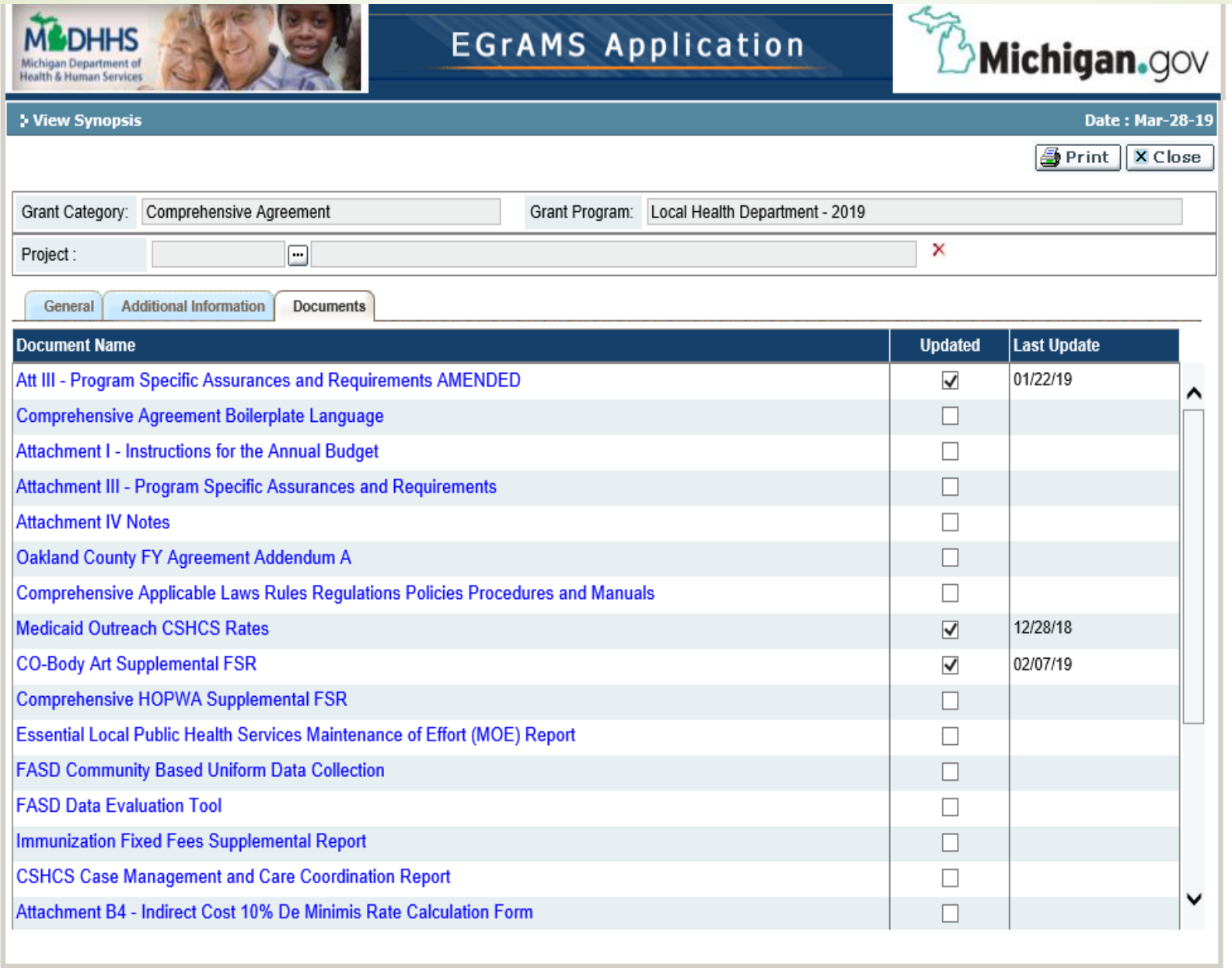


EGrAMS Documents



Documents

- Attachment I – Instructions for the Annual Budget
- Attachment III – Program Specific Assurances and Requirements
- Footnotes – includes;
  - CSHCS Rates
  - HIV Rate
  - Body Art
  - Immunizations (AFIX, Nurse Education, VFC, VFC/AFIX) Rates
- Maintenance of Effort
- Comprehensive Applicable Laws, Rules, Regulations, Policies, Procedures and Manuals
- Forms:
  - Immunizations Fixed Fees Spreadsheet
  - Body Art Spreadsheet
  - CSHCS Medicaid Outreach Rates
  - Etc.

MDHHS Comprehensive Agreement

- Budget amendment is necessary if moving $10,000+ or 15% (whichever is greater) from one category to another unless otherwise specified
  - Exception for PHEP and CRI which is limited to a 15% variance before a budget amendment is required
- All budget amendments must be requested by June 2nd of each year ("final" amendment)

Grants

Grant Sources

- Grants generally fall into these main categories
  - Federal – USDA, HHS, CDC
  - State – MDHHS, MDEQ
  - Foundations
    - Large – Roberts Woods Johnson
    - State – BCBS, Michigan Health Endowment Fund
  - Local – Community Foundations, United Way, Presque Isle Electric and Gas Co-op, Alpena County Older Person Funding

Is it the Right Fit

- Grant Opportunities should be evaluated prior to submitting the application.
  - Have a clear understanding of grant objectives, funding, spending restrictions, timing, and match requirements
  - Then ask some questions:
    - Does it fit with your mission
    - Are you ready to take on this project (size, requirements, etc.)
    - What resources are needed to complete project
    - To what extent is Indirect costs covered by grant
    - All other considerations

Federal Grant Guidance
2 CFR, Part 200 ("Super Circular")

- Costs charged to federal awards must be allowable, allocable, reasonable and necessary
- Federal rules in brief: "If it isn't documented, it didn't happen"
  - Keep a start – to - finish record for each grant
  - Documentation is required
- Supplementing vs Supplanting
  - Supplementing: "to add to or complete'
  - Supplanting: "to take the place of"

Grant Closeout

- Make sure goods and services have been received prior to the end of the grant and that payment is completed.
- Do not make unusual expenditures at the end of the project (i.e. large supply purchase)

Budgets

- A budget is a financial plan that lists expected revenue and expenses during a particular period
- All programs need a budget
- Essential components of a program budget
  - Program Requirements/Work Plan and Contract
  - Expected Program Revenues
  - Required Resources (staff, supplies, etc.)
  - Historical program data and trends, if available
  - Consideration of external factors
    - Inconsistent State funding allocation
    - Competition
    - The economy

Budgets Continued

- Program budget management is critical
- It is critical that Program staff work closely with Finance Staff
- Program Director/Manager responsibilities
  - Ensure that proposed workplan is being completed
  - Review budget variances monthly, at a minimum
  - Identify and explain significant budget variances
  - Make recommendations and manage staff to address anticipated budget variances

Challenges/Opportunities

- Financial Challenges
  - Staffing
  - Legacy Costs (Medical and Retirement)
  - Indirect Costs
  - County Appropriations
  - Inconsistent State funding
- Unfunded and Underfunded mandates
  - Should be a 50/50 funding arrangement with the State
  - Most Health Departments are closer to 30-35% State, 65-70% Health Department
- Maintenance of Effort Requirement
  - Minimum Maintenance of Effort was set in FY92
  - If Departments don't meet MOE levels, could jeopardize full ELPHS funding
- State/Federal requirements/bureaucracy
- Participate in MALPH Forums
- Get involved in various State workgroups

Questions?

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Thank you!