

Schedule 1

2021 Budget - Supplemental Appropriations and Contingency Transfer

<u>SUPPLEMENTAL APPROPRIATIONS</u>			<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Description</u>	<u>Amount</u>
1.	Hennepin Health	REVENUE	30	312222	44277	Fees for Services	\$ 64,815,000
		EXPENSE	30	312222	53222	Services	\$ 64,815,000

Explanation: The main drivers for the \$64.8M over budget, all of which is covered by favorable revenue:

- 1) higher than budgeted enrollment due to the continuation of the federal health emergency (2021 actual enrollment was 34,400 versus a budgeted 27,500 members),
- 2) higher than budgeted ACO gain share (2021 revenue was \$329M compared to the budgeted \$276M. The large ACO gain share of \$45M was driven by the increased revenue, along with continued low medical utilization.
- 3) Hennepin Health's medical expenditures were \$57M compared to the budgeted \$45M, and the 2021 actual medical expenditure was \$254M versus a budgeted \$238M.

CONTINGENCY TRANSFER

1.	Transfer from: Contingency	Expense	10	785000	58900	Miscellaneous-General	\$ 500,000
	Transfer to: Medical Examiner	Expense	10	330000	49950	Miscellaneous-General	\$ 500,000

In 2021, the Medical Examiner's Office experienced a budget overage of \$500,000 resulting from several contributing factors:

The department's transition to a new case management system was delayed from FY2020 until Q3 2021. The funds allocated to this project could not be encumbered due to the increased caseloads experienced in 2020, resulting in a cost overrun in 2021 of \$150,000.

The ME Backfile project - digitizing historical records that could not be transferred to the new medical examiner facility - experienced a cost overrun of \$40,000 associated with work performed by the County IT Central Imaging that was not accounted for in the budget.

Caseloads in 2021 continued to remain at records levels, with a 6% increase over 2020 for total cases accepted. Accidental deaths were up 13% overall, primarily due to increases in motor vehicle (23%) and overdose (21%) related deaths. Similarly, homicides and undetermined deaths increased by 13% and 34%, respectively. The cumulative effect of the increases in unnatural deaths results in an increase in scene visits, bodies transported, autopsies performed, and laboratory testing. The increased number of bodies transported to the medical examiner's office resulted in the overage of \$130,000 associated with contracted transport services.

Additionally, the increases in total autopsies, specifically unnatural deaths resulted in an overage of \$180,000 in laboratory services and other smaller miscellaneous services contributed to the 2021 overage.