



County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County

DATE: JUN 01 2012

TO: Board of Supervisors

FROM: Edward Long Jr.
County Executive

SUBJECT: Fairfax-Falls Church Community Services Board (CSB) Fiscal Update

Staff has been working to investigate the key financial issues that are contributing factors to the shortfall within Fairfax-Falls Church Community Services Board's (CSB) and to develop a plan to address the short and long-term requirements for ongoing sustainability. I have heard from a number of Board members with suggestions including adding external expertise and audit review to the process and I am incorporating these conversations in to our ongoing work. The CSB is a large department that provides a diverse array of services with a complex funding and revenue structure comprised of federal, state, and local funding, with Medicaid, private insurance, and consumer fees as revenues. The complexity of the CSB has been further amplified by the recommended enhancements set forth in the Josiah H. Beeman Commission report and the CSB's subsequent transformation designed to implement the Beeman recommendations. As such, a variety of internal and external audit and review strategies must be employed to assist the county and the CSB in identifying opportunities for policy and practice improvements.

In addition to the Board action taken on May 22, 2012 regarding the CSB's Interim Actions and Plan to address the projected FY 2012 and FY 2013 budget shortfalls, including the process being implemented to prioritize, review and evaluate the proposed CSB cuts, I have directed the Department of Management and Budget (DMB), the Department of Administration for Human Services (DAHS), and the Community Services Board to work together under the leadership of Deputy County Executive Patricia Harrison and Chief Financial Officer Susan Datta to address fiscal and accountability concerns raised by Board members. I intend to provide the Board a more specific plan that will outline our approach for addressing the CSB's fiscal and accountability issues within the next three weeks. The plan will concentrate on concerns related to cost effective service delivery models; financial management oversight; revenue collections, including Medicaid, private insurance, and consumer fees; outsourcing opportunities; and provider rate negotiation processes.

We intend to include the expertise of a variety of sources including the Auditor to the Board, revenue maximization consultants, and County Staff.

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Suggestions for Auditor to the Board Assistance

As part of the plan, I have identified two specific areas in which the Board's auditor could provide assistance.

1. Conduct a cost/benefit analysis of the current CSB contracting and billing strategies
2. Analyze existing co-pay and fee-for-service policies and practices to identify potential enhancements.

Outside Consultant Support

In addition to these areas for investigation, Patricia Harrison and Susan Datta have identified funds within the human service system to employ the services of expert consultants to: 1) provide analysis of human service practices as they relate to Medicaid maximization and, 2) recommend cost containment strategies (policies and service delivery models) for day support and early intervention services.

Unless otherwise directed, I suggest that the Board direct the Auditor of the Board to examine the two specific areas noted above. In addition, we will proceed with contracting with expert consultants on the latter two issues and to incorporate these two strategies within their overall work plan for addressing the CSB's fiscal and accountability concerns.

Internal Staff work

Supplementing existing financial and budget expertise supporting the CSB, resources from DAHS and DMB are being committed, and we will also continue the ongoing meetings to identify financial management strategies, specific cuts and work with the CSB Board in support of its fiscal oversight role.

Human Services Council/CSB Budget Review Work Group

As a reminder, the Board directed the Human Services Council (HSC) to facilitate a public review process to prioritize, review and evaluate the impact of the CSB's proposed Budget Management Plan. A joint HSC/CSB budget review work group was created and they have developed a public input process that includes public meetings and an on line comment process. Using input received and an analysis of the proposed reductions on the system of services, the HSC will present their recommendations to the Board of Supervisors at the July 24, 2012, Human Services Committee meeting of the Board. Attached is the HSC's communication that outlines the process for public input.

Attachment: Human Service Council letter and schedule of public input dates

cc: Patricia Harrison, Deputy County Executive
Susan Datta, Chief Financial Officer/Director, Department of Management and Budget
George E. Braunstein, Executive Director, Fairfax-Falls Church Community Services Board
M. Gail Ledford, Director, Department of Administration for Human Services