

Allocation of Funding

Policy

Central Florida Behavioral Health Network, Inc. (CFBHN) makes decisions regarding the distribution and management of Department of Children and Families (DCF) contracted funds in a consistent and efficient manner, and in consideration of all parties involved.

Purpose

Guided by this policy, CFBHN strives to achieve fair and balanced funding 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/Member Project.
- B. Base Funding: The total funding in a Network Service Provider (NSP) contract, excluding Special Project/Member Project funding as defined in this section.
- C. Disproportionate Amount: A selected percentage (up to 25%) of the funding reduction used to bring circuits closer to the mean by taking an initial reduction from those above the mean and applying an increase to those below the mean prior to taking the full reduction from all circuits.
- D. Funding Reduction: A funding reduction that DCF has not earmarked for a particular NSP or service.
- E. 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 2 decimal places. $\{(1-X1)/(1-X1)+(1-X2)+(1-X3)+(1-X4)+(1-X5)+(1-X6)\}$
- F. LAPSE Funding: Funding reduced from a contract due to the inability to earn the dollars.
- G. 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.
- H. New Funding: Additional funding that DCF has not earmarked for a particular NSP or service.
- I. Per Uninsured Unbalanced Funding Amount: This dollar amount takes the Per Uninsured Unbalanced 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 average range.
- J. Per Uninsured Unbalanced Ranking Percentage: This percentage is calculated for those above and below the mean. It takes the Per Uninsured Unbalanced Funding Amount for a circuit and divides it by the sum of the total Per Uninsured Unbalanced Funding Amount for those who fall within the same ranking. $\{A1/(A1+A2) = \% \text{ Above}\}$ or $\{B1/(B1+B2) = \% \text{ Below}\}$
- K. 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.

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- L. Special Project/Member Project Funding: Funding that (1) DCF has identified as Member Project Funding on the Managing Entity Schedule of Funds or (2) Funding that is not specifically contracted to an NSP but has a global purpose and is requested through the Carisk Portal (example: Transition Voucher Funding). A list of the Special Funding Other Coast Accumulators (OCAs) that are included as special funding (thus excluded from equity) can be found on the Agency SharePoint Portal (<https://cfbhn.sharepoint.com/sites/agencyportal>) under Agency Shared Documents - Equity - Exhibit A -Equity OCAs.
- M. Total Unbalanced Funding Amount: This dollar amount is calculated by taking the Per Uninsured Unbalanced 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 the mean, and to determine the amount of the funding to be used as a funding increase for those below the mean.
- N. Uninsured Population: No health insurance coverage population as reported by the US Department of Commerce United States Census Bureau <https://data.census.gov/cedsci/>
- O. Weighted Ranking: The ranking of a Circuit divided by the sum of the ranking of all Circuits carried out to 2 decimal places. $\{X1/X1+X2+X3+X4+X5+X6\}$

II. Funding Allocation

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

III. Funding Excluded from the Allocation Calculation

- A. Special Project/Member Project Funding as defined in Section I. L. is excluded from the calculation.
- B. Purchase agreements with contractors that serve the entire network are excluded from the calculations.

IV. Calculation Formula

- A. Each Circuit is ranked by their “Adjusted Funding per Uninsured. The “Adjusted Funding per Uninsured” ranking is calculated by dividing the Adjusted Funding by the Uninsured Population.
- B. The Mean Ranking is calculated by dividing the “Adjusted Funding” for all Circuits by the Uninsured Population in all Circuits.
- C. Balanced funding is defined as achieving 7% above or below the Mean Ranking. The ranking methodology is used to calculate revised rankings annually, each November and as needed.

New Funding is applied by allocating a portion (not to exceed 60%) of the New Funding total to each Circuit that falls below the average and demonstrates a need and the ability to use the funding. The remainder will be allocated by the Inverse of the Weighted Ranking of each Circuit. 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.

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D. Funding Reductions/Reallocations are applied in two separate steps once the Per Uninsured Unbalanced Ranking Percentage has been calculated. above by taking the Per Uninsured Unbalanced Funding Amount for a circuit and dividing it by the sum of the total Per Uninsured Unbalanced 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 first step in the reduction allocation (Reduction Reallocation 1) looks at those circuits who are outside of the mean (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:
 - a. For those circuits above the mean, an initial reduction will be taken by multiplying the Per Uninsured Unbalanced Ranking Percentage per Circuit (Column H in Examples below) by the Disproportionate Amount to identify the total reduction assigned to that circuit.
 - b. For those circuits below the mean, an initial increase to their funding will be added by multiplying the Per Uninsured Unbalanced 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 the mean.

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

Notes: Balanced 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.

A	B	C	D	E	F	G	H	I	J
Circuit	Uninsured Population	Adjusted Funding	Funding Per Person	Current Ranking	Inequity Amount (per Uninsured) Above = Column D - \$266.34 Below = Column D - \$231.50	Per Uninsured Inequity Funding Amount (total dollars) (Fn * Bn)	Per Uninsured Inequity Ranking Percentage (Gn/(Gn1+ Gn2))	Reduction Reallocation 1 calculation	Reduction Reallocation 1 Total
Circuit X1	59,805	\$14,525,390	\$242.88	Balanced	\$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	Balanced	\$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	Balanced	\$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. 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).

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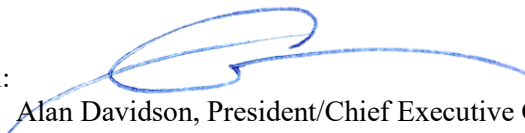
Table 3: Reduction Reallocation 2 and Total Reduction

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)

3. Reduction Reallocation 1 and Reduction Reallocation 2 added together equal the total reduction to be taken for each circuit (Column L).
4. Examples of scenarios include, but are not limited to:
 - a. Reduction of base funding to fund a special project in a specific county
 - b. Reduction of base funding to fund a special project in multiple counties
5. CFBHN staff will assign the reductions/reallocations. CFBHN staff may consult other stakeholders for input on funding changes.
6. 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 formulas in this policy as applicable.
- E. If funding is available beyond the scope of this policy, CFBHN staff may bring a recommendation to the Board for approval.
- F. After Balance is achieved throughout the network, funding adjustments will continue to follow the CFBHN Allocation of Funding Policy. 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 maintain network balance.

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Approval:


Alan Davidson, President/Chief Executive Officer

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