

# DRAFT

## FULL SERVICE PARTNERSHIPS (FSP) PROPOSED BUDGET SCENARIOS

It was agreed at the Stakeholder's meeting on February 13, 2006 that the Department would utilize Mental Health Services Act (MHSA) funds to address the Department's \$14.4 million annual structural deficit.

The following two scenarios outline approaches to address this situation. Under both scenarios, the deficit would be offset through systems transformation activities that could be billed to the MHSA Full Service Partnership (FSP) plan. This projection of expenditures could only be supported if competitive proposals were submitted by agencies seeking MHSA FSP funding.

**Scenario 1:** This approach is based on the projected distribution of 60% of the total MHSA FSP budget to contract providers and 40% to DMH directly operated programs and would ensure the current balanced system of service provision.

This scenario attributes 49% (\$7.1 million) of systems transformation funds to contract agencies and 51% (\$7.3 million) to the directly operated FSPs. Funding of new resources for contracted FSPs would be \$16 million, but enable directly operated programs to adequately support the future growth necessary to provide quality FSP services.

**Scenario 2:** This scenario would alter the projected distribution of MHSA FSP funding between contract agencies and directly operated programs from 60/40 to 50/50 and would require that directly operated clinics in addition to the "Big Seven" participate in transformation by July 1<sup>st</sup>. This scenario attributes 100% of the budget offset (\$14.4 million) to systems transformation funds for directly operated FSPs. Though this scenario projects a smaller proportion of the overall FSP projected distribution, it allows for a larger amount (\$19 million) for expansion of new resources for contracted providers.

This scenario entails transforming services in directly operated programs to Full Service Partnerships (FSP) and wellness and recovery activities so that existing staff could claim the appropriate portion of their services to MHSA rather than to County General Funds.