

Program #40034B - FQHC - Contingency and Reserves
FY 2026 Adopted

Department: Health Department **Program Contact:** Hasan Bader
Program Offer Type: Revenue/Fund Level/Tech **Program Offer Stage:** Adopted
Related Programs:
Program Characteristics: One-Time-Only Request

Program Description

ISSUE: Health Center revenue will fluctuate from year to year.

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

PROGRAM ACTIVITY: The 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. ICS main revenue source is visit or visit related revenue. Projected billable visits payer mix for FY26 reflects 85% Medicaid/Medicare visits for Primary Care, HIV Health Services Center (HHSC) and Student Health Center visits. Dental projected billable visits include 94% Medicaid visits.

During FY 2022 the State 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 the Health Center 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 was 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 the Health Center to address unforeseen future expenses with a goal of maintaining at least four months of operating costs (three months per policy).

Performance Measures

Measure Type	Performance Measure	FY24 Actual	FY25 Budgeted	FY25 Estimate	FY26 Target
Outcome	Percent of reserve goal met (4 months operating expense)	100%	100%	100%	100%
Output	Compliance with all Health Resources and Services Administration (HRSA) 330 Grant financial requirements	100%	100%	100%	100%

Performance Measures Descriptions

The output includes successful compliance with grant requirements while the outcome reflects the percentage of times the reserve goal is met.

Legal / Contractual Obligation

The reserve and contingency funds are established based on Health Resources and Services Administration (HRSA) guidelines and recommendations. Legal and contractual obligations include greater than three months of reserve to cover operational stability in case of unexpected revenue or expense fluctuations. The Health Center complies with Coordinated Care Organizations (CCO) contractual requirements as well as the Bureau of Primary Health 330 Grant (HRSA) and the Patient-Centered Primary Care Home (PCPCH) program. The Health Center is accredited under the Joint Commission.

Revenue/Expense Detail

	Adopted General Fund	Adopted Other Funds	Adopted General Fund	Adopted Other Funds
Program Expenses	2025	2025	2026	2026
Unappropriated & Contingency	\$0	\$64,057,128	\$0	\$77,641,217
Total GF/non-GF	\$0	\$64,057,128	\$0	\$77,641,217
Program Total:	\$64,057,128		\$77,641,217	
Program FTE	0.00	0.00	0.00	0.00

Program Revenues				
Beginning Working Capital	\$0	\$64,057,128	\$0	\$77,641,217
Total Revenue	\$0	\$64,057,128	\$0	\$77,641,217

Explanation of Revenues

\$77,641,217 of Beginning Working Capital

Significant Program Changes

Last Year this program was: FY 2025: 40034B FQHC - Contingency and Reserves

Reserve and contingency fund have increased because revenues exceeded expenditures in FY 2025.