

Program 030

**DSHS - Mental Health**

**Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2015-17 Expenditure Authority</b>	2,940.3	1,063,347	1,224,289	2,287,636
<b>Supplemental Changes</b>				
Data Consolidation Projects for BHOs	2.0	300	201	501
Hospital Revenue Adjustment		5,869	(5,869)	
CMS Managed Care Regulation Mailing		844	562	1,406
Facility Maintenance Costs		243		243
FMAP Changes		49	(49)	
L&I Settlement Agreement	11.2	2,151		2,151
Regulatory Compliance		5,038		5,038
Individual and Family Services		685	687	1,372
Mental Health Rate Adjustment		58,632	216,760	275,392
Expand Crisis Triage Beds		5,172	2,628	7,800
Expand Mobile Crisis Teams		3,074	936	4,010
Diversion Task Force	1.0	250		250
Housing Support and Step-Down Svcs		2,762		2,762
Peer Bridging Programs		1,760		1,760
State Hospital RN Staff	27.2	6,766		6,766
UW Psychiatry Collaboration		500		500
Oversight and Reporting Consultant		260		260
On-Site Safety Compliance Officer	1.0	135		135
IFS Health Care Costs		685	687	1,372
Mental Health One-time Savings		(8,600)		(8,600)
Transitional Support for WSH		11,000		11,000
Mental Health Block Grant Authority			3,000	3,000
Increased Federal Authority			1,100	1,100
Hepatitis C Treatment Adjustment		(1,460)		(1,460)
Lean Management Practices		(1,936)		(1,936)
Psychiatrist Workload Study		250		250
Technical Corrections		146	11	157
State Data Center Adjustments		20	2	22
Food and Medical Adjustments		230		230
Workers' Compensation Changes		(669)	(49)	(718)
Mandatory Caseload Adjustments		(57,812)	(128,560)	(186,372)
Equipment Replacement Costs		46		46
Transfers	(8.7)	(1,799)	(109)	(1,908)
Unilateral ESH & WSH Compensation		2,148	188	2,336
Physicians WSH and ESH - Coalition		4,491	456	4,947
Mental Health Supplemental Agreements		5,948	522	6,470
<b>Subtotal - Supplemental Changes</b>	<b>33.7</b>	<b>47,178</b>	<b>93,104</b>	<b>140,282</b>
<b>Total Proposed Budget</b>	<b>2,974.0</b>	<b>1,110,525</b>	<b>1,317,393</b>	<b>2,427,918</b>

## HUMAN SERVICES - DSHS

	Annual FTEs	General Fund State	Other Funds	Total Funds
Difference	33.7	47,178	93,104	140,282
Percent Change	1.1%	4.4%	7.6%	6.1%

## SUPPLEMENTAL CHANGES

### Data Consolidation Projects for BHOs

To support the purchasing and delivery of mental health and substance use disorder treatment services at Behavioral Health Organizations (BHOs), the Behavioral Health and Service Integration Administration (BHSIA) will develop and implement a data store integrating information and management. FTE staff, hardware and software licenses, and external consulting will allow BHSIA to accept data transmission from the BHOs and monitor and evaluate outcomes. (General Fund-State, General Fund-Federal)

### Hospital Revenue Adjustment

State, federal, and local appropriations are adjusted to reflect variation in expected federal and local revenues. Revenue projections of inpatient contributions and Medicaid earnings are based on a twelve-month average. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

### CMS Managed Care Regulation Mailing

In compliance with federal managed care regulations and the 1915(b) federal managed care waiver, all Medicaid enrollees will receive notification of the changes to their behavioral health rights and benefits prior to Behavioral Health Organization implementation on April 1, 2016, with new enrollees receiving notification thereafter. Funding is provided for the development of communication materials, printing, and mailing services. (General Fund-State, General Fund-Federal)

### Facility Maintenance Costs

One-time funding is provided for equipment, goods and services in order to resolve building component, steam plant, wastewater treatment and grounds deficiencies that are beyond the scope of ordinary maintenance but lower than the threshold for capital projects.

### FMAP Changes

State and federal funds are adjusted to reflect changes in federal matching percentages for individuals who are newly eligible for Medicaid under the Affordable Care Act. (General Fund-State, General Fund-Federal)

### L&I Settlement Agreement

In response to citations by the Department of Labor and Industries, funding and 11.5 FTE staff are provided to meet one of the recommendations of the Ad Hoc Safety Committee. DSHS will backfill staffing on the wards at Western and Eastern State Hospitals while staff complete additional annual training hours. Additional targeted and consistent training at both state hospitals will move the agency toward its goal of sustaining a safe environment for staff and patients.

### Regulatory Compliance

In response to recommendations made by The Joint Commission on Hospital Accreditation and negative audit findings from the Centers for Medicare and Medicaid Services, 38 new FTE staff are added to provide regulatory compliance and improve maintenance support. Completing necessary maintenance projects will ensure resident safety and maintain the accreditation necessary to receive federal funds for Western and Eastern State Hospitals.

### Individual and Family Services

Legislation was enacted in 2014 that directed the Department of Social and Health Services to convert 2,500 existing state-only Individual and Family Services (IFS) program clients to a Medicaid waiver, and expand services to an additional 4,000 clients with developmental disabilities. This brings the IFS waiver caseload to 6,500 clients, with a phase-in of clients beginning in June 2015 and to be completed prior to June 30, 2017. Under the new Medicaid program, an estimated 2,000 clients are eligible for health care services, which were not previously accounted for in the enacted budget. Funding is provided for these clients to be enrolled in managed care at an actuarially adjusted rate of \$825.89 per member per month. (General Fund-State, General Fund-Federal)

### Mental Health Rate Adjustment

Beginning April 1, 2016, all mental health and substance use disorder services will be integrated and purchased under managed care, requiring a combined Behavioral Health Organization (BHO) rate. Under federal Medicaid law, rate ranges must be developed by an independent actuary and certified as being actuarially sound. State and federal funding for Regional Support Networks and BHOs are adjusted to reflect changes in the actuarial rate ranges related to mental health services. The increased rates are largely due to case mix and utilization factors, as well as incorporating chemical dependency services into a managed care setting in the BHOs versus a fee-for-service system. (General Fund-State, General Fund-Federal)

### Expand Crisis Triage Beds

Four new sixteen-bed crisis triage facilities are funded with two facilities located in western Washington and two facilities in eastern Washington. Each facility will be designed to assess, diagnose and treat individuals experiencing an acute mental health crisis without the use of long-term hospitalization. (General Fund-State, General Fund-Federal)

### Expand Mobile Crisis Teams

The Behavioral Health and Service Integration Administration will implement three new mobile crisis teams and expand outreach and engagement activities for all mobile crisis teams. Each mobile crisis team will provide mental health services to stabilize individuals in crisis to prevent further deterioration and provide immediate treatment and intervention in a location best suited to meet the needs of the individual. Services will be provided in the least restrictive environment available 24 hours per day, seven days a week. (General Fund-State, General Fund-Federal)

### Diversion Task Force

One FTE staff is provided to support a Diversion Task Force focused on preventing people with mental illness (and issues related to competency to stand trial) from entering jails and prisons.

### Housing Support and Step-Down Svcs

Funding is provided for the Behavioral Health and Service Integration Administration to implement four new housing and recovery services teams. Each team will provide supportive housing services and short-term rent assistance for individuals exiting inpatient behavioral health treatment services or at risk of entering inpatient behavioral health services.

### Peer Bridging Programs

Twenty-two Peer Bridge FTE staff are added to the regional support network state psychiatric hospital liaison teams. These team members will assist in hospital discharge planning activities and help promote service continuity as individuals return to their communities, by enhancing long-term recovery and reducing hospital re-admissions.

## **HUMAN SERVICES - DSHS**

### **State Hospital RN Staff**

Fifty-one additional registered nurses are added to increase the total number of nurses on day and evening shifts at Western State Hospital. This increase will improve staff and patient safety, as well as the care provided to residents.

### **UW Psychiatry Collaboration**

DSHS will contract with the University of Washington Department of Psychiatry and Behavioral Sciences to conduct analysis and develop a plan to create a high quality forensic teaching unit in collaboration with Western State Hospital. The plan will include an appraisal of risks, barriers and benefits to implementation, as well as an implementation timeline. The University of Washington will report to the department, the Office of Financial Management, and relevant legislative policy and fiscal committees on its findings and recommendations by November 1, 2017.

### **Oversight and Reporting Consultant**

The Department of Social and Health Services will contract with an external consultant to improve hospital performance by examining issues related to creating a sustainable culture of wellness and recovery, increased responsiveness to patient needs, and general quality improvement.

### **On-Site Safety Compliance Officer**

A safety and compliance officer, stationed at Western State Hospital, is funded to provide oversight and accountability of the hospital's response to workplace safety concerns.

### **IFS Health Care Costs**

Legislation was enacted in 2014 that directed the Department of Social and Health Services to convert 2,500 existing state-only Individual and Family Services (IFS) program clients to a Medicaid waiver, and expand services to an additional 4,000 clients with developmental disabilities. This brings the IFS waiver caseload to 6,500 clients, with a phase-in of clients beginning in June 2015 and to be completed prior to June 30, 2017. Under the new Medicaid program, an estimated 4,600 clients are eligible for health care services, which were not previously accounted for in the enacted budget. Funding is provided for these clients to be enrolled in managed care at an actuarially adjusted rate of \$825.89 per member per month. (General Fund-State, General Fund-Federal)

### **Mental Health One-time Savings**

One-time savings are achieved as a result of delayed implementation of single bed certification, non-felony diversion, a competency restoration and civil ward at Western State Hospital, and the Psychiatric Intensive Care Unit at Eastern State Hospital. This one-time savings is reinvested in mental health.

### **Transitional Support for WSH**

One-time funding is provided in fiscal year 2016 to address actions taken by The Department of Social and Health Services. These actions were necessitated by an emergency and imminent jeopardy determination by the Centers for Medicare and Medicaid Services that relates to the safety and health of clients and employees at Western State Hospital.

### **Mental Health Block Grant Authority**

Federal expenditure authority is increased to match anticipated federal revenue for the Mental Health Block Grant, which provides comprehensive, community-based mental health services to adults and children. (General Fund-Federal)

**Increased Federal Authority**

Federal expenditure authority is increased to match anticipated federal revenue. (General Fund-Federal)

**Hepatitis C Treatment Adjustment**

Funding is reduced due to lower-than-anticipated treatment costs for the hepatitis C virus (HCV). The Department of Social and Health Services originally projected that HCV treatment would be provided to approximately 16 Medicaid patients by June 2015. Treatment has been provided to approximately 3 Medicaid HCV patients to date.

**Lean Management Practices**

Chapter 4, Laws of 2015, 3rd Special Session directs the Office of Financial Management to reduce agency allotments in the 2015-17 biennium to reflect efficiency savings. The reduced appropriations associated with the efficiency savings are reflected in agency budgets, and the corresponding reduction in the back of the budget is reversed.

**Psychiatrist Workload Study**

The Department of Social and Health Services will contract with an academic or independent consultant to examine the current clinical role of psychiatrists at the state psychiatric hospitals. Analyses will include examination of the clinical models of care, including the use of interdisciplinary health care teams. The consultant will report to the department, the Office of Financial Management, and relevant legislative policy and fiscal committees on its findings and recommendations by November 1, 2016.

**Technical Corrections**

Adjustments for variances found in the reconciliation of multiple budget steps, including compensation for Administrative, Information Support Services Division and Consolidated Field Services staff who were inadvertently left out of the compensation impact model; leased facilities that were incorrectly funded at the carry-forward level of the budget; and net zero, category transfers between agency programs. (General Fund-State, General Fund-Federal)

**State Data Center Adjustments**

Pursuant to RCW 43.41A.150, the Department of Social and Health Services completed migration of information technology (IT) servers to the State Data Center, which provides critical IT infrastructure and security. Funding is provided for the increase in facility charges. (General Fund-State, General Fund-Federal)

**Food and Medical Adjustments**

Funding is provided to cover increased food and medical costs at the department's institutional programs. Adjustments are based on the five-year historical spending of each facility.

**Workers' Compensation Changes**

The agency's budget is adjusted to reflect increased workers' compensation rates. (General Fund-State, various other accounts)

**Mandatory Caseload Adjustments**

Funding is adjusted based on the expected impact of changes in the November 2015 forecast by the State Forecast Council. (General Fund-State, General Fund-Federal)

## **HUMAN SERVICES - DSHS**

### **Equipment Replacement Costs**

Funding is provided to replace furniture, medical, kitchen and other equipment necessary to maintain the health, safety and security of residents and staff at the department's institutional programs. Major equipment purchases include nursing call systems and electronic key control systems necessary to bring the developmental disability facilities into compliance with federal regulations.

### **Transfers**

Funding and FTE staff are transferred, with a net effect of zero, between Department of Social and Health Services programs to reflect where the costs are incurred. (General Fund-State, General Fund-Federal)

### **Unilateral ESH & WSH Compensation**

Funding is provided for the unilateral implementation of targeted job classification compensation at Western State Hospital (WSH) and Eastern State Hospital (ESH), effective December 1, 2015. (General Fund-State, General Fund-Federal)

### **Physicians WSH and ESH - Coalition**

Funding is provided for a 10 percent increase in group C assignment pay for Physician 3, Physician 4 and Psychiatrist classifications at Western State Hospital (WSH) and Eastern State Hospital (ESH), effective December 1, 2015. (General Fund-State, General Fund-Federal)

### **Mental Health Supplemental Agreements**

This item reflects the cost of fiscal year 2017 adjustments for positions that would be covered by a separate collective bargaining agreement. (General Fund-State, General Fund-Federal)