

## Equity of Funding Policy

### *Policy*

Central Florida Behavioral Health Network, Inc. (CFBHN) will make decisions regarding the distribution and management of Department of Children and Families (DCF) contracted funds in a fair, efficient and equitable way for all parties involved.

### *Purpose*

Guided by this policy, Central Florida Behavioral Health Network will strive to achieve funding equity throughout the network and respect the intent of the purchaser and the needs of the community.

### **I. Definitions**

- A. Adjusted Funding: The total Base Funding reduced by the total Special Project/Proviso Funding.
- B. Base Funding: The total funding in a Network Service Provider (NSP) contract, excluding Special Project/Proviso funding as defined in Section I. HN.
- ~~A.C. Disproportionate Amount: A selected percentage (up to 25%) of the funding reduction chosen to bring those outside of equity closer to the mean by taking an initial reduction from those above equity and applying an increase to those under equity prior to taking the full reduction from all circuits. The base funding is recalculated after each contract amendment.~~
- ~~B. Funding Category: The two funding categories are Total Adjusted DCF SAMH Acute Care Funding and Total Adjusted DCF SAMH Non-Acute Care Funding.~~
- D. Funding Reduction: A funding reduction that DCF has not earmarked for a particular NSP or service.
- E. Inequity Funding Amount: The totals (per uninsured and with a calculated funding amount) for those circuits that fall outside of Equity, whether above or below.
- ~~E.F. Inequity Amount Per Uninsured: This dollar amount is calculated by taking the Total Funding Per Person for the Uninsured Population for the circuits who are outside of Equity and subtracting the calculated percentage above the mean if a circuit is above equity, or subtracting the calculated percentage below the mean if a circuit is below equity.~~
- ~~E.G. Inverse of the Weighted Ranking: The weighted ranking of a circuit, subtracted from 1, divided by the sum of the weighted ranking for each Circuit subtracted from 1, carried out to 62 decimal places.  $\{(1-X1Ca)/(1-X1Ca)+(1-X2Cb)+(1-X3Ce)+(1-X4Cd)+(1-X5Ce)+(1-X6Cf)\}$~~
- F.H. LAPSE Funding: Funding reduced from a contract due to: (1) An inability to earn the dollars; and (2) Failure to notify the CFBHN contract manager of the lapse prior to April 15.
- ~~G.I. Mean Ranking: Calculated using: (1) The total sum of the network funding for all CFBHN circuits; and (2) The total population with no health insurance within all CFBHN circuits; and (3) The total estimated population across all CFBHN circuits.~~
- J. New Funding: Additional funding that DCF has not earmarked for a particular NSP or service.

- K. Per Uninsured Inequity Funding Amount: This dollar amount takes the Per Uninsured Inequity dollar amount per circuit, and multiplies it by the uninsured population for that circuit to get a dollar amount that equates to how much funding a provider would need in order to fall within the current equity range
- H.L. Per Uninsured Inequity Ranking Percentage: this percentage is calculated for those above equity and for those below equity. It takes the Per Uninsured Inequity Funding Amount for a circuit and divides it by the sum of the total Per Uninsured Inequity Funding Amount for those who fall within the same ranking.  $\{A1/(A1+A2) = \% \text{ Above}\}$  or  $\{B1/(B1+B2) = \% \text{ Below}\}$
- M. Reallocation: For the purposes of this policy, a reallocation is a mandated realignment of funds from one Other Cost Accumulator (OCA) to another OCA in order to fund specific projects.
- N. Special Project/Proviso Funding: Funding that (1) DCF has identified as Proviso Project Funding on the Managing Entity Schedule of Funds marked for a particular NSP, Funding that the network does not have the ability to reassign; or (2) Funding that is not specifically contracted to an NSP but has a global purpose within one circuit because another circuit was not able to identify an agency to contract for those funds and is requested through the Central Florida Health Data System (CFHDS) (example: Transition Voucher Funding). A list of the Special Funding Other Cost Accumulators (OCAs) that are included as special funding (thus excluded from equity) can be found on the Agency SharePoint Portal (<https://cfnet.cfbhn.org/agency/Pages/Default.aspx>) under Agency Shared Documents → Equity → Exhibit A Equity OCAs.
- I.O. Total Inequity Funding Amount: This dollar amount is calculated by taking the Per Uninsured Inequity Ranking Percentage and multiplying it by the Disproportionate Amount to determine the total amount of the funding reduction to be taken in the Reduction Reallocation 1 for those above equity, and to determine the amount of the funding to be used as a funding increase for those below equity. ~~do ex.~~ →
- J. Statewide Funding: Funding for a service(s) that can be utilized by residents of all circuits.
- K. Total Adjusted DCF SAMH Non-Acute Care Funding: Funding that is equal to the current contracted DCF SAMH funding, less Special Project Funding, less Statewide Funding, less Total Adjusted DCF SAMH Acute Care Funding.
- Total Adjusted DCF SAMH Acute Care Funding: Funding to provide the covered services of Crisis Stabilization, Crisis Support/Emergency, and Substance Abuse Inpatient Detoxification, less Special Project Funding, less Statewide Funding in these specific covered services.

### Equity of Funding Policy (continued)

- M. Total Population: Civilian non-institutionalized population as reported by the US Department of Commerce United States Census Bureau.  
<http://factfinder2.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>

~~0.P.~~ Uninsured Population: No health insurance coverage population as reported by the US Department of Commerce United States Census Bureau  
<https://data.census.gov/cedsci/>  
<http://factfinder2.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=1>

~~P.O.~~ Weighted Ranking: The ranking of a Circuit divided by the sum of the ranking of all Circuits carried out to ~~6~~2 decimal places. {~~X1Ca/X1Ca+X2Cb+X3Ce+X4Cd+X5Ce+X6Cf~~}

## II. Funding Allocation

CFBHN staff ~~will~~ evaluate the intended purpose of the purchaser's funding (~~category~~by Other Cost Accumulator – OCA) and determine allocation according to this policy.

## III. Funding Excluded from the Equity Calculation

~~Non-recurring Funding Addition, Non-recurring Funding Reduction, Special Project/Proviso Funding as defined in Section I. N., and Statewide Funding are~~ is excluded from the Equity Calculation.

## IV. Equity Formula

~~A.~~ The following two categories will be established:

~~0. Acute Care~~ To include funding to provide services in the covered services of Crisis Stabilization, Crisis Support/Emergency, and Substance Abuse Inpatient Detoxification.

~~0. Non Acute Care~~ To include all funding, less that which is Acute Care funds.

~~G.A.~~ Each Circuit will be is ranked by ~~an~~ their “Total Adjusted DCF SAMH Acute Funding per Total Population” and a “Total adjusted DCF SAMH Non Acute Funding per Uninsured.”

~~1.~~ The “Total Adjusted DCF SAMH Acute Funding per Total Population” ranking will be calculated by dividing the Total Adjusted DCF SAMH Acute Care Funding by the Total Population.

~~3.1.~~ The “Total a Adjusted DCF SAMH Non Acute Funding per Uninsured” ranking will be is calculated by dividing the Total Adjusted DCF SAMH Non Acute Care Funding by the Uninsured Population.

~~H.~~ A The Mean Equity Ranking for Acute Care will be is calculated by dividing the “Total Adjusted DCF SAMH Acute Funding” for al Circuits by the Total Population in all of the circuits.

~~I.~~

~~J.B.~~ A Mean Ranking for Non Acute Care will be calculated by dividing the “Total Adjusted DCF SAMH Non Acute Funding” for all Circuits by the Uninsured Population in all Circuits.

~~K.C.~~ Equity is defined as achieving 7% above or below the Mean Equity Ranking, in each separate category using updated contract amounts, tThe ranking methodology is used to calculate revised rankings annually, each November and as needed after each contract amendment.

~~K.~~ New Funding will be is applied by allocating a portion (not to exceed 60%) of the New Funding total to each Circuit that falls below Equity and demonstrates a need and the ability to use the funding, and allocating tThe remainder will be allocated by the Inverse of the Weighted Ranking of each Circuit, in a proportion that allows each to reach 7% under the mean ranking. The intent is to bring all Circuits within equity as soon as possible. To carry this out, if 50% of

One-time, non-recurring funding will be reviewed by CFBHN staff and applied in a manner which CFBHN determines is in the best interest of the Network and the system of care.

**Equity of Funding Policy**  
(continued)

~~the new funding is not sufficient to raise below equity Circuits to within 7% of the mean, then CFBHN staff will determine and recommend a percentage of new funding, not to exceed 50%. The weighted ranking calculation can be adjusted to accommodate for rounding errors.~~

D. Funding Reductions/Reallocations will be applied in two separate steps to each Circuit by allocating the total funding reduction to each Circuit by the Weighted Ranking of each Circuit. Once the Per Uninsured Inequity Ranking Percentage has been calculated as defined in section I. L. above by taking the Per Uninsured Inequity Funding Amount for a circuit and dividing it by the sum of the total Per Uninsured Inequity Funding Amount for those who fall within the same ranking (shown in Columns F-H in the Examples below), it can be applied the Reduction Reallocation 1.

1. The weighted ranking calculation can be adjusted to accommodate for rounding errors. The first step in the reduction allocation (Reduction Reallocation 1) looks at those circuits who are outside of equity (either above or below) and assigns a funding adjustment by taking the Disproportionate Amount for each circuit and reallocating funding as identified by the following:
  - i. For those circuits above equity, an initial reduction will be taken by multiplying the Per Uninsured Inequity Ranking Percentage per Circuit (Column H in Examples below) by the Disproportionate Amount to identify the total reduction assigned to that circuit.
  - ii. For those circuits below equity, an initial increase to their funding will be added by multiplying the Per Uninsured Inequity Ranking Percentage per Circuit (Column H in Examples below) by the Disproportionate Amount to identify total increase assigned to that circuit.

Examples: In the tables below, n equals the row for circuits where calculations apply. In Table 1, calculations are only completed for circuits above or below equity.

Table 1: Calculation of the Per Uninsured Inequity Ranking Percentage and Reduction Reallocation 1

Notes: Equity amount used is \$248.92; 7% above is \$266.34, and 7% below is \$231.50  
In the table below, the Disproportionate Amount is 25% of \$1,000,000

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>	<u>I</u>	<u>J</u>
<u>Circuit</u>	<u>Uninsured Population</u>	<u>Adjusted Funding</u>	<u>Funding Per Person</u>	<u>Current Ranking</u>	<u>Inequity Amount (per Uninsured)</u> <u>Above = Column D - \$266.34</u> <u>Below = Column D - \$231.50</u>	<u>Per Uninsured Inequity Funding Amount (total dollars) (Fn * Bn)</u>	<u>Per Uninsured Inequity Ranking Percentage (Gn/(Gn1+ Gn2))</u>	<u>Reduction Reallocation 1 calculation</u>	<u>Reduction Reallocation 1 Total</u>
Circuit X1	59,805	\$14,525,390	\$242.88	Equity	\$0	\$0	0.00%	\$0.00	\$0.00
Circuit X2	108,457	\$31,300,833	\$288.60	Above	\$22.26	\$2,414,253	78.40%	= -(HX2) * \$250,000	(\$195,996)
Circuit X3	102,825	\$24,807,552	\$241.27	Equity	\$0	\$0	0.00%	\$0.00	\$0.00
Circuit X4	100,033	\$27,308,330	\$272.99	Above	\$6.65	\$665,219	21.60%	= -(HX4) * \$250,000	(\$54,004)
Circuit X5	178,122	\$42,731,460	\$239.90	Equity	\$0	\$0	0.00%	\$0.00	\$0.00
Circuit X6	193,781	\$43,948,812	\$226.80	Below	(\$4.70)	(\$910,771)	100.00%	= (HX6) * \$250,000	\$250,000

2.2. The second step in the reduction allocation (Reduction Reallocation 2) removes the actual funding reduction from all circuits. The reduction for each Circuit divides the total reduction amount by the total Uninsured Population for the region, and multiplies that times the Uninsured Population for the Circuit to calculate the reduction applicable to each circuit (Column K).

Table 3: Reduction Reallocation 2 and Total Reduction

A	B	K	L
Circuit	Uninsured Population	Reduction Reallocation 2 Total -(\$1,000,000/(Sum B1-B6)) * Column B	Total Reduction (Column J + Column K)
Circuit X1	59,805	\$(80,489)	\$(80,489)
Circuit X2	108,457	\$(145,967)	\$(341,963)
Circuit X3	102,825	\$(138,387)	\$(138,387)
Circuit X4	100,033	\$(134,630)	\$(188,634)
Circuit X5	178,122	\$(239,726)	\$(239,726)
Circuit X6	193,781	\$(260,801)	\$(10,801)

2.3. Reduction Reallocation 1 and Reduction Reallocation 2 added together equal the total reduction to be taken for each circuit (Column L).

3.4. Examples of scenarios include, but are not limited to:

- i. Reduction of base funding to fund a special project in a specific county
  - ii. Reduction of base funding to fund a special project in multiple counties
- CFBHN staff will assign the reductions/reallocations. CFBHN staff may consult other stakeholders for input on funding changes.

If a reduction in funding from an OCA does not impact all circuits, CFBHN staff will review utilization and need to determine where reductions should be made. All other OCA reductions will be made following the equity formulas.

E. If funding is available beyond the scope of this policy, CFBHN staff may bring a recommendation to the Board for approval.

0.F. After Equity is achieved throughout the network, funding adjustments will continue to follow the CFBHN Equity of Funding Procurement Policy. Equity calculations will continue to be monitored by CFBHN staff and reported to the Board QI committee, at least annually, to make a recommendation to the Board of Directors to ensure maintain network equity.

<p>CFBHN Policy – Equity of Funding Policy</p> <p>Approval: _____ Linda McKinnon, President/Chief Executive Officer</p>	<p>Date Issued: <u>10/25/13</u></p> <p>Last Revision: <u>06/05/18</u></p> <p>Review Date: <u>06/04/19</u></p>
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