



Program #40034B - FQHC - Contingency and Reserves FY 2024 Proposed

Department: Health Department **Program Contact:** Adrienne Daniels
Program Offer Type: Administration **Program Offer Stage:** Proposed
Related Programs:
Program Characteristics: One-Time-Only Request

Executive Summary

The Integrated Clinical Services (ICS) Division of the Health Department has negotiated new FQHC and APM rates with the State of Oregon for healthcare services reimbursement. The State established the new rates retroactively and reimbursed ICS for the difference. The newly established ICS (FQHC) enterprise fund is required to establish reserve and contingency funds to provide fiscal stability and compliance with HRSA requirements to ensure continuity of services.

Program Description

ISSUE: The ICS revenue will fluctuate from year to year.

PROGRAM GOAL: Reserve and contingency funds will help to provide ongoing fiscal stability and compliance.

PROGRAM ACTIVITY: ICS, the Federally Qualified Health Center, is majority funded by visit revenue from State and Federal sources. Both Federal and State revenue sources may fluctuate from year to year. During FY22 the State has approved and implemented new reimbursement rates and made retroactive payments. These funds are required to be utilized for the continuation and of mandated healthcare services for the most vulnerable people of Multnomah County.

Reserve and contingency funds will create ongoing stability for ICS and protect the program from unexpected revenue declines from economic fluctuations and unexpected costs. These fiscal stability approaches are informed by government accounting best practices, Health Resource and Services Administration (HRSA) guidelines, and by Multnomah County's Financial and Budget Policies.

The reserve and contingency funds will be established in FY 2023. Each year, funding will be added to the reserve. The reserve fund will ensure the long-term financial stability of the program. The contingency fund will allow ICS to address unforeseen future expenses.

Performance Measures

| Measure Type | Primary Measure | FY22 Actual | FY23 Budgeted | FY23 Estimate | FY24 Offer |
|--------------|---|-------------|---------------|---------------|------------|
| Output | Percent of reserve goal met | N/A | N/A | N/A | 100% |
| Outcome | Compliance with all HRSA 330 Grant financial requirements | N/A | N/A | N/A | 100% |

Performance Measures Descriptions

Revenue/Expense Detail

| | Adopted General Fund | Adopted Other Funds | Proposed General Fund | Proposed Other Funds |
|------------------------------|-------------------------|------------------------|--------------------------|-------------------------|
| Program Expenses | 2023 | 2023 | 2024 | 2024 |
| Unappropriated & Contingency | \$0 | \$9,400,000 | \$0 | \$9,400,000 |
| Total GF/non-GF | \$0 | \$9,400,000 | \$0 | \$9,400,000 |
| Program Total: | \$9,400,000 | | \$9,400,000 | |
| Program FTE | 0.00 | 0.00 | 0.00 | 0.00 |

| Program Revenues | | | | |
|---------------------------|------------|--------------------|------------|--------------------|
| Beginning Working Capital | \$0 | \$9,400,000 | \$0 | \$9,400,000 |
| Total Revenue | \$0 | \$9,400,000 | \$0 | \$9,400,000 |

Explanation of Revenues

\$9.4 million of Beginning Working Capital

Significant Program Changes

Last Year this program was: FY 2023: 40034B FQHC - Contingency and Reserves