

Table of Contents ¹

¹ Table of contents introduced for ease of navigation on the web.

Section 1: Budget Recommendation Summary

Section 2: Maintenance Level

Recommendation Summary

Decision Packages

M1-0U	Forecast Cost/Utilization
M1-93	Mandatory Caseload Adjustments
M2-42	SOLA
M2-43	Rekhter Decision
M2-8M	Mileage Rate Adjustments
M2-8P	Postage Rate Adjustments
M2-8V	Building Access Control System
M2-8X	Facility Maintenance Costs
M2-9G	Workers Comp Base Correction
M2-9T	Transfers
M2-DA	Utilization of Residential
M2-TM	RHC Medicaid Compliance

Section 3: Policy Level

Recommendation Summary

Decision Packages

PL-4Q	Community Res Rate Adjustments
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**Developmental
Disabilities
Administration
Program 040**

DSHS Budget Division

Recommendation Summary

DSHS Budget Division

Recommendation Summary

Budget Period:2013-15

Version: D3 - 040 2013-15 Final 2015 Sup

Budget Level Criteria: ALL

Dollars in Thousands		Agency Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
M1 - Mandatory Caseload and Enrollment Changes						
0U	Forecast Cost/Utilization	0	0.0	(158)	(365)	(523)
93	Mandatory Caseload Adjustments	0	0.0	(1,864)	(1,838)	(3,702)
SubTotal M1			0.0	(2,022)	(2,203)	(4,225)
Cumulative Total Thru M1			0.0	(2,022)	(2,203)	(4,225)
M2 - Inflation and Other Rate Changes						
42	SOLA	0	6.5	566	522	1,088
43	Rekhter Decision	0	0.0	10,973	10,973	21,946
8M	Mileage Rate Adjustments	0	0.0	26	17	43
8P	Postage Rate Adjustments	0	0.0	9	4	13
8V	Building Access Control System	0	0.0	12	8	20
8X	Facility Maintenance Costs	0	0.0	46	32	78
9G	Workers Comp Base Correction	0	0.0	1,002	696	1,698
9T	Transfers	0	0.0	424	355	779
DA	Utilization of Residential Services	0	0.0	2,714	1,137	3,851
TM	RHC Medicaid Compliance	0	4.5	1,544	655	2,199
SubTotal M2			11.0	17,316	14,399	31,715
Cumulative Total Thru M2			11.0	15,294	12,196	27,490
PL - Performance Level						
4Q	Community Res Rate Adjustments	0	0.0	3,915	3,920	7,835
SubTotal PL			0.0	3,915	3,920	7,835
Cumulative Total Thru PL			11.0	19,209	16,116	35,325
Total Proposed Budget			11.0	19,209	16,116	35,325

**Recommendation
Summary
by Category**

DSHS Budget Division

Recommendation Summary

Budget Period:2013-15

Version: D3 - 040 2013-15 Final 2015 Sup

Budget Level Criteria: ALL

Dollars in Thousands		Program Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
Program 040 - Div of Developmental Disabilities						
SubProgram 1000 - Community Services						
M1 - Mandatory Caseload and Enrollment Changes						
0U	Forecast Cost/Utilization	0	0.0	(158)	(365)	(523)
93	Mandatory Caseload Adjustments	0	0.0	(1,864)	(1,838)	(3,702)
SubTotal M1			0.0	(2,022)	(2,203)	(4,225)
Cumulative Total Thru M1			0.0	(2,022)	(2,203)	(4,225)
M2 - Inflation and Other Rate Changes						
42	SOLA	0	6.5	566	522	1,088
8M	Mileage Rate Adjustments	0	0.0	26	17	43
8P	Postage Rate Adjustments	0	0.0	4	2	6
8V	Building Access Control System	0	0.0	12	8	20
9G	Workers Comp Base Correction	0	0.0	149	103	252
9T	Transfers	0	1.5	80	67	147
DA	Utilization of Residential Services	0	0.0	2,714	1,137	3,851
TM	RHC Medicaid Compliance	0	0.0	692	156	848
SubTotal M2			8.0	4,243	2,012	6,255
Cumulative Total Thru M2			8.0	2,221	(191)	2,030
PL - Performance Level						
4Q	Community Res Rate Adjustments	0	0.0	3,915	3,920	7,835
SubTotal PL			0.0	3,915	3,920	7,835
Cumulative Total Thru PL			8.0	6,136	3,729	9,865
Total Proposed Budget for SubProgram 1000 - Community Services			8.0	6,136	3,729	9,865

Recommendation Summary

Budget Period:2013-15
 Budget Level Criteria: ALL

Version: D3 - 040 2013-15 Final 2015 Sup

Dollars in Thousands	Program Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds	
Program 040 - Div of Developmental Disabilities						
SubProgram 2000 - Resident Habilitation Svc						
M2 - Inflation and Other Rate Changes						
8P	Postage Rate Adjustments	0	0.0	4	1	5
8X	Facility Maintenance Costs	0	0.0	46	32	78
9G	Workers Comp Base Correction	0	0.0	852	592	1,444
9T	Transfers	0	0.0	130	109	239
TM	RHC Medicaid Compliance	0	4.5	852	499	1,351
	SubTotal M2		4.5	1,884	1,233	3,117
	Cumulative Total Thru M2		4.5	1,884	1,233	3,117
Total Proposed Budget for SubProgram 2000 - Resident Habilitation Svc			4.5	1,884	1,233	3,117

Recommendation Summary

Version: D3 - 040 2013-15 Final 2015 Sup

Budget Period:2013-15
 Budget Level Criteria: ALL

Dollars in Thousands	Program Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
Program 040 - Div of Developmental Disabilities					
SubProgram 9000 - Program Support					
M2 - Inflation and Other Rate Changes					
43	Rekhter Decision	0	10,973	10,973	21,946
8P	Postage Rate Adjustments	0	1	1	2
9G	Workers Comp Base Correction	0	1	1	2
9T	Transfers	0	214	179	393
	SubTotal M2	0.0	11,189	11,154	22,343
	Cumulative Total Thru M2	0.0	11,189	11,154	22,343
PL - Performance Level					
4Q	Community Res Rate Adjustments	0	0	0	0
	SubTotal PL	0.0	0	0	0
	Cumulative Total Thru PL	0.0	11,189	11,154	22,343
Total Proposed Budget for SubProgram 9000 - Program Support		0.0	11,189	11,154	22,343

Maintenance Level

DSHS Budget Division

Recommendation Summary

Budget Period: 2013-15

Version: D3 - 040 2013-15 Final 2015 Sup

Budget Level Criteria: M1+M2

Dollars in Thousands		Agency Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
M1 - Mandatory Caseload and Enrollment Changes						
0U	Forecast Cost/Utilization	0	0.0	(158)	(365)	(523)
93	Mandatory Caseload Adjustments	0	0.0	(1,864)	(1,838)	(3,702)
SubTotal M1			0.0	(2,022)	(2,203)	(4,225)
M2 - Inflation and Other Rate Changes						
42	SOLA	0	6.5	566	522	1,088
43	Rekhter Decision	0	0.0	10,973	10,973	21,946
8M	Mileage Rate Adjustments	0	0.0	26	17	43
8P	Postage Rate Adjustments	0	0.0	9	4	13
8V	Building Access Control System	0	0.0	12	8	20
8X	Facility Maintenance Costs	0	0.0	46	32	78
9G	Workers Comp Base Correction	0	0.0	1,002	696	1,698
9T	Transfers	0	0.0	424	355	779
DA	Utilization of Residential Services	0	0.0	2,714	1,137	3,851
TM	RHC Medicaid Compliance	0	4.5	1,544	655	2,199
SubTotal M2			11.0	17,316	14,399	31,715
Total Proposed M1+M2 Budget			11.0	15,294	12,196	27,490

Department of Social and Health Services

DP Code/Title: M1-0U Forecast Cost/Utilization
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

Recommendation Summary Text:

The Developmental Disabilities Administration (DDA), requests (\$523,000) Total Funds and (\$158,000) GF State to reflect changes in the utilization of personal care services.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	(158,000)	(158,000)
001-C General Fund - Basic Account-Medicaid Federal	0	(365,000)	(365,000)
Total Cost	0	(523,000)	(523,000)

Staffing

Package Description:

DDA requests (\$523,000) Total Funds and (\$158,000) GF State to reflect changes in the utilization of personal care services within DDA. This request utilizes the June 2014 Forecast, reflecting increased costs for Adult Family Homes (AFH), Individual Providers (IP) and Agency Provider (AP) services.

Agency Contact: Ken Brown (360) 902 7583
 Program Contact: Eric Mandt (360) 725 2579

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Forecast driven caseload changes reflect the agency's goals, including:

- Ensuring a safety net is in place for people of need;
- Clients maintain maximum independence;
- Services are of high quality;
- People participate in choices about their services; and
- Clients experience stability.

Performance Measure Detail

Agency Level

Activity: D074 Personal Care

No measures linked to package

Incremental Changes

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

The budget request supports the following goals identified in the DSHS 2013-15 Strategic Plan:

- Health - Each individual and each community will be healthy
- Safety - Each individual and each community will be safe
- Quality of Life - Each individual in need will be supported to attain the highest possible quality of life

Department of Social and Health Services

DP Code/Title: M1-0U Forecast Cost/Utilization
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

Does this decision package provide essential support to one of the Governor's priorities?

This decision package supports the Results Washington Goal:

Goal 4: Healthy and Safe Communities - Fostering the health of Washingtonians from a healthy start to a safe and supported future.

Goal 5: Effective, Efficient and Accountable Government - Fostering a Lean culture that drive accountability and results for the people of Washington.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

This decision package supports the Results Washington goals to:

Help the most vulnerable people become independent and self-sufficient and:

--Increase the percent of clients with a developmental disability served in home and community-based settings.

What are the other important connections or impacts related to this proposal?

Funding this decision package will ensure that providers of services will see little change in their method of conducting business.

What alternatives were explored by the agency, and why was this alternative chosen?

This request cannot be absorbed within existing resources since funding levels are driven entirely by forecast changes.

What are the consequences of not funding this package?

This request addresses the forecasted growth of per capita costs for Medicaid clients in DDA. Increased cost for these clients must be recognized. It is possible that reductions in non-mandatory activities may become necessary (to cover the cost of growth within mandatory activities).

What is the relationship, if any, to the state's capital budget?

This request has no impact on the capital budget.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: DDA M1-0U Forecast Cost - Utilization.xlsx.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

These costs are ongoing and will carry forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	0	(523,000)	(523,000)

Department of Social and Health Services

DP Code/Title: M1-0U Forecast Cost/Utilization
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	0	(158,000)	(158,000)
<i>Total for Fund 001-1</i>		0	(158,000)	(158,000)
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	0	(365,000)	(365,000)
<i>Total for Fund 001-C</i>		0	(365,000)	(365,000)
Total Overall Funding		0	(523,000)	(523,000)

**2015 Supplemental Budget
DDA M1-OU Forecast Cost / Utilization**

Change in:

<u>Caseload</u>	<u>Expenditures</u>		<u>Per Capitas</u>		<u>Caseload</u>	<u>Expenditures</u>		
	<u>Total</u>	<u>State</u>	<u>Total</u>	<u>State</u>		<u>Due to Cost/Utilization Changes</u>		
						<u>Total</u>	<u>State</u>	<u>Federal</u>

2013-15 Biennium

Funding Available

FY15 - Through Policy Level (includes 2014 Supplemental Budget)

H52 Personal Care 12,807 \$ 299,309,000 \$ 150,658,000 \$ 1,948 \$ 980

FY16 - Carry Forward Level

H52 Personal Care 12,807 \$ 301,017,000 \$ 150,789,000 \$ 1,959 \$ 981

FY17 - Carry Forward Level

H52 Personal Care 12,807 \$ 301,017,000 \$ 150,789,000 \$ 1,959 \$ 981

Funding Needed

FY15 - Jun 2014 Update

H52 Personal Care 12,648 \$ 295,084,000 \$ 148,636,000 \$ 1,944 \$ 979 (158)

FY16 - Jun 2014 Update

H52 Personal Care 12,590 \$ 295,011,000 \$ 148,588,000 \$ 1,953 \$ 983 (216)

FY17 - Jun 2014 Update

H52 Personal Care 12,510 \$ 293,819,000 \$ 147,999,000 \$ 1,957 \$ 986 (297)

	<u>Total</u>	<u>State</u>	<u>Federal</u>
	\$ (523,000)	\$ (158,000)	\$ (365,000)
	\$ (928,000)	\$ 343,000	\$ (1,271,000)
	\$ (223,000)	\$ 704,000	\$ (927,000)
2015-17 Biennial Budget Step	\$ (1,151,000)	\$ 1,047,000	\$ (2,198,000)

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS), Developmental Disabilities Administration (DDA), requests (\$3,702,000) Total Funds and (\$1,864,000) GF State, in the 2015 Supplemental Budget to adjust funding for personal care. Personal care services help people with developmental disabilities live in community settings, and whenever possible, to remain in a family environment.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	(1,864,000)	(1,864,000)
001-C General Fund - Basic Account-Medicaid Federal	0	(1,838,000)	(1,838,000)
Total Cost	0	(3,702,000)	(3,702,000)

Staffing

Package Description:

DSHS, DDA, requests (\$3,702,000) Total Funds and (\$1,864,000) GF State, in the 2015-17 Biennium to adjust funding for personal care. Personal care services help people with developmental disabilities live in community settings, and whenever possible, to remain in a family environment. Personal care refers to assistance with activities of daily living (bathing, eating, toileting, etc.), and is considered an entitlement. Funding has been adjusted based on the June 2014 forecasts by the Caseload Forecast Council (CFC) and the Aging and Disability Services Administration (ADSA).

Program Contact: Eric Mandt (360) 725-2579
Agency Contact: Ken Brown (360) 902-7583

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

This and other forecast driven caseload changes reflect several agency goals, including:

- A safety net is in place for people of need,
- Clients maintain maximum independence,
- Services are of high quality,
- People participate in choices about their services, and
- Clients experience stability.

Performance Measure Detail

Agency Level

Activity: D074 Personal Care

No measures linked to package

Incremental Changes

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

The budget request supports the following goals identified in the DSHS 2013-15 Strategic Plan:

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

- Health - Each individual and each community will be healthy
- Safety - Each individual and each community will be safe
- Protection - Each individual who is vulnerable will be protected
- Quality of Life - Each individual in need will be supported to attain the highest possible quality of life

Does this decision package provide essential support to one of the Governor's priorities?

This decision package supports the Results Washington Goal:

Goal 4: Healthy and Safe Communities - Fostering the health of Washingtonians from a healthy start to a safe and supported future.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

This decision package supports the Results Washington goals to:

- Help the most vulnerable people become independent and self sufficient and:
- Increase the percent of clients with a developmental disability served in home and community based settings.

What are the other important connections or impacts related to this proposal?

Clients will continue to receive benefits and assistance.

What alternatives were explored by the agency, and why was this alternative chosen?

The June 2014 forecast necessitates a change in the funding provided for the forecasted programs.

What are the consequences of not funding this package?

Funding would remain at the June 2014 forecasted level.

What is the relationship, if any, to the state's capital budget?

This request has no impact on the capital budget.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: DDA M1-93 Mandatory Caseload.xlsx.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

All costs are ongoing and will be carried forward into future biennia based on future caseload forecasts.

Object Detail	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	0	(3,702,000)	(3,702,000)

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments

Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	0	(1,864,000)	(1,864,000)
<i>Total for Fund 001-1</i>		<u>0</u>	<u>(1,864,000)</u>	<u>(1,864,000)</u>
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	0	(1,838,000)	(1,838,000)
<i>Total for Fund 001-C</i>		<u>0</u>	<u>(1,838,000)</u>	<u>(1,838,000)</u>
Total Overall Funding		<u>0</u>	<u>(3,702,000)</u>	<u>(3,702,000)</u>

**2015 Supplemental Budget
DDA M1-93 Mandatory Caseload Adjustments**

Change in:

<u>Caseload</u>	<u>Expenditures</u>		<u>Per Capitas</u>		<u>Caseload</u>	<u>Expenditures</u>		
	<u>Total</u>	<u>State</u>	<u>Total</u>	<u>State</u>		<u>Due to Caseload</u>		
						<u>Total</u>	<u>State</u>	<u>Federal</u>

2013-15 Biennium

Funding Available

FY15 - Through Policy Level (includes 2014 Supplemental Budget)								
H52 Personal Care	12,807	\$ 299,309,000	\$ 150,658,000	\$ 1,948	\$ 980			
FY16 - Carry Forward Level								
H52 Personal Care	12,807	\$ 301,017,000	\$ 150,789,000	\$ 1,959	\$ 981			
FY17 - Carry Forward Level								
H52 Personal Care	12,807	\$ 301,017,000	\$ 150,789,000	\$ 1,959	\$ 981			

Funding Needed

						<u>Total</u>	<u>State</u>	<u>Federal</u>	
FY15 - Jun 2014 Update									
H52 Personal Care	12,648	\$ 295,084,000	\$ 148,636,000	\$ 1,944	\$ 979	(158)	\$ (3,702,000)	\$ (1,864,000)	\$ (1,838,000)
FY16 - Jun 2014 Update									
H52 Personal Care	12,590	\$ 295,011,000	\$ 148,588,000	\$ 1,953	\$ 983	(216)	\$ (5,078,000)	\$ (2,544,000)	\$ (2,534,000)
FY17 - Jun 2014 Update									
H52 Personal Care	12,510	\$ 293,819,000	\$ 147,999,000	\$ 1,957	\$ 986	(297)	\$ (6,975,000)	\$ (3,494,000)	\$ (3,481,000)
<i>2015-17 Biennial Budget Step</i>									
							\$ (12,053,000)	\$ (6,038,000)	\$ (6,015,000)

15

Department of Social and Health Services

DP Code/Title: M2-42 SOLA

Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

Recommendation Summary Text:

The Developmental Disabilities Administration (DDA) requests \$1,088,000 Total Funds, \$566,000 GF-State, and 13.0 FTE to increase staffing levels in State Operated Living Alternative (SOLA) residential settings. This will allow DDA to address safety issues with night shift operations, increase behavior management needs related to client acuity, and provide administrative oversight at Yakima to be consistent with other SOLA locations. By funding this request, DDA will be able to meet existing client and staff safety needs at the adult facilities and at the Children's SOLA near Spokane.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	566,000	566,000
001-C General Fund - Basic Account-Medicaid Federal	0	522,000	522,000
Total Cost	0	1,088,000	1,088,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	0.0	13.0	6.5

Package Description:

Problem Statement:

State Operated Living Alternative is a supported living service operated by state employees, operating programs in the counties of Spokane, Yakima, King, Pierce and Kitsap. The programs will serve people from anywhere in the state. One to four persons live together as housemates and share living expenses and staff support. Clients of adult SOLA programs have been assessed as needing supported living services to meet their health and safety needs and children clients have been assessed as needing children's staffed residential services to meet their health and safety needs.

SOLAs provide a buffer in the DDA system of care that is crucial to diverting people with a developmental disability from being placed in a Residential Habilitation Center (RHC). Now that RHC admissions have been restricted, the SOLA program is caring for an increasing number of people who cannot be placed in contracted supported living because of challenging behaviors. In the past, these people were often admitted, at least on a short term basis, to an RHC. The training and experience of the SOLA staff allows these people to remain in a community setting rather than be placed in an institution.

Recent safety audits by the Department of Labor and Industries (L&I) at other DSHS 24/7 programs have resulted in safety citations, particularly related to staff safety during the night shifts, which were resolved by increasing staffing levels in Juvenile Justice Administration group homes. At the SOLAs, the standard practice is to have one person on the night shift alone, which should be corrected. This is especially important since the SOLA client acuity has increased and staff serve more clients who in the past may have been placed in a Residential Habilitation Center as a result of their behaviors. If not corrected, L&I could potentially issue a repeat serious violation since DSHS is one department.

There is one Children's SOLA near Spokane. When it was opened in 2012 there was only one client and the funding reflected the staffing necessary for that. Since then, two more residents have been added to the program. All of the residents present behaviors that have prevented community supported living placements. There is a need for additional staff to account for both the increased clients and to address the safety issue of night time shifts.

In addition, there is a need for a program manager for Region 1. Yakima is the newest adult SOLA, created for clients who otherwise would have been admitted to an RHC. It began with only two clients and was able to operate without an administrator. However, now that the facility is fully staffed, there is a need for additional staff for the increased client workload and a program

Department of Social and Health Services

DP Code/Title: M2-42 SOLA

Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

manager.

DDA has already begun hiring to address these safety needs. The SOLAs are not part of the Caseload Forecast Council caseload projections, so the program does not increase staffing when the client numbers or care needs increase.

Proposed Solution:

DDA is committed to supporting individuals with developmental disabilities to live in, contribute to, and participate in their communities. SOLAs play an integral role in supporting clients to reside in community settings. DDA requests 13.0 FTEs to improve client care and staff safety at SOLA programs statewide immediately in addition to mitigating the possibility of potential safety citation for not having enough staff available during overnight hours. In addition, the number and acuity of clients entering the SOLAs has increased over time. These resources will provide additional support to ensure our clients receive the quality of life and liberty to which they are entitled.

Agency Contact: Ken Brown (360) 902 7583
Program Contact: Eric Mandt (360) 725 2579

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

These resources will provide additional support to ensure our clients receive the quality of life and liberty to which they are entitled.

Performance Measure Detail

Agency Level

Activity: D095 State Operated Living Alternatives

No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This request supports DSHS Goal:

- 1: Health - Each individual and each community will be healthy
- 4: Quality of Life - Each individual in need will be supported to attain the highest possible quality of life.

The decision package is essential to implementing the DDA's Strategic Objective 4.1: Increase access to home and community-based services and Strategic Objective 4.2: Increase the effectiveness of community residential programs to support individuals to have quality lives.

Does this decision package provide essential support to one of the Governor's priorities?

This decision package supports the Results Washington goals to:

Help the most vulnerable people become independent and self-sufficient and:
--Increase the percent of clients with a developmental disability served in home and community-based settings.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

This decision package supports the Results Washington goals to:

Department of Social and Health Services

DP Code/Title: M2-42 SOLA

Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

Help the most vulnerable people become independent and self sufficient and:

-- Increase the percent of clients with a developmental disability served in home and community based settings.

What are the other important connections or impacts related to this proposal?

The Department of Labor and Industries, WFSE, SEIU 1199 and advocates of community services will strongly support this safety initiative.

What alternatives were explored by the agency, and why was this alternative chosen?

This alternative is to continue to operate SOLAs on the night shifts with only one staff assigned to all clients in the facility which could lead to client and staff safety issues.

What are the consequences of not funding this package?

The DDA would continue to operate SOLAs with inadequate staffing as the acuity level of clients continue to increase leading to possible injuries and safety citations.

What is the relationship, if any, to the state's capital budget?

This request has no impact on the capital budget.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: DDA M2-42 SOLA.xlxb

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

These costs are ongoing and will carry forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	0	532,000	532,000
B Employee Benefits	0	205,000	205,000
E Goods\Other Services	0	178,000	178,000
G Travel	0	5,000	5,000
J Capital Outlays	0	144,000	144,000
P Debt Service	0	4,000	4,000
T Intra-Agency Reimbursements	0	20,000	20,000
Total Objects	0	1,088,000	1,088,000

Department of Social and Health Services

DP Code/Title: M2-42 SOLA

Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u> <u>Title</u>				
0011	General Fund State	0	566,000	566,000
<i>Total for Fund 001-1</i>		0	566,000	566,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u> <u>Title</u>				
19TA	Title XIX Assistance (FMAP)	0	522,000	522,000
<i>Total for Fund 001-C</i>		0	522,000	522,000
Total Overall Funding		0	1,088,000	1,088,000

**2015 Supplemental Budget
DDA M2-42 SOLA**

DSHS Staffing and Fiscal Note Model

(last update April 2014)

Fiscal Year	FTE	Object A	Object B	Object C	Object E	Object ED	Object G	Object J	Object N	Object P	Object T	Object TZ	Total
Total Fiscal Year 1	0.0	0	0		0	0	0	0		0	0	0	0
Total Fiscal Year 2	13.0	532,000	205,000		96,000	82,000	5,000	144,000		4,000	0	20,000	1,088,000
Biennial Total	6.5	532,000	205,000	0	96,000	82,000	5,000	144,000	0	4,000	0	20,000	1,088,000

Source of Funds					
Fund	EA Type	Source	% of Total	Fiscal Year 1	Fiscal Year 2
001	1	State	52.00%	0	566,000
001	2	Federal	48.00%	0	522,000
001	7	Local	0.00%	0	0
Total each Fiscal Year				0	1,088,000
Biennial Total					1,088,000
Link to OFM Fund Reference Manual: http://www.ofm.wa.gov/fund/default.asp					
Federal Detail					
Fund	Federal Type	Source	% of Total	Fiscal Year 1	Fiscal Year 2
001	0	SSBG	0.00%	0	0
001	A	Fam	0.00%	0	0
001	C	Med	48.00%	0	522,240
001	D	TANF	0.00%	0	0
001	2	Other	0.00%	0	0

Federal Detail percentages are defaulting to the 2013-15 Compensation Impact Model (CIM) Percentages.

**2015 Supplemental Budget
DDA M2-42 SOLA**

Adult SOLA

- Address L&I staff safety issues (shift C)
- Address acuity issues, more medically intense participants (shift A & B)
- Address behavior challenges/ issues, IISP requirements, community engagement (shift A & B)

Children's SOLA

- Address L&I staff safety issues (shift C)
- Address behavior challenges/issues (shift A & B)

Other

- SOLA staffing in Region 1 to align with other regions (DDA1)
- SOLA Program Manager

	Region 1S	Region 1N	Region 2	Region 3	Total
Address L&I staff safety issues (shift C)	7.0	4.0	10.2	9.5	30.7
Address acuity issues, more medically intense participants (shift A & B)	6.0	4.0	3.4	4.8	18.2
Address behavior challenges/ issues, IISP requirements, community engagement (shift A & B)	5.0	4.0	-	2.6	11.6
Children's SOLA					
Address L&I staff safety issues (shift C)	-	2.0	-	-	2.0
Address behavior challenges/issues (shift A & B)	-	3.0	-	-	3.0
Other					
SOLA staffing in Region 1 to align with other regions (DDA1)	1.0	1.0	-	-	2.0
SOLA Program Manager	1.0	-	-	-	1.0
TOTAL	20.0	18.0	13.6	16.9	68.5

**this includes the AC staffing factor of 1.7 times the number of staff needed*

JOB CLASSES NEEDED BY REGION

FY 2015

- Attendant Counselor 2 (R34-Step L)
- DDA 1 (R57 - Step L)
- SOLA Program Manager
- Registered Nurse 3

TOTAL

	Region 1S	Region 1N	Region 2	Region 3	Total
Attendant Counselor 2 (R34-Step L)	9.0	0.0	0.0	0.0	9.0
DDA 1 (R57 - Step L)	1.0	1.0			2.0
SOLA Program Manager	1.0				1.0
Registered Nurse 3	1.0				1.0
TOTAL	12.0	1.0	0.0	0.0	13.0

FY 2016

- Attendant Counselor 2 (R34-Step L)
- DDA 1 (R57 - Step L)
- SOLA Program Manager
- Registered Nurse 3

TOTAL

	Region 1S	Region 1N	Region 2	Region 3	Total
Attendant Counselor 2 (R34-Step L)	17.0	17.0	13.6	16.9	64.5
DDA 1 (R57 - Step L)	1.0	1.0			2.0
SOLA Program Manager	1.0				1.0
Registered Nurse 3	1.0				1.0
TOTAL	20.0	18.0	13.6	16.9	68.5

FY 2017

- Attendant Counselor 2 (R34-Step L)
- DDA 1 (R57 - Step L)
- SOLA Program Manager
- Registered Nurse 3

TOTAL

	Region 1S	Region 1N	Region 2	Region 3	Total
Attendant Counselor 2 (R34-Step L)	17.0	17.0	13.6	16.9	64.5
DDA 1 (R57 - Step L)	1.0	1.0			2.0
SOLA Program Manager	1.0				1.0
Registered Nurse 3	1.0				1.0
TOTAL	20.0	18.0	13.6	16.9	68.5

Department of Social and Health Services

DP Code/Title: M2-43 Rekhter Decision
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

Recommendation Summary Text:

The Aging and Long Term Support Administration (AL TSA) and Developmental Disabilities Administration (DDA) request funding to pay the judgment resulting from the Washington State Supreme Court's decision regarding the Rekhter, Leya v. DSHS (Department of Social and Health Services) case.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	10,973,000	10,973,000
001-C General Fund - Basic Account-Medicaid Federal	0	10,973,000	10,973,000
Total Cost	0	21,946,000	21,946,000

Staffing

Package Description:

Problem Statement:

The Rekhter, Leya v. DSHS case was filed after the Supreme Court invalidated DSHS's "Shared Living Rule" (Jenkins v. DSHS), which automatically reduced the number of personal care hours awarded to clients who lived with their paid caregivers. The Court found that the Shared Living Rule violated Medicaid's "comparability" requirement, and held that any shared living reductions must be based on each client's individual circumstances.

After the Supreme Court invalidated the Shared Living Rule, a class of Medicaid clients and a class of paid caregivers filed a lawsuit seeking damages based on DSHS's prior application of the rule. The jury awarded the paid caregivers over \$57 million based upon a violation of the contractual covenant of good faith and fair dealing. The court awarded prejudgment interest of more than \$38 million, and found that post-judgment interest would begin accruing on December 20, 2010 at the statutory rate (12 percent, or approximately \$18,781 per day). Attorney fees and costs were to be paid out of the common fund, with DSHS paying \$7,849 in statutory costs. To avoid a double recovery, nothing was awarded to the class of Medicaid clients.

In a 5-4 decision, issued on April 3, 2014, the Supreme Court affirmed the \$57,123,794 jury verdict finding that the DSHS had breached its duty of good faith and fair dealing in its contracts with in-home care providers. The court rejected the state's argument that DSHS's violation was statutory only, and should not be characterized as a contractual duty. The court reversed the trial court's \$38,652,220 prejudgment interest award, reasoning that the providers' damages were neither liquidated nor ascertainable. In addition, the court affirmed the denial of relief on the client class' claims and the rejection of claims that DSHS wrongfully withheld wages or violated the Minimum Wage Act.

Proposed Solution:

The AGO's motion asking the Washington Supreme Court to reconsider was denied in June 2014. The matter will now return to Thurston County Superior Court to determine how the judgment will be distributed to class members. Plaintiffs' counsel have selected a claims administrator. The Thurston County Superior Court judgment will be amended to reflect the Supreme Court's decision and an implementation plan will be developed for distribution of the judgment to class members.

Agency Contact: Ken Brown (360) 902 7583
Program Contact: Eric Mandt (360) 725 2579

Department of Social and Health Services

DP Code/Title: M2-43 Rekhter Decision
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The expected result is that the Supreme Court decision will be implemented according to a plan to be received from Superior court, DSHS will make a payment to the plaintiffs once funds are appropriated from the Legislature, and the case will be closed.

Performance Measure Detail

Agency Level

Activity: D079 Program Support for Developmental Disabilities

No measures linked to package

Incremental Changes

FY 1 FY 2

0.00 0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This request supports the following goals identified in the DSHS 2013-2015 Strategic Plan:

- Health - Each individual and each community will be healthy
- Safety - Each individual and each community will be safe
- Protection - Each individual who is vulnerable will be protected

Does this decision package provide essential support to one of the Governor's priorities?

This package supports Results Washington Goal 4: Healthy and Safe Communities - Fostering the health of Washingtonians from a healthy start to a safe and supported future.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

This decision package supports the Results Washington goals to:

- Help the most vulnerable people become independent and self-sufficient and:
- Increase the percent of clients with a developmental disability served in home and community-based settings.

What are the other important connections or impacts related to this proposal?

This is a matter of legal compliance, not subject to policy considerations.

What alternatives were explored by the agency, and why was this alternative chosen?

The department has no alternative other than to respond to the ruling handed down by the State Supreme Court.

What are the consequences of not funding this package?

The state would be in violation of the ruling handed down by the State Supreme Court.

What is the relationship, if any, to the state's capital budget?

This request has no impact on the capital budget.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

State of Washington
Decision Package
 Department of Social and Health Services

DP Code/Title: M2-43 Rekhter Decision
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: ALTSA M2-43 Rekhter Decision.xlsx

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

These costs are one-time and will not carry forward.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	0	21,946,000	21,946,000

DSHS Source Code Detail

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources</u> <u>Title</u>			
0011 General Fund State	0	10,973,000	10,973,000
<i>Total for Fund 001-1</i>	0	10,973,000	10,973,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources</u> <u>Title</u>			
19TA Title XIX Assistance (FMAP)	0	10,973,000	10,973,000
<i>Total for Fund 001-C</i>	0	10,973,000	10,973,000
Total Overall Funding	0	21,946,000	21,946,000

2015 Supplemental Budget ALTSA M2-43 Rekhter Decision

Assumptions

Judgment Date		12/20/2010
Assumed Payment Date		7/1/2015
Estimated Days of Post Judgment Interest		1,632
Interest/Day	\$	18,781
FMAP ¹		50.00%

Estimated Judgment Fiscal Impact

Principal Judgement Amount:	\$	57,123,795
Post-Judgment Interest:		30,650,592
Class Action Costs		7,849
Total Judgment	\$	87,782,000

FY 2015 Cost by Program	GF-State	GF-Federal	Total
ALTSA (assume 75%)	\$ 32,919,000	\$ 32,918,000	\$ 65,837,000
DDA (assume 25%)	10,973,000	10,973,000	21,946,000
Total	\$ 43,892,000	\$ 43,891,000	\$ 87,783,000

¹Federal Medicaid Assistance Percentage (FMAP)

Department of Social and Health Services

DP Code/Title: M2-8M Mileage Rate Adjustments
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests increased funding necessary to reimburse staff and volunteers for private automobile mileage. By funding this request, DSHS will be able to meet its base cost requirements. The number of total miles driven by agency employees and volunteers while conducting official state business has increased steadily since 2012.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	26,000	26,000
001-C General Fund - Basic Account-Medicaid Federal	0	17,000	17,000
Total Cost	0	43,000	43,000

Staffing

Package Description:

Current state travel regulations allow a reimbursement rate for the use of privately owned vehicles when traveling on official state businesses (In-Take Referrals for Child Abuse Investigations, Foster Home Visits, Domestic Violence Prevention, and New Employee Trainings, etc). While the reimbursement rate of \$0.560 per mile remained relatively flat compared to previous biennia, the number of total miles driven by agency employees and volunteers while conducting official state business has increased steadily since 2012.

Agency Contact: Charles Wang (360) 902-8154

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Funding this request will strengthen the foundation for the current continuum of care and access to client services across the department.

Performance Measure Detail

Agency Level

Activity: D036 Field Services

No measures linked to package

Incremental Changes

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Activity: D095 State Operated Living Alternatives

No measures linked to package

Incremental Changes

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

The budget request supports one of DSHS Goals:

Public Trust - Strong management practices will be used to ensure quality and efficiency

Does this decision package provide essential support to one of the Governor's priorities?

Department of Social and Health Services

DP Code/Title: M2-8M Mileage Rate Adjustments
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

This package supports the Results Washington goals to:

Goal 4: Healthy and Safe Communities - Fostering the health of Washingtonians from a healthy start to a safe and supported future.

Goal 5: Effective, Efficient and Accountable Government - Fostering a Lean culture that drives accountability and results for the people of Washington.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

This decision package supports the Results Washington goals to:

Help the most vulnerable people become independent and self-sufficient.

What are the other important connections or impacts related to this proposal?

None

What alternatives were explored by the agency, and why was this alternative chosen?

The request cannot be absorbed within existing resources. Not funding this request will decrease the agency's ability to meet our clients' needs.

What are the consequences of not funding this package?

Funding will need to be diverted from other client services in order to support this expenditure.

What is the relationship, if any, to the state's capital budget?

This request has no impact on the capital budget.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: AW M2-8M Mileage Rate Adjustments.xlsb

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

These costs are ongoing and will carry forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
G Travel	0	42,000	42,000
T Intra-Agency Reimbursements	0	1,000	1,000
Total Objects	0	43,000	43,000

Department of Social and Health Services

DP Code/Title: M2-8M Mileage Rate Adjustments
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	0	26,000	26,000
<i>Total for Fund 001-1</i>		0	26,000	26,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	0	17,000	17,000
<i>Total for Fund 001-C</i>		0	17,000	17,000
Total Overall Funding		0	43,000	43,000

**2015 Supplemental Budget
AW M2-8M Mileage Rate Adjustments**

Department of Social & Health Services

Program	Year		ISSD - TZ		Total
	2015		2015		2015
010	255,000		2,000		257,000
020	4,000		1,000		5,000
030	3,000		1,000		4,000
040	42,000		1,000		43,000
050	34,000		1,000		35,000
060	42,000		5,000		47,000
150	11,000		(11,000)		0
Total	391,000		0		391,000

State/Other Split

Program	State		Federal		Total
	2015		2015		2015
010	233,000		24,000		257,000
020	5,000		0		5,000
030	4,000		0		4,000
040	26,000		17,000		43,000
050	19,000		16,000		35,000
060	31,000		16,000		47,000
150	0		0		0
Total	318,000		73,000		391,000

Department of Social and Health Services

DP Code/Title: M2-8P Postage Rate Adjustments
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

Recommendation Summary Text:

The Department of Social Health and Services (DSHS) requests funding for the 6.52 percent postage rate increase which went into effect January 27, 2014. By funding this request, DSHS is expected to meet its postal obligations to customers, clients, and constituents.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	9,000	9,000
001-C General Fund - Basic Account-Medicaid Federal	0	4,000	4,000
Total Cost	0	13,000	13,000

Staffing

Package Description:

Problem Statement

The United States Postal Services (USPS) increased its postal rate for first-class mail from \$0.46 to \$0.49 (6.52 percent increase) on January 27, 2014. The USPS increase impacts all DSHS programs.

Communication between clients and programs are a routine and essential part of doing business. Clients expect written responses to their inquiries and concerns. Other areas impacted by this postage rate increase are payments to clients and notices to clients required by law.

The USPS mail services are considered accessible to all clients and it is an efficient means of communication. Other forms of communication or remittance of payments such as electronic banking and e-mail are not accessible to the majority of the department's clients or may require revisions to state laws.

Proposed Solution

DSHS requests \$553,000 (\$372,000 GF-State) for a postal rate adjustment so that all the DSHS programs can meet its current postal obligations.

Agency Contact: Don Petrich (360) 902-7831

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

By funding this decision package, DSHS will continue meeting its obligations and statutory requirements to ensure all clients receive their proper information in a timely manner without negative impacts to other client services.

Performance Measure Detail

Agency Level

Department of Social and Health Services

DP Code/Title: M2-8P Postage Rate Adjustments
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

<p>Activity: D036 Field Services No measures linked to package</p> <p>Activity: D079 Program Support for Developmental Disabilities No measures linked to package</p> <p>Activity: D086 Residential Habilitation Facilities No measures linked to package</p> <p>Activity: D095 State Operated Living Alternatives No measures linked to package</p>	<p>Incremental Changes <u>FY 1</u> <u>FY 2</u> 0.00 0.00</p>
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Is this decision package essential to implement a strategy identified in the agency's strategic plan?

The budget request supports DSHS Goal 5: Public Trust - Strong management practices will be used to ensure quality and efficiency.

Does this decision package provide essential support to one of the Governor's priorities?

This decision package supports the Results Washington Goal 5: Effective, Efficient and Accountable Government - Fostering a Lean culture that drives accountability and results for the people of Washington.

Ensure efficiency and performance to the public by providing transparency and accountability in state agency operations and:
 --Increase Washington State government's transparency.
 --Increase customer satisfaction.
 --Increase on-time delivery for state services.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

This decision package supports the Results Washington goals to:

Ensure efficiency, performance, and accountability to the public by providing transparency and accountability in state agency operations and:
 --Increase Washington State government's transparency.
 --Increase the number of Results Washington outcome measures and leading indicators.
 --Increase customer satisfaction.
 --Increase Washington State as an employer of choice.
 --Increase on-time delivery for state services.

What are the other important connections or impacts related to this proposal?

None

What alternatives were explored by the agency, and why was this alternative chosen?

The request cannot be absorbed within existing resources. Funds supporting other client services would need to be diverted if funding for this USPS rate increase is not provided.

What are the consequences of not funding this package?

Not funding this request will have a negative impact to the agency's ability to communicate with clients and hamper its ability

Department of Social and Health Services

DP Code/Title: M2-8P Postage Rate Adjustments
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

to remain responsive to constituent needs. If not approved, funds will have to be diverted from other program activities and/or services to cover the cost increase.

What is the relationship, if any, to the state's capital budget?

This request has no impact on the capital budget.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: AW M2-8P Postage Rate Adjustments.xlsx

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

These costs are ongoing and will carry forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
E Goods\Other Services	0	9,000	9,000
T Intra-Agency Reimbursements	0	4,000	4,000
Total Objects	0	13,000	13,000

DSHS Source Code Detail

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	0	9,000	9,000
<i>Total for Fund 001-1</i>	0	9,000	9,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19TA Title XIX Assistance (FMAP)	0	4,000	4,000
<i>Total for Fund 001-C</i>	0	4,000	4,000
Total Overall Funding	0	13,000	13,000

**2015 Supplemental Budget
AW M2-8P Postage Rate Adjustment**

Department of Social and Health Services

Rounded =Round(link,-3)

Program	Year		ISSD - TZ		Total
	2015		2015		2015
010	19,000		6,000		25,000
020	2,000		1,000		3,000
030	5,000		3,000		8,000
040	9,000		4,000		13,000
050	13,000		4,000		17,000
060	445,000		15,000		460,000
100	4,000		1,000		5,000
110	10,000		10,000		20,000
135	1,000		1,000		2,000
150	45,000		(45,000)		0
Total	553,000		0		553,000

State/Other Split

Program	State		Other		Total
	2015		2015		2015
010	23,000		2,000		25,000
020	3,000		0		3,000
030	8,000		0		8,000
040	9,000		4,000		13,000
050	11,000		6,000		17,000
060	293,000		167,000		460,000
100	5,000		0		5,000
110	18,000		2,000		20,000
135	2,000		0		2,000
150	0		0		0
Total	372,000		181,000		553,000

Department of Social and Health Services

DP Code/Title: M2-8V Building Access Control System
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests funding to replace the current failing and obsolete building access control systems in order to ensure the safety of staff and clients who utilize the state offices. By funding this request, DSHS is expected to replace all security/access operational technology systems from Windows XP operating systems to Windows 7 or higher.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	12,000	12,000
001-C General Fund - Basic Account-Medicaid Federal	0	8,000	8,000
Total Cost	0	20,000	20,000

Staffing

Package Description:

Historically, building access control systems have been procured by the local tenant administration(s) on a site by site basis. Based on an assessment of the 200 plus agency sites, 34 of these security systems are still running on Windows XP operating systems and the hardware is malfunctioning. The system controls all entrances, employee badge database, and alarm systems. As of April 2014, Microsoft ended support for the Windows XP operating system.

By state policy (<https://www.ocio.wa.gov/policies/142-windows-xp-end-life>), all systems running Windows XP must be removed from state offices and from the state network. All remaining Windows XP devices must be removed and replaced with current Windows 7 or later system as soon as possible.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Procurement of these modern security systems will produce the following outcomes:

- Provide continued security even when the network connection is lost (there are local copies of the badge database, functionality continues, even when the network connection is down).
- Provide a more stable platform (current hardware is failing in a way that jeopardizes both building security as well as posing a potential fire hazard).
- Provide management of badges from any of the sites, improving options for support.
- Provide a single, but distributed database. Reducing the management of badges for staff who do this in addition to their full time jobs (currently, staff have to be removed from every location they have access to; with this improvement, they only have to be removed or added once).

Performance Measure Detail

Agency Level

Activity: D036 Field Services

No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Department of Social and Health Services

DP Code/Title: M2-8V Building Access Control System
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

This request supports the following goals identified in the DSHS 2013-2015 Strategic Plan:

Public Trust - Strong management practices will be used to ensure quality and efficiency.

Does this decision package provide essential support to one of the Governor's priorities?

This package supports the Results Washington Goal:

Goal 4: Healthy and Safe Communities - Fostering the health of Washingtonians from a healthy start to a safe and supported future.

Goal 5: Effective, Efficient and Accountable Government - Fostering a Lean culture that drives accountability and results for the people of Washington.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

This decision package supports the Results Washington goals to:

Ensure efficiency, performance, and accountability to the public by providing transparency and accountability in state agency operations and:

- Increase Washington State government's transparency.
- Increase customer satisfaction.
- Increase Washington State as an employer of choice.
- Increase on-time delivery for state services.

What are the other important connections or impacts related to this proposal?

These systems ensure the safety of staff and clients who are visiting these state offices. Not addressing these issues pose both health and safety issues, and access to service issues, where an office may not be operational due to safety concerns.

What alternatives were explored by the agency, and why was this alternative chosen?

The request cannot be absorbed within existing resources due to the negative impact of taking funds away from other client service programs.

What are the consequences of not funding this package?

Not adopting this request will result in escalating information technology security risks and physical security risks due to failing systems.

What is the relationship, if any, to the state's capital budget?

This request has no impact on the capital budget.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: AW M2-8V Building Access Control System.xlsx

Department of Social and Health Services

DP Code/Title: M2-8V Building Access Control System
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

These costs are one-time and will not carry forward.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
J Capital Outlays	0	20,000	20,000

DSHS Source Code Detail

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	0	12,000	12,000
<i>Total for Fund 001-1</i>	0	12,000	12,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19TA Title XIX Assistance (FMAP)	0	8,000	8,000
<i>Total for Fund 001-C</i>	0	8,000	8,000
Total Overall Funding	0	20,000	20,000

**2015 Supplemental Budget
AW M2-8V Building Access Control System**

Department of Social & Health Services

	State	Other	Total
Program	2015		
010	\$166,000	\$17,000	\$183,000
020	\$1,000	\$0	\$1,000
040	\$12,000	\$8,000	\$20,000
050	\$27,000	\$24,000	\$51,000
060	\$226,000	\$135,000	\$361,000
100	\$51,000	\$0	\$51,000
110	\$2,000	\$0	\$2,000
Total	\$485,000	\$184,000	\$669,000

Department of Social and Health Services

DP Code/Title: M2-8X Facility Maintenance Costs
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) Consolidated Maintenance and Operations (CMO), in support of department institutions, requests funding for equipment and goods and services in order to resolve building component, steam plant, wastewater treatment, and grounds deficiencies that are smaller in scope than capital projects, but beyond the scope of ordinary maintenance. By funding this request, the safety, security, and environmental conditions for residents and staff will be improved to meet minimum facility standards.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	46,000	46,000
001-C General Fund - Basic Account-Medicaid Federal	0	32,000	32,000
Total Cost	0	78,000	78,000

Staffing

Package Description:

Problem Statement:

Current maintenance funding does not allow CMO to keep pace with increasing corrective work request demands due primarily to the advanced age of institution facilities and a shortage of staffing and funding to complete ongoing preventive maintenance. Inability to adequately maintain the facilities or replace components has resulted in decreased safety and security levels and created potential regulatory concerns. This continued deterioration of buildings and grounds results in premature system failure and the need for larger scale capital replacement.

The request includes the following types of work:

1. Replacement and extended repair of failed ventilation components serving staff and client areas.
2. Significant interior and exterior painting to slow facility degradation.
3. Sidewalk repairs and grounds maintenance to improve pedestrian safety.
4. Roofing repairs to reduce water intrusion and the chance of mold infestations in buildings.
5. Interior and exterior door replacement/repair and associated security hardware to lower the risk of breaches in security.
6. Ceiling, flooring, and restroom repairs in staff and client areas to preserve the current infrastructure and prevent premature rotting and mold in ceiling and subfloor systems.

Failure to maintain DSHS facilities will result in further deterioration of building and grounds assets and result in even greater cost to the state in the form of larger capital budget requests. With current funding levels, CMO activities are focused on reactive repair activities to emergent problems. Failing components are only repaired to maintain fundamental operation. Some components that cannot be repaired are left in a failed state. The state and facility occupants then accept the increased risk of a safety or security incident.

Proposed Solution:

Request funding to allow CMO to properly support the maintenance of department institutions west of the Cascades and keep pace with increasing corrective work request demands. Labor will be performed using the existing CMO staffing allotment. All of these projects are expected to be completed in Fiscal Year 2015. Individual project costs were estimated by DSHS Capital Programs and Maintenance staff.

Department of Social and Health Services

DP Code/Title: M2-8X Facility Maintenance Costs
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

Agency Contact: Ken Brown (360) 902-7583

Program Contact: Thomas Blume (360) 664-6028

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Funding this request will strengthen the foundation for the current continuum of care and access to client services at the department's institutions. Appropriate safe, up to date, and functional facilities provide for healthy, safe, and secure campuses.

Performance Measure Detail

Agency Level

Activity: D086 Residential Habilitation Facilities

No measures linked to package

Incremental Changes

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This request supports the following goals identified in the DSHS 2013-15 Strategic Plan:

Safety - Each individual and each community will be safe.

Protection - Each individual who is vulnerable will be protected.

Quality of Life - Each individual in need will be supported to attain the highest possible quality of life.

Public Trust - Strong management practices will be used to ensure quality and efficiency.

Does this decision package provide essential support to one of the Governor's priorities?

This package supports Results Washington Goal 4:

Healthy and Safe Communities - Fostering the health of Washingtonians from a healthy start to safe and supported future.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

This decision package supports the Results Washington goals to:

Ensure that funding is used responsibly and:

--Reduce statewide energy use.

--Decrease passenger vehicle lifetime cost.

What are the other important connections or impacts related to this proposal?

No stakeholder concerns are expected. It is expected all stakeholders would support improved facilities to conduct rehabilitation efforts.

What alternatives were explored by the agency, and why was this alternative chosen?

The request cannot be absorbed within existing resources for the following reasons: maintenance funding has not kept pace

Department of Social and Health Services

DP Code/Title: M2-8X Facility Maintenance Costs
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

with the institution needs due to a shortage of staffing and funding. This request funds projects smaller in scope than capital projects but beyond the capability and capacity of institution maintenance departments. This alternative was chosen because it provides funding for immediate repairs to facilities which will provide improved safety and security for clients and staff and prevent higher downstream costs.

What are the consequences of not funding this package?

Failure to provide funding for maintenance repairs presents a risk to program operations and client safety.

What is the relationship, if any, to the state's capital budget?

This request has no impact on the capital budget. If not funded, the failure of key facility components could increase capital budget requests in ensuing fiscal years.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: AW M2-8X Facility Maintenance Costs.xlsx

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

These costs are one -time and will not carry forward.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
E Goods\Other Services	0	78,000	78,000

DSHS Source Code Detail

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	0	46,000	46,000
<i>Total for Fund 001-1</i>	0	46,000	46,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19TA Title XIX Assistance (FMAP)	0	32,000	32,000
<i>Total for Fund 001-C</i>	0	32,000	32,000
Total Overall Funding	0	78,000	78,000

**2015 Supplemental Budget
AW M2-8X Facility Maintenance Costs**

Department of Social & Health Services

Program	Year		ISSD - TZ		Total
	2015		2015		2015
020	275,000		0		275,000
030	316,000		0		316,000
040	78,000		0		78,000
135	20,000		0		20,000
Total	689,000		0		689,000

State/Other Split

Program	State		Federal		Total
	2015		2015		2015
020	275,000		0		275,000
030	316,000		0		316,000
040	46,000		32,000		78,000
135	20,000		0		20,000
Total	657,000		32,000		689,000

Department of Social and Health Services

DP Code/Title: M2-9G Workers Comp Base Correction
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests funding to correct the base funding level of premiums paid to Labor and Industries (L&I) for worker's compensation. By funding this request, DSHS will not have to divert funding from services to clients in order to cover the cost of this mandatory premium.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	1,002,000	1,002,000
001-C General Fund - Basic Account-Medicaid Federal	0	696,000	696,000
Total Cost	0	1,698,000	1,698,000

Staffing

Package Description:

A review of the funding for worker's compensation found two steps in previous biennial budgets that resulted in an inadequate amount of funding being provided for the premiums that are paid to L&I.

The first adjustment that needs to be made is in the calculation of the Worker's Compensation Changes for the 2011-13 Biennial Budget. The information provided for the calculation showed an Estimated Premium Paid of \$25.2 million for the first year and \$28.5 million for the second year. Using these amounts against the proposed estimated premium of \$31.9 million per fiscal year resulted in an increase in funding of \$6.7 million in the first year and \$3.4 million in the second. The actual cost for the second year for the department was \$24.7 million, instead of the \$28.5 million above, a difference of \$3.8 million for the increased cost in the second year.

The second adjustment is for the Carry Forward Level (CFL) adjustment in the 2013-15 Biennial Budget. The 2011-13 funding was placed into DSHS program Payments to Other Agencies (PTOA or Program 145). As part of the 2012 Supplemental Budget, the funding was transferred out of PTOA to the appropriate DSHS programs. When CFL was completed, Step G01 Transfers contained a reduction of \$3.4 million for the 2011-13 Worker's Compensation Step. This step brought the first year funding to the second year level for the workers compensation portion of the transfer step. There should not have been a CFL adjustment for the Worker's Compensation Step, because the original step was done to bring the funding up to \$31.9 million per Fiscal Year as estimated by L&I.

By funding this request the programs budgets will receive the funding necessary to cover the amounts that are being paid to L&I each quarter.

Agency contact: Bill Jordan (360) 902-8183.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

By funding this mandatory payment requirement, DSHS will not have to divert other funds that currently support client services.

Department of Social and Health Services

DP Code/Title: M2-9G Workers Comp Base Correction
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

Performance Measure Detail

Agency Level

Activity: D036 Field Services

No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Activity: D065 Office of the Deaf and Hard of Hearing

No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Activity: D079 Program Support for Developmental Disabilities

No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Activity: D086 Residential Habilitation Facilities

No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Activity: D095 State Operated Living Alternatives

No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Activity: D107 Community Crisis Stabilization Services

No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This request supports the following goals identified in the DSHS 2013-2015 Strategic Plan:

Health - Each individual and each community will be healthy,

Public Trust - Strong management practices will be used to ensure quality and efficiency.

Does this decision package provide essential support to one of the Governor's priorities?

This package supports Results Washington Goal 5: Effective, Efficient and Accountable Government Fostering a Lean culture that drives accountability and results for the people of Washington.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

This decision package supports the Results Washington goals to:

Ensure that funding is used responsibly, and

Ensure efficiency, performance, and accountability to the public by providing transparency and accountability in state agency operations.

What are the other important connections or impacts related to this proposal?

None

What alternatives were explored by the agency, and why was this alternative chosen?

The request cannot be absorbed with existing resources without reducing the funding for services to clients.

Department of Social and Health Services

DP Code/Title: M2-9G Workers Comp Base Correction
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

What are the consequences of not funding this package?

Not funding this request would necessitate using funds for client services to cover the requirement premiums.

What is the relationship, if any, to the state's capital budget?

This request has no impact on the capital budget.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: AW M2-9G Workers Comp Base Correction.xlsx.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

L&I's cost for worker's compensation is an ongoing cost to the department.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
B Employee Benefits	0	1,698,000	1,698,000

DSHS Source Code Detail

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	0	1,002,000	1,002,000
<i>Total for Fund 001-1</i>	<u>0</u>	<u>1,002,000</u>	<u>1,002,000</u>
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19TA Title XIX Assistance (FMAP)	0	696,000	696,000
<i>Total for Fund 001-C</i>	<u>0</u>	<u>696,000</u>	<u>696,000</u>
Total Overall Funding	<u>0</u>	<u>1,698,000</u>	<u>1,698,000</u>

**2015 Supplemental Budget
AW M2-9G Workers Comp Base Correction**

Department of Social and Health Services

	Program	FY 15	FY 15		
		OBJECT	FUNDING		
		B	State	Other	Total
010	Children's Administration	137,000	124,000	13,000	137,000
020	Juvenile Rehabilitation Admin	231,000	231,000	-	231,000
030	Mental Heath Division	1,296,000	1,207,000	89,000	1,296,000
040	Developmental Disabilites Admin	1,698,000	1,002,000	696,000	1,698,000
050	Aging & Long-Term Support	70,000	36,000	34,000	70,000
060	Economic Services Admin	231,000	144,000	87,000	231,000
070	Alcohol & Substance Abuse	4,000	3,000	1,000	4,000
100	Division of Vocational Rehab	16,000	16,000	-	16,000
110	Administration	25,000	21,000	4,000	25,000
135	Special Commitment Center	116,000	116,000	-	116,000
TOTAL		3,824,000	2,900,000	924,000	3,824,000

Department of Social and Health Services

DP Code/Title: M2-9T Transfers
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests the shift of FTEs and funding among programs in the 2015 Supplemental Budget. This transfer will align FTEs and funds with the programs where the costs are incurred. The net impact is zero.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	424,000	424,000
001-C General Fund - Basic Account-Medicaid Federal	0	355,000	355,000
Total Cost	0	779,000	779,000

Staffing

Package Description:

DSHS requests internal transfers among several program budgets resulting in a net zero funding change for the department. This aligns program appropriations with planned expenditures. DSHS requests the following adjustments for the 2015 Supplemental Budget:

Information System Services Division (ISSD) Compensation Adjustment-
(Program 110 to Programs 010, 020, 030, 040, 050, 060, 100, 135):

Program 110 - Administration and Supporting Services (Administration) will transfer compensation adjustments for staff in the Information Systems Services Division (Program 150) to other DSHS programs. ISSD is a chargeback program where the funding resides in program's Sub-Object TZ budget. Administration will transfer (\$214,000) GF-State to the other programs. The transfer will realign the funding with the correct DSHS programs to be charged by ISSD.

Consolidated Field Services (CFS) Compensation Adjustment -
(Program 110 to Programs 010, 020, 030, 040, 050, 060, 135):

Program 110 - Administration and Supporting Services (Administration) will transfer compensation adjustments for staff in Consolidated Field Services (Program 160) to other DSHS programs. CFS is a chargeback program where the funding resides in program's budget. Administration will transfer (\$216,000) GF-State to the other programs. The transfer will realign the funding with the correct DSHS programs to be charged by CFS.

ISSD Chargeback Reallocation -
(Programs 010, 020, 030, 040, 050, 060, 070, 100, 110, 135):

The Financial Services Administration (FSA), in conjunction with program areas and ISSD, updated the chargeback methodology for services that are being provided. The methodology simplifies the categories of service, as well as the metrics used to fairly and efficiently distribute charges for services utilized. As a result of the methodology updates, the allocation of funding to the program area needs to be re-distributed to reflect the changes. This re-allocation will in essence hold harmless the program areas, so that all programs will be sufficiently funded for currently identified ISSD service needs.

Information Technology Savings (ITS) Adjustment-
(Program 145 to Programs 010, 020, 030, 040, 050, 060, 070, 100, 110):

Program 145 - Payments to Other Agencies (PTOA) will transfer the ITS reduction to other DSHS programs. The ITS step was placed into PTOA as part of the 2014 Supplemental budget. The PTOA will transfer (\$676,000) GF-State to the other programs. The transfer will realign the reduction with the DSHS programs that incur the charges.

Department of Social and Health Services

DP Code/Title: M2-9T Transfers
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

Office of Deaf and Hard of Hearing (ODHH) Compensation Adjustment-
 (Program 100 to Program 050):

Program 100 - Division of Vocational Rehabilitation (DVR) will transfer compensation adjustments for ODHH staff to Program 050 - Aging and Long-Term Support Administration (ALTSA). ODHH was transferred from DVR to ALTSA in the 2014 Supplemental budget. This transfer is for the ODHH portion of the employee benefit steps that remains in program 050. DVR will transfer \$12,000 to ALTSA. The transfer will realign the funding for the ODHH staff into the correct program.

Economic Services Administration (ESA) to Administration and Supporting Services (ADMIN) Transfer-
 (Program 060 to Program 110):

Transfer of \$45,000 in warehouse lease funding from ESA to ADMIN.

These transfers will realign the funding with the DSHS programs to be charged.

Agency contact: Bill Jordan 360-902-8183.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

DSHS accounts for the wise use of public dollars by maximizing federal funding sources.

Performance Measure Detail

Agency Level

Activity: D036 Field Services

No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Activity: D065 Office of the Deaf and Hard of Hearing

No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Activity: D079 Program Support for Developmental Disabilities

No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Activity: D086 Residential Habilitation Facilities

No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This request supports the following goals identified in the DSHS 2013-2015 Strategic Plan:

Health - Each individual and each community will be healthy,

Public Trust - Strong management practices will be used to ensure quality and efficiency.

Does this decision package provide essential support to one of the Governor's priorities?

This package supports Results Washington Goal 5: Effective, Efficient and Accountable Government Fostering a Lean culture that drives accountability and results for the people of Washington.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

Department of Social and Health Services

DP Code/Title: M2-9T Transfers
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

This decision package supports the Results Washington goals to:

Ensure that funding is used responsibly, and

Ensure efficiency, performance, and accountability to the public by providing transparency and accountability in state agency operations.

What are the other important connections or impacts related to this proposal?

None

What alternatives were explored by the agency, and why was this alternative chosen?

The request transfers funding between programs so that the needs can be met within existing resources.

What are the consequences of not funding this package?

Funding would not be aligned with the programs that are incurring the costs.

What is the relationship, if any, to the state's capital budget?

This request has no impact on the capital budget.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: AW M2-9T Transfers.xlsx.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

The transfer is one-time then all costs associated with it will be ongoing and will carry-forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
B Employee Benefits	0	(35,000)	(35,000)
E Goods\Other Services	0	(32,000)	(32,000)
T Intra-Agency Reimbursements	0	846,000	846,000
Total Objects	0	779,000	779,000

Department of Social and Health Services

DP Code/Title: M2-9T Transfers
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u> <u>Title</u>				
0011	General Fund State	0	424,000	424,000
<i>Total for Fund 001-1</i>		0	424,000	424,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u> <u>Title</u>				
19TA	Title XIX Assistance (FMAP)	0	355,000	355,000
<i>Total for Fund 001-C</i>		0	355,000	355,000
Total Overall Funding		0	779,000	779,000

**2015 Supplemental Budget
AW M2-9T Transfers**

Program	FTEs			FY 2014			FY 2015			2013-15 Biennium		
	FY14	FY15	Total	001-1	Other	Total	001-1	Other	Total	001-1	Other	Total
010 Children's Administration												
1. ISSD Compensation Adjustments			0.0			0	(18,000)		(18,000)	(18,000)	0	(18,000)
2. CFS Compensation Adjustments			0.0			0	(6,000)		(6,000)	(6,000)	0	(6,000)
3. ISSD Chargeback Reallocation			0.0			0	(501,000)	(24,000)	(525,000)	(501,000)	(24,000)	(525,000)
4. ITS Adjustment			0.0			0	(73,000)		(73,000)	(73,000)	0	(73,000)
			0.0			0			0	0	0	0
010 Total	0.0	0.0	0.0	0	0	0	(598,000)	(24,000)	(622,000)	(598,000)	(24,000)	(622,000)
020 Juvenile Rehabilitation												
1. ISSD Compensation Adjustments			0.0			0	(3,000)		(3,000)	(3,000)	0	(3,000)
2. CFS Compensation Adjustments			0.0			0	(14,000)		(14,000)	(14,000)	0	(14,000)
3. ISSD Chargeback Reallocation			0.0			0	140,000		140,000	140,000	0	140,000
4. ITS Adjustment			0.0			0	(14,000)		(14,000)	(14,000)	0	(14,000)
			0.0			0			0	0	0	0
020 Total	0.0	0.0	0.0	0	0	0	109,000	0	109,000	109,000	0	109,000
030 Mental Health												
1. ISSD Compensation Adjustments			0.0			0	(10,000)		(10,000)	(10,000)	0	(10,000)
2. CFS Compensation Adjustments			0.0			0	(34,000)		(34,000)	(34,000)	0	(34,000)
3. ISSD Chargeback Reallocation			0.0			0	532,000	39,000	571,000	532,000	39,000	571,000
4. ITS Adjustment			0.0			0	(20,000)		(20,000)	(20,000)	0	(20,000)
			0.0			0			0	0	0	0
030 Total	0.0	0.0	0.0	0	0	0	468,000	39,000	507,000	468,000	39,000	507,000
040 Developmental Disabilities Administration												
1. ISSD Compensation Adjustments			0.0			0	(12,000)		(12,000)	(12,000)	0	(12,000)
2. CFS Compensation Adjustments			0.0			0	(35,000)		(35,000)	(35,000)	0	(35,000)
3. ISSD Chargeback Reallocation			0.0			0	511,000	355,000	866,000	511,000	355,000	866,000
4. ITS Adjustment			0.0			0	(40,000)		(40,000)	(40,000)	0	(40,000)
			0.0			0			0	0	0	0
040 Total	0.0	0.0	0.0	0	0	0	424,000	355,000	779,000	424,000	355,000	779,000
050 Aging & Long-Term Support Admin												
1. ISSD Compensation Adjustments			0.0			0	(13,000)		(13,000)	(13,000)	0	(13,000)
2. CFS Compensation Adjustments			0.0			0	(2,000)		(2,000)	(2,000)	0	(2,000)
3. ISSD Chargeback Reallocation			0.0			0	12,000	12,000	24,000	12,000	12,000	24,000
4. ITS Adjustment			0.0			0	(83,000)		(83,000)	(83,000)	0	(83,000)
5. ODHH Compensation Adjustment			0.0			0	(12,000)		(12,000)	(12,000)	0	(12,000)
			0.0			0			0	0	0	0
050 Total	0.0	0.0	0.0	0	0	0	(98,000)	12,000	(86,000)	(98,000)	12,000	(86,000)
060 Economic Services Administration												
1. ISSD Compensation Adjustments			0.0			0	(47,000)		(47,000)	(47,000)	0	(47,000)
2. CFS Compensation Adjustments			0.0			0	(7,000)		(7,000)	(7,000)	0	(7,000)
3. ISSD Chargeback Reallocation			0.0			0	(1,023,000)	(463,000)	(1,486,000)	(1,023,000)	(463,000)	(1,486,000)
4. ITS Adjustment			0.0			0	(411,000)		(411,000)	(411,000)	0	(411,000)
6. ESA to ADMIN Transfer			0.0			0	(29,000)	(16,000)	(45,000)	(29,000)	(16,000)	(45,000)
			0.0			0			0	0	0	0
060 Total	0.0	0.0	0.0	0	0	0	(1,517,000)	(479,000)	(1,996,000)	(1,517,000)	(479,000)	(1,996,000)
070 Alcohol and Substance Abuse												
3. ISSD Chargeback Reallocation			0.0			0	2,000	1,000	3,000	2,000	1,000	3,000
4. ITS Adjustment			0.0			0	(6,000)		(6,000)	(6,000)	0	(6,000)
			0.0			0			0	0	0	0
070 Total	0.0	0.0	0.0	0	0	0	(4,000)	1,000	(3,000)	(4,000)	1,000	(3,000)
100 Division of Voc. Rehabilitation												
1. ISSD Compensation Adjustments			0.0			0	(2,000)		(2,000)	(2,000)	0	(2,000)
2. CFS Compensation Adjustments			0.0			0			0	0	0	0
3. ISSD Chargeback Reallocation			0.0			0	(35,000)		(35,000)	(35,000)	0	(35,000)
4. ITS Adjustment			0.0			0	(15,000)		(15,000)	(15,000)	0	(15,000)
5. ODHH Compensation Adjustment			0.0			0	12,000		12,000	12,000	0	12,000
			0.0			0			0	0	0	0
100 Total	0.0	0.0	0.0	0	0	0	(40,000)	0	(40,000)	(40,000)	0	(40,000)
110 Administration & Supporting Services												
1. ISSD Compensation Adjustments			0.0			0	107,000		107,000	107,000	0	107,000
2. CFS Compensation Adjustments			0.0			0	108,000		108,000	108,000	0	108,000
3. ISSD Chargeback Reallocation			0.0			0	219,000	80,000	299,000	219,000	80,000	299,000
4. ITS Adjustment			0.0			0	(10,000)		(10,000)	(10,000)	0	(10,000)
6. ESA to ADMIN Transfer			0.0			0	29,000	16,000	45,000	29,000	16,000	45,000
			0.0			0			0	0	0	0
110 Total	0.0	0.0	0.0	0	0	0	453,000	96,000	549,000	453,000	96,000	549,000

**2015 Supplemental Budget
AW M2-9TTransfers**

	Program	FTEs			FY 2014			FY 2015			2013-15 Biennium		
		FY14	FY15	Total	001-1	Other	Total	001-1	Other	Total	001-1	Other	Total
135	Special Commitment Center												
	1. ISSD Compensation Adjustments			0.0			0	(2,000)		(2,000)	(2,000)	0	(2,000)
	2. CFS Compensation Adjustments			0.0			0	(10,000)		(10,000)	(10,000)	0	(10,000)
	3. ISSD Chargeback Reallocation			0.0			0	143,000		143,000	143,000	0	143,000
	4. ITS Adjustment			0.0			0	(4,000)		(4,000)	(4,000)	0	(4,000)
				0.0			0			0	0	0	0
	135 Total	0.0	0.0	0.0	0	0	0	127,000	0	127,000	127,000	0	127,000
145	Payments to Other Agencies												
	4. ITS Adjustment			0.0			0	676,000		676,000	676,000	0	676,000
				0.0			0			0	0	0	0
	145 Total	0.0	0.0	0.0	0	0	0	676,000	0	676,000	676,000	0	676,000
150	Information System Services Division												
	4. ITS Adjustment			0.0			0			0	0	0	0
				0.0			0			0	0	0	0
	150 Total	0.0	0.0	0.0	0	0	0	0	0	0	0	0	0
160	Consolidated Field Services												
				0.0			0			0	0	0	0
	160 Total	0.0	0.0	0.0	0	0	0	0	0	0	0	0	0
Agency-Wide Total:		0	0	0.0	0	0	0	0	0	0	0	0	0

NOTES:

1. Information System Services Division (ISSD) compensation adjustments from Administration & Supporting Services (Admin). Item adjusts object TZ costs.
2. Consolidated Field Services (CFS) compensation adjustments from Administration & Supporting Services (Admin). Item adjusts object B.
3. Information System Services Division (ISSD) reallocation of chargeback funding. Item adjusts object TZ costs.
4. Information Technology Savings from Payments to Other Agencies. Item adjust object E and TZ.
5. Office of Deaf and Hard of Hearing compensation adjustment from Division of Vocational Rehabilitation. Item adjusts object B.
6. ESA to ADMIN Transfer - transfer of warehouse lease funding from ESA to ADMIN. This transfer is for FY 15 only.

Department of Social and Health Services

DP Code/Title: M2-DA Utilization of Residential Services
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

Recommendation Summary Text:

Developmental Disabilities Administration (DDA) requests \$3,851,000 Total Funds, \$2,714,000 GF State related to utilization of community residential services. Residential services provide instruction and support to people with developmental disabilities in a safe community setting.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	2,714,000	2,714,000
001-C General Fund - Basic Account-Medicaid Federal	0	1,137,000	1,137,000
Total Cost	0	3,851,000	3,851,000

Staffing

Package Description:

DDA requests \$3,851,000 Total Funds, \$2,714,000 GF State related to utilization of community residential services. "Utilization" in this decision package refers to changes in both caseload and per capita costs.

Agency Contact: Ken Brown (360) 902-7583
 Program Contact: Eric Mandt (360) 725-2579

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The DDA Comprehensive Assessment has established a consistent way to determine how much service a person needs and the Administration has implemented a standardized rate setting structure for residential services based upon the assessed needs of the individual with a developmental disability. The residential rates calculator also includes an "economies of scale" calculation so when clients live together or near each other they can share staffing hours.

Performance Measure Detail

Agency Level

Activity: D087 Residential Program

No measures linked to package

Incremental Changes

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This request supports DSHS Goal:

- 1: Health - Each individual and each community will be healthy
- 3: Safety - Each individual and each community will be safe

Does this decision package provide essential support to one of the Governor's priorities?

This decision package supports the Results Washington Goal 4: Healthy and Safe Communities - Fostering the health of Washingtonians from a healthy start to a safe and supported future.

Department of Social and Health Services

DP Code/Title: M2-DA Utilization of Residential Services
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

This decision package supports the Results Washington goals to:

Help the most vulnerable people become independent and self sufficient and:
-- Increase the percent of clients with a developmental disability served in home and community based settings.

What are the other important connections or impacts related to this proposal?

Funding this decision package will ensure that providers of DDA services will see little change in their method of conducting business with ADSA.

What alternatives were explored by the agency, and why was this alternative chosen?

This request cannot be absorbed within existing resources since funding levels are driven entirely by forecast changes.

What are the consequences of not funding this package?

Most of the clients in community residential programs are on a Centers for Medicare and Medicaid Services (CMS) Home and Community Based Service Waiver that enables the state to capture federal matching dollars, maximizing our state funding. CMS requires an annual assessment for all waiver clients and DDA must meet any assessed increases or decreases to the level of service. If the funding is not adjusted, the budget will appropriate funds in excess of or short of the forecasted assessed need of the clients and therefore should not be spent on these services.

What is the relationship, if any, to the state's capital budget?

This request has no impact on the capital budget.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: DDA M2-DA Utilization of Residential Services.xlsx.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

All costs would be ongoing. Future biennia costs will be adjusted by future caseload and per capita estimates.

Object Detail	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	0	3,851,000	3,851,000

Department of Social and Health Services

DP Code/Title: M2-DA Utilization of Residential Services

Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u> <u>Title</u>				
0011	General Fund State	0	2,714,000	2,714,000
<i>Total for Fund 001-1</i>		0	2,714,000	2,714,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u> <u>Title</u>				
19TA	Title XIX Assistance (FMAP)	0	1,137,000	1,137,000
<i>Total for Fund 001-C</i>		0	1,137,000	1,137,000
Total Overall Funding		0	3,851,000	3,851,000

**2015 Supplemental Budget
DDA M2-DA Utilization of Residential Services**

Change in:

Caseload	Expenditures		Per Capita's		Caseload	Expenditures		
	Total	State	Total	State		Total Change	State	Federal

2013-15 Biennial Budget

Funding Available

FY15 - Through Policy Level - FY14 Supplemental Budget

H51 Residential Services	4,509	\$ 403,553,000	\$ 203,531,000	\$ 7,459	\$ 3,762
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2015-17 Biennial Budget - Carry Forward Level

FY16 - Biennial initial budget

H51 Residential Services	4,509	\$ 403,553,000	\$ 203,531,000	\$ 7,459	\$ 3,762
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FY17 - Biennial initial budget

H51 Residential Services	4,509	\$ 403,553,000	\$ 203,531,000	\$ 7,459	\$ 3,762
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Funding Needed

FY15 - June 2014 Update

H51 Residential Services	4,521	\$ 407,404,000	\$ 206,245,000	\$ 7,510	\$ 3,802
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	<u>Total</u>	<u>State</u>	<u>Federal</u>
	\$ 3,851,000	\$ 2,714,000	\$ 1,137,000

FY16 - June 2014 Update

H51 Residential Services	4,557	\$ 420,685,000	\$ 212,281,000	\$ 7,693	\$ 3,882
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	\$ 17,132,000	\$ 8,750,000	\$ 8,382,000
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FY17 - June 2014 Update

H51 Residential Services	4,584	\$ 434,599,000	\$ 219,352,000	\$ 7,901	\$ 3,988
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	\$ 31,046,000	\$ 15,821,000	\$ 15,225,000
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2015-17 Biennium Budget Step

	\$ 48,178,000	\$ 24,571,000	\$ 23,607,000
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Fund Split reflects adjustment for Room and Board requirements

Department of Social and Health Services

DP Code/Title: M2-TM RHC Medicaid Compliance
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

Recommendation Summary Text:

Developmental Disabilities Administration (DDA) requests \$2,199,000 Total Funds, \$1,544,000 GF-State and 9.0 FTE for specialized services and additional nursing home services related to Preadmission Screening and Resident Review (PASRR) assessments for residents of state-run Residential Habilitation Centers (RHC) and community nursing facilities to comply with federal Center for Medicare and Medicaid Services (CMS) rules. By funding this request, appropriate services will be provided to individuals with a developmental disability in nursing home settings and DDA will resolve a pending CMS disallowance and deferral of federal matching funds for nursing facility care.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	1,544,000	1,544,000
001-C General Fund - Basic Account-Medicaid Federal	0	655,000	655,000
Total Cost	0	2,199,000	2,199,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	0.0	9.0	4.5

Package Description:

Problem Statement:

About 240 people with intellectual disabilities live in nursing facilities that are part of state residential habilitation centers. Approximately 320 other people with intellectual disabilities live in community nursing facilities throughout the state. Not all of these individuals have been properly evaluated for specialized services under PASRR regulations. CMS provided a letter of findings in November 2013 with 14 different areas of federal rule violations. CMS indicated that it intended to disallow federal matching funds previously paid for services to 27 individuals at the Lakeland Village RHC nursing facility. DDA has been working with CMS to comply with the PASRR requirements and ensure that people who are determined to need specialized services beyond standard nursing facility level of care are receiving them.

In addition, the review process has uncovered that some of the residents of the Lakeland Village RHC have not been receiving appropriate levels of nursing facility care in areas such as occupational, speech and physical therapies. Additional staff positions have been added to rectify this shortcoming and reach the required level of care at the facility.

Proposed Solution:

To date, the specialized services found necessary under federal regulations that were not previously provided consist mainly of community access and integration. Based on assessments to date, an estimated 50 percent of people with a developmental disability in community nursing homes (160) and 28 percent of RHC nursing facility residents (67) will be assessed as needing specialized services. The average monthly cost of employment and day services is \$485 per month. These services will be eligible for a 50 percent federal match rate as of September 2014, when a state plan amendment is expected to be approved.

For the additional nursing level of care services, Lakeland has hired 9.0 FTE to meet the required standard. These positions consist of the following:

- 4.0 Adult Training Specialist
- 1.0 Recreational Specialist 3
- 1.0 Physical Therapy Assistant
- 2.0 Registered Nurse Case Resource Managers

Department of Social and Health Services

DP Code/Title: M2-TM RHC Medicaid Compliance
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

- 0.5 Psychology Associate

- 0.5 Speech Language Pathologist

In addition, contracted physical therapy services have been increased from eight hours/month to eight hours/week.

Agency Contact: Ken Brown (360) 902 7583

Program Contact: Eric Mandt (360) 725 2579

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The goal of implementing specialized services is to grant nursing facility residents the maximum ability to be integrated into their community, even if they are not yet ready to transition to a home and community based setting.

Performance Measure Detail

Agency Level

Activity: D086 Residential Habilitation Facilities

Output Measures

		Incremental Changes	
		<u>FY 1</u>	<u>FY 2</u>
001128	Monthly Percentage of Total Paid Services Caseload Living in the Community	0.00%	0.00%
001605	Monthly Average RHC Client Cost	0.00	0.00
001606	Number of Clients Served by Long-Term Placements in Residential Habilitation Centers (RHCs)	0.00	0.00

Activity: D087 Residential Program

Output Measures

		Incremental Changes	
		<u>FY 1</u>	<u>FY 2</u>
001128	Monthly Percentage of Total Paid Services Caseload Living in the Community	0.00%	0.00%

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This request supports DSHS Goal:

1: Health - Each individual and each community will be healthy

4: Quality of Life - Each individual in need will be supported to attain the highest possible quality of life.

Does this decision package provide essential support to one of the Governor's priorities?

This package supports the Results Washington Goal 4: Healthy and Safe Communities - Fostering the health of Washingtonians from a healthy start to a safe and supported future.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

This decision package supports the Results Washington goals to:

Help the most vulnerable people become independent and self sufficient and:

-- Increase the percent of clients with a developmental disability served in home and community based settings.

Department of Social and Health Services

DP Code/Title: M2-TM RHC Medicaid Compliance
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

What are the other important connections or impacts related to this proposal?

This initiative is supported by Disability Rights Washington which supports DDA making demonstrable progress to reach Medicaid compliance for people with a developmental disability residing in nursing home settings.

What alternatives were explored by the agency, and why was this alternative chosen?

This request cannot be absorbed within existing resources since the additional workload necessitated by PASRR requirements and the higher level of specialty care required to continue to earn federal funds exceeds current funding levels.

What are the consequences of not funding this package?

CMS would likely continue to disallow federal matching funds for nursing home services provided to clients with intellectual disabilities living in the RHCs and in community nursing facilities.

What is the relationship, if any, to the state's capital budget?

This request has no impact on the capital budget.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: DDA M2-TM RHC Medicaid Compliance.xlsx

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

These costs are ongoing and will carry forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	0	461,000	461,000
B Employee Benefits	0	157,000	157,000
E Goods\Other Services	0	123,000	123,000
G Travel	0	11,000	11,000
J Capital Outlays	0	54,000	54,000
N Grants, Benefits & Client Services	0	1,376,000	1,376,000
P Debt Service	0	2,000	2,000
T Intra-Agency Reimbursements	0	15,000	15,000
Total Objects	0	2,199,000	2,199,000

Department of Social and Health Services

DP Code/Title: M2-TM RHC Medicaid Compliance
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u> <u>Title</u>				
0011	General Fund State	0	1,544,000	1,544,000
<i>Total for Fund 001-1</i>		0	1,544,000	1,544,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u> <u>Title</u>				
19TA	Title XIX Assistance (FMAP)	0	655,000	655,000
<i>Total for Fund 001-C</i>		0	655,000	655,000
Total Overall Funding		0	2,199,000	2,199,000

**2015 Supplemental Budget
DDA M2-TM RHC Medicaid Compliance**

Fiscal Impact of Medicaid Compliance

**Total Specialized Services
and Lakeland Nursing Svcs. Staffing**

2013-15 Biennium

	GF-State	Federal	Total
FY 14			
FY 15	1,544,000	655,000	2,199,000
Total	1,544,000	655,000	2,199,000

**Total Specialized Services
and Lakeland Nursing Svcs. Staffing**

2015-17 Biennium

	GF-State	Federal	Total
FY 16	1,129,000	1,129,000	2,258,000
FY 17	1,129,000	1,129,000	2,258,000
Total	2,258,000	2,258,000	4,516,000

2015 Supplemental Budget DDA M2-TM RHC Medicaid Compliance

Fiscal Impact of PASRR Specialized Services

Total Specialized Services RHC and Community NH Clients

2013-15 Biennium			
	GF-State	Federal	Total
FY 14			
FY 15	1,012,000	220,000	1,232,000
Total	1,012,000	220,000	1,232,000

Total Specialized Services RHC and Community NH Clients

2015-17 Biennium			
	GF-State	Federal	Total
FY 16	660,000	660,000	1,320,000
FY 17	660,000	660,000	1,320,000
Total	1,320,000	1,320,000	2,640,000

Specialized Services RHC Nursing Facilities

2013-15 Biennium			
	GF-State	Federal	Total
FY 14			
FY 15	320,000	64,000	384,000
Total	320,000	64,000	384,000

Specialized Services RHC Nursing Facilities

2015-17 Biennium			
	GF-State	Federal	Total
FY 16	192,000	192,000	384,000
FY 17	192,000	192,000	384,000
Total	384,000	384,000	768,000

Specialized Services Community Nursing Facilities

2013-15 Biennium			
	GF-State	Federal	Total
FY 14	-	-	-
FY 15	692,000	156,000	848,000
Total	692,000	156,000	848,000

Specialized Services Community Nursing Facilities

2015-17 Biennium			
	GF-State	Federal	Total
FY 16	468,000	468,000	936,000
FY 17	468,000	468,000	936,000
Total	936,000	936,000	1,872,000

Assumptions:

Monthly rate is \$485, the FY14 average monthly cost of Employment and Day Services.

Beginning June 2014 phase in 28% of the 248 RHC Nursing Facility residents by September 30, 2014

Beginning July 2014, phase in 50% of the 320 Community Nursing Facility clients by December 31, 2014

Assume State Plan Amendment can be in place to capture FFP as of Sept. 1, 2014

Fund split is state only through February 2015; 50% FMAP thereafter

2015 Supplemental Budget
DDA M2-TM RHC Medicaid Compliance

PASRR Specialized Services

# of RHC NF *Monthly					# of RHC NF					# of RHC NF					# of RHC NF							
FY 2014	residents	Rate	Monthly Cost	GF-State	FY 2015	residents	Rate	Monthly Cost	GF-State	Federal	FY 16	residents	Rate	Monthly Cost	GF-State	Federal	FY 17	residents	Rate	Monthly Cost	GF-State	Federal
Feb-14	0		-	-	Jul-14	67	485.00	32,000	32,000	-	Jul-15	67	485.00	32,000	16,000	16,000	Jul-16	67	485.00	32,000	16,000	16,000
Mar-14	0		-	-	Aug-14	67	485.00	32,000	32,000	-	Aug-15	67	485.00	32,000	16,000	16,000	Aug-16	67	485.00	32,000	16,000	16,000
Apr-14	0		-	-	Sep-14	67	485.00	32,000	32,000	-	Sep-15	67	485.00	32,000	16,000	16,000	Sep-16	67	485.00	32,000	16,000	16,000
May-14	0		-	-	Oct-14	67	485.00	32,000	32,000	-	Oct-15	67	485.00	32,000	16,000	16,000	Oct-16	67	485.00	32,000	16,000	16,000
Jun-14	50	485.00	24,000	24,000	Nov-14	67	485.00	32,000	32,000	-	Nov-15	67	485.00	32,000	16,000	16,000	Nov-16	67	485.00	32,000	16,000	16,000
			24,000	24,000	Dec-14	67	485.00	32,000	32,000	-	Dec-15	67	485.00	32,000	16,000	16,000	Dec-16	67	485.00	32,000	16,000	16,000
					Jan-15	67	485.00	32,000	32,000	-	Jan-16	67	485.00	32,000	16,000	16,000	Jan-17	67	485.00	32,000	16,000	16,000
					Feb-15	67	485.00	32,000	32,000	-	Feb-16	67	485.00	32,000	16,000	16,000	Feb-17	67	485.00	32,000	16,000	16,000
					Mar-15	67	485.00	32,000	16,000	16,000	Mar-16	67	485.00	32,000	16,000	16,000	Mar-17	67	485.00	32,000	16,000	16,000
					Apr-15	67	485.00	32,000	16,000	16,000	Apr-16	67	485.00	32,000	16,000	16,000	Apr-17	67	485.00	32,000	16,000	16,000
					May-15	67	485.00	32,000	16,000	16,000	May-16	67	485.00	32,000	16,000	16,000	May-17	67	485.00	32,000	16,000	16,000
					Jun-15	67	485.00	32,000	16,000	16,000	Jun-16	67	485.00	32,000	16,000	16,000	Jun-17	67	485.00	32,000	16,000	16,000
								384,000	320,000	64,000				384,000	192,000	192,000				384,000	192,000	192,000

# of Community					# of Community					# of Community							
FY 2015	NF residents	Rate	Monthly Cost	GF-State	Federal	FY 16	NF residents	Rate	Monthly Cost	GF-State	Federal	FY 17	NF residents	Rate	Monthly Cost	GF-State	Federal
Jul-14	50	485.00	24,000	24,000	-	Jul-15	160	485.00	78,000	39,000	39,000	Jul-16	160	485.00	78,000	39,000	39,000
Aug-14	100	485.00	49,000	49,000	-	Aug-15	160	485.00	78,000	39,000	39,000	Aug-16	160	485.00	78,000	39,000	39,000
Sep-14	150	485.00	73,000	73,000	-	Sep-15	160	485.00	78,000	39,000	39,000	Sep-16	160	485.00	78,000	39,000	39,000
Oct-14	160	485.00	78,000	78,000	-	Oct-15	160	485.00	78,000	39,000	39,000	Oct-16	160	485.00	78,000	39,000	39,000
Nov-14	160	485.00	78,000	78,000	-	Nov-15	160	485.00	78,000	39,000	39,000	Nov-16	160	485.00	78,000	39,000	39,000
Dec-14	160	485.00	78,000	78,000	-	Dec-15	160	485.00	78,000	39,000	39,000	Dec-16	160	485.00	78,000	39,000	39,000
Jan-15	160	485.00	78,000	78,000	-	Jan-16	160	485.00	78,000	39,000	39,000	Jan-17	160	485.00	78,000	39,000	39,000
Feb-15	160	485.00	78,000	78,000	-	Feb-16	160	485.00	78,000	39,000	39,000	Feb-17	160	485.00	78,000	39,000	39,000
Mar-15	160	485.00	78,000	39,000	39,000	Mar-16	160	485.00	78,000	39,000	39,000	Mar-17	160	485.00	78,000	39,000	39,000
Apr-15	160	485.00	78,000	39,000	39,000	Apr-16	160	485.00	78,000	39,000	39,000	Apr-17	160	485.00	78,000	39,000	39,000
May-15	160	485.00	78,000	39,000	39,000	May-16	160	485.00	78,000	39,000	39,000	May-17	160	485.00	78,000	39,000	39,000
Jun-15	160	485.00	78,000	39,000	39,000	Jun-16	160	485.00	78,000	39,000	39,000	Jun-17	160	485.00	78,000	39,000	39,000
			848,000	692,000	156,000				936,000	468,000	468,000				936,000	468,000	468,000

	GF-State	Federal	Total
FY 14	24,000	-	24,000
FY 15	1,012,000	220,000	1,232,000
Total	1,036,000	220,000	1,256,000

	GF-State	Federal	Total
FY 16	660,000	660,000	1,320,000
FY 17	660,000	660,000	1,320,000
Total	1,320,000	1,320,000	2,640,000

Assumptions:

Monthly rate is \$485, the FY14 average monthly cost of Employment and Day Services.
 Beginning June 2014 phase in 28% of the 248 RHC Nursing Facility residents by September 30, 2014
 Beginning July 2014, phase in 50% of the 320 Community Nursing Facility clients by December 31, 2014
 Assume State Plan Amendment can be in place to capture FFP as of Sept. 1, 2014
 Fund split is state only through February 2015; 50% FMAP thereafter

**2015 Supplemental Budget
DDA M2-TM RHC Medicaid Compliance**

PASRR Specialized Services

FY 2014	# of Lakeland Village NF residents	Monthly Rate	Monthly Cost	GF-State
Feb-14	0	-	-	-
Mar-14	0	-	-	-
Apr-14	0	-	-	-
May-14	10	485.00	5,000	5,000
Jun-14	25	485.00	12,000	12,000
			17,000	17,000

FY 2015	# of Lakeland Village NF residents	Monthly Rate	Monthly Cost	GF-State	Federal
Jul-14	25	485.00	12,000	12,000	-
Aug-14	25	485.00	12,000	12,000	-
Sep-14	25	485.00	12,000	12,000	-
Oct-14	25	485.00	12,000	12,000	-
Nov-14	25	485.00	12,000	12,000	-
Dec-14	25	485.00	12,000	12,000	-
Jan-15	25	485.00	12,000	12,000	-
Feb-15	25	485.00	12,000	12,000	-
Mar-15	25	485.00	12,000	6,000	6,000
Apr-15	25	485.00	12,000	6,000	6,000
May-15	25	485.00	12,000	6,000	6,000
Jun-15	25	485.00	12,000	6,000	6,000
			144,000	120,000	24,000

FY 2016	# of Lakeland Village NF residents	Monthly Rate	Monthly Cost	GF-State	Federal
Jul-15	25	485.00	12,000	6,000	6,000
Aug-15	25	485.00	12,000	6,000	6,000
Sep-15	25	485.00	12,000	6,000	6,000
Oct-15	25	485.00	12,000	6,000	6,000
Nov-15	25	485.00	12,000	6,000	6,000
Dec-15	25	485.00	12,000	6,000	6,000
Jan-16	25	485.00	12,000	6,000	6,000
Feb-16	25	485.00	12,000	6,000	6,000
Mar-16	25	485.00	12,000	6,000	6,000
Apr-16	25	485.00	12,000	6,000	6,000
May-16	25	485.00	12,000	6,000	6,000
Jun-16	25	485.00	12,000	6,000	6,000
			144,000	72,000	72,000

FY 2017	# of Lakeland Village NF residents	Monthly Rate	Monthly Cost	GF-State	Federal
Jul-16	25	485.00	12,000	6,000	6,000
Aug-16	25	485.00	12,000	6,000	6,000
Sep-16	25	485.00	12,000	6,000	6,000
Oct-16	25	485.00	12,000	6,000	6,000
Nov-16	25	485.00	12,000	6,000	6,000
Dec-16	25	485.00	12,000	6,000	6,000
Jan-17	25	485.00	12,000	6,000	6,000
Feb-17	25	485.00	12,000	6,000	6,000
Mar-17	25	485.00	12,000	6,000	6,000
Apr-17	25	485.00	12,000	6,000	6,000
May-17	25	485.00	12,000	6,000	6,000
Jun-17	25	485.00	12,000	6,000	6,000
			144,000	72,000	72,000

	GF-State	Federal	Total
FY 14	17,000	-	17,000
FY 15	120,000	24,000	144,000
Total	137,000	24,000	161,000

	GF-State	Federal	Total
FY 16	72,000	72,000	144,000
FY 17	72,000	72,000	144,000
Total	144,000	144,000	288,000

Assumptions:

Monthly rate is \$485, the FY14 average monthly cost of Employment and Day Services.

Beginning June 2014 phase in 28% of the 248 RHC Nursing Facility residents by September 30, 2014

Beginning July 2014, phase in 50% of the 320 Community Nursing Facility clients by December 31, 2014

Assume State Plan Amendment can be in place to capture FFP as of March 1, 2015

**2015 Supplemental Budget
DDA M2-TM RHC Medicaid Compliance**

FY 2014 6.20% 9.21% 0.85% 1.45% \$782 \$48.00 \$594 \$524 0.007 \$100 \$6,000 \$25 \$125
 FY 2015 6.20% 9.21% 0.85% 1.45% \$662 \$48.00 \$594 \$524 0.007 \$100 \$300 \$25 \$125

Fiscal Year 2014	# Staff	Staff Month	FTEs	Monthly Salary	Salaries	OASI	Retirement	UI	Medicare	Health Insurance	Medical Aid	Goods & Services	Leases	Personnel Services	Travel	Equipment	Computer Lease	ISSD	Total
					A	BA	BB	BF	BH	BD	BC	E	ED	EN	G	J	P	TZ	
Adult Training Specialist 2 (R39 - Step L)	0.0	12.0	-	3,377	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreational Specialist 3 R45 - Step L)	0.0	12.0	-	3,918	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Physical Therapy Assistant 2 (R49 - Step L)	0.0	12.0	-	4,322	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Registered Nurse 3 (R58N - Step L)	0.0	12.0	-	5,763	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Speech Language Pathologist 2 (R64 - Step L)	0.0	12.0	-	5,535	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Psychology Associate (R54 - Step L)	0.0	12.0	-	4,888	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	0.0	72.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Fiscal Year 2015	# Staff	Staff Month	FTEs	Monthly Salary	Salaries	OASI	Retirement	UI	Medicare	Health Insurance	Medical Aid	Goods & Services	Leases	Personnel Services	Travel	Equipment	Computer Lease	ISSD	Total
					A	BA	BB	BF	BH	BD	BC	E	ED	EN	G	J	P	TZ	
Adult Training Specialist 2 (R39 - Step L)	4.0	12.0	4.0	3,377	162,000	10,000	15,000	1,000	2,000	32,000	2,000	29,000	25,000	1,000	5,000	24,000	1,000	6,000	315,000
Recreational Specialist 3 R45 - Step L)	1.0	12.0	1.0	3,918	47,000	3,000	4,000	-	1,000	8,000	1,000	7,000	6,000	-	1,000	6,000	-	2,000	86,000
Physical Therapy Assistant 2 (R49 - Step L)	1.0	12.0	1.0	4,322	52,000	3,000	5,000	-	1,000	8,000	1,000	7,000	6,000	-	1,000	6,000	-	2,000	92,000
Registered Nurse 3 (R58N - Step L)	2.0	12.0	2.0	5,763	138,000	9,000	13,000	1,000	2,000	16,000	1,000	14,000	13,000	1,000	2,000	12,000	1,000	3,000	226,000
Speech Language Pathologist 2 (R64 - Step L)	0.5	12.0	0.5	5,535	33,000	2,000	3,000	-	-	4,000	-	4,000	3,000	-	1,000	3,000	-	1,000	54,000
Psychology Associate (R54 - Step L)	0.5	12.0	0.5	4,888	29,000	2,000	3,000	-	-	4,000	-	4,000	3,000	-	1,000	3,000	-	1,000	50,000
Total	9.0	72.0	9.0	-	461,000	29,000	43,000	2,000	6,000	72,000	5,000	65,000	56,000	2,000	11,000	54,000	2,000	15,000	823,000

	FY 2014	FY 2015
FTE's	-	9.0
A - Salaries	-	461,000
B - Benefits	-	157,000
E - Goods & Services	-	67,000
ED - Leases	-	56,000
G - Travel	-	11,000
J - Equipment	-	54,000
P - Computer Lease	-	2,000
TZ - ISSD	-	15,000
		823,000
DA - General Fund - State	-	412,000
UM - General Fund - Federal	-	411,000

Assumptions :
 Addition staffing at Lakeland Village to meet required nursing facility standards
 All Benefit Rates and ISSD Rates come from the DSHS Staffing Model or OFM Allotment Instructions
 Salaries from Department of Personnel State Compensation Plan effective July 1, 2013

**2015 Supplemental Budget
DDA M2-TM RHC Medicaid Compliance**

Fiscal Year 2016	# Staff	Staff Month	FTEs	Monthly Salary	6.20%		9.21%		0.85%		1.45%		\$880	\$48.00	\$594	\$524	0.007	\$100	\$8,000	\$25	\$125	Total
					A	BA	BB	BF	BH	BD	BC	E	ED	EN	G	J	P	TZ				
Adult Training Specialist 2 (R39 - Step L)	4.0	12.0	4.0	3,377	162,000	10,000	15,000	1,000	2,000	42,000	2,000	29,000	25,000	1,000	5,000	1,000	1,000	6,000	302,000			
Recreational Specialist 3 R45 - Step L)	1.0	12.0	1.0	3,918	47,000	3,000	4,000	-	1,000	11,000	1,000	7,000	6,000	-	1,000	-	-	2,000	83,000			
Physical Therapy Assistant 2 (R49 - Step L)	1.0	12.0	1.0	4,322	52,000	3,000	5,000	-	1,000	11,000	1,000	7,000	6,000	-	1,000	-	-	2,000	89,000			
Registered Nurse 3 (R58N - Step L)	2.0	12.0	2.0	5,763	138,000	9,000	13,000	1,000	2,000	21,000	1,000	14,000	13,000	1,000	2,000	1,000	1,000	3,000	220,000			
Speech Language Pathologist 2 (R64 - Step L)	0.5	12.0	0.5	5,535	33,000	2,000	3,000	-	-	5,000	-	4,000	3,000	-	1,000	-	-	1,000	52,000			
Psychology Associate (R54 - Step L)	0.5	12.0	0.5	4,888	29,000	2,000	3,000	-	-	5,000	-	4,000	3,000	-	1,000	-	-	1,000	48,000			
Total	9.0	72.0	9.0		461,000	29,000	43,000	2,000	6,000	95,000	5,000	65,000	56,000	2,000	11,000	2,000	2,000	15,000	794,000			

Fiscal Year 2017	# Staff	Staff Month	FTEs	Monthly Salary	6.20%		9.21%		0.85%		1.45%		\$880	\$48.00	\$594	\$524	0.007	\$100	\$8,000	\$25	\$125	Total
					A	BA	BB	BF	BH	BD	BC	E	ED	EN	G	J	P	TZ				
Adult Training Specialist 2 (R39 - Step L)	4.0	12.0	4.0	3,377	162,000	10,000	15,000	1,000	2,000	42,000	2,000	29,000	25,000	1,000	5,000	1,000	1,000	6,000	302,000			
Recreational Specialist 3 R45 - Step L)	1.0	12.0	1.0	3,918	47,000	3,000	4,000	-	1,000	11,000	1,000	7,000	6,000	-	1,000	-	-	2,000	83,000			
Physical Therapy Assistant 2 (R49 - Step L)	1.0	12.0	1.0	4,322	52,000	3,000	5,000	-	1,000	11,000	1,000	7,000	6,000	-	1,000	-	-	2,000	89,000			
Registered Nurse 3 (R58N - Step L)	2.0	12.0	2.0	5,763	138,000	9,000	13,000	1,000	2,000	21,000	1,000	14,000	13,000	1,000	2,000	1,000	1,000	3,000	220,000			
Speech Language Pathologist 2 (R64 - Step L)	0.5	12.0	0.5	5,535	33,000	2,000	3,000	-	-	5,000	-	4,000	3,000	-	1,000	-	-	1,000	52,000			
Psychology Associate (R54 - Step L)	0.5	12.0	0.5	4,888	29,000	2,000	3,000	-	-	5,000	-	4,000	3,000	-	1,000	-	-	1,000	48,000			
Total	9.0	72.0	9.0		461,000	29,000	43,000	2,000	6,000	95,000	5,000	65,000	56,000	2,000	11,000	2,000	2,000	15,000	794,000			

	FY 2016	FY 2017
FTE's	9.0	9.0
A - Salaries	461,000	461,000
B - Benefits	180,000	180,000
E - Goods & Services	67,000	67,000
ED - Leases	56,000	56,000
G - Travel	11,000	11,000
J - Equipment	2,000	2,000
P - Computer Lease	2,000	2,000
TZ - ISSD	15,000	15,000
	794,000	794,000
DA - General Fund - State	397,000	397,000
UM - General Fund - Federal	397,000	397,000

Assumptions :
Additional staffing at Lakeland Village to meet required nursing facility standards
All Benefit Rates and ISSD Rates come from the DSHS Staffing Model or OFM Allotment Instructions
Salaries from Department of Personnel State Compensation Plan effective July 1, 2013

Policy Level

DSHS Budget Division

Recommendation Summary

Budget Period:2013-15

Version: D3 - 040 2013-15 Final 2015 Sup

Budget Level Criteria: PL Only

Dollars in Thousands	Agency Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
PL - Performance Level					
4Q Community Res Rate Adjustments	0	0.0	3,915	3,920	7,835
	SubTotal PL	0.0	3,915	3,920	7,835
Total Proposed PL Only Budget		0.0	3,915	3,920	7,835

Department of Social and Health Services

DP Code/Title: PL-4Q Community Res Rate Adjustments
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

Recommendation Summary Text:

The Developmental Disabilities Administration (DDA) requests \$7,835,000 Total Funds, \$3,915,000 GF-State for Supported Living providers to offer medical coverage to employees working 30 or more hours per week, as required under the Affordable Care Act (ACA), to standardize administrative rates and develop an electronic rates setting module in the CARE system. This funding is necessary for residential providers to be able to maintain a stable workforce to continue providing DDA clients with quality community-based services as an alternative to placements in a Residential Habilitation Center (RHC).

Fiscal Detail:

Operating Expenditures	FY 1	FY 2	Total
Overall Funding			
001-1 General Fund - Basic Account-State	0	3,915,000	3,915,000
001-C General Fund - Basic Account-Medicaid Federal	0	3,920,000	3,920,000
Total Cost	0	7,835,000	7,835,000

Staffing

Package Description:

Problem Statement:

The Centers for Medicare and Medicaid Services (CMS) requires that payments made on behalf of clients of the department be adequately documented to support payments claimed for each day of service billed. DDA provides residential services to approximately 3,700 individuals at an annual cost of \$280 million. The average starting wage offered to supported living employees is among the lowest of all settings provided by DDA or the Aging and Long-Term Support Administration (AL TSA). Due to increased wages for other service provider types, the industry struggles to hire and retain staff. The high turnover rate affects service delivery and the stability of vulnerable adults who have complex medical and behavioral support needs. The result has been providers not being able to accept referrals to serve high acuity clients, resulting in increased admissions to RHCs.

There are several issues with community residential rates. First, Supported Living providers and other employers must offer employees that work over 30 hours per week health insurance or pay penalties beginning January 1, 2015. Also, in 2007, DDA instituted an administrative rate table to address inequities between providers in different geographic areas. New clients, after 2007, are paid at a different administrative rate than existing clients. Standardizing the administrative rate component will decrease the number of rate changes, because the need to rebalance a provider's administrative rates for a group of individuals in one residence when one client leaves or arrives will be eliminated. At the same time, DDA does not have adequate internal controls to prevent improper authorizations and payments to residential providers due to the reliance on hand-keyed information to enact rate changes.

Proposed Solution:

Increasing rates paid to Supported Living providers by \$0.77 (total funds) per hour to cover the cost of employee health insurance will help maintain a stable workforce that is vital for ensuring the delivery of quality services to our most vulnerable in a safe and healthy environment in community-based settings, an approximately \$30 million dollar impact. DDA also recommends automating the residential rate setting and approval process for children and adults in the CARE system, at cost of around \$300,000. The module will improve our interface with ProviderOne to allow edits when rate changes need approval based on changes in client support needs. These enhancements will promote consistency, transparency and accountability to ensure that: cost reporting policy requirements are met; client services hours purchased are reconciled with payroll records, errors in authorizations and payments are minimized; and residential rates information meets HIPAA related security requirements.

Agency Contact: Ken Brown (360) 902 7583

Department of Social and Health Services

DP Code/Title: PL-4Q Community Res Rate Adjustments
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2013-15 Version: D3 040 2013-15 Final 2015 Sup

Program Contact: Eric Mandt (360) 725 2579

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Funding this decision package will decrease supported living staff turnover, which leads to higher client satisfaction and quality outcomes by providing consistent support services for clients with staff who have specialized skills and training. In addition, it will decrease the potential for clients with multiple complicated support needs requesting services in the RHCs at a much higher cost by stabilizing and keeping them in the community residential services and support system.

Performance Measure Detail

Agency Level

Activity: D079 Program Support for Developmental Disabilities

No measures linked to package

Incremental Changes

FY 1

FY 2

0.00

0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

The budget request supports DSHS Goal 2: Safety - Each individual and each community will be safe and DSHS Goal 4: Quality of Life - Each individual in need will be supported to attain the highest possible quality of life.

The decision package is essential to implementing the DDA Strategic Objective 4.1: Increase access to home and community-based services and Strategic Objective 4.2: Increase the effectiveness of community residential programs to support individuals to have quality lives.

This request supports the Results Washington Goal 3.2.b: Increase percentage of clients with developmental disabilities served in home and community based settings.

Does this decision package provide essential support to one of the Governor's priorities?

This decision package supports the Results Washington Goal 4: Healthy and Safe Communities - Fostering the health of Washingtonians from a healthy start to a safe and supported future. Help the most vulnerable people become independent and self-sufficient and:

--Increase the percent of long-term care clients served in home and community-based settings.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

This decision package supports the Results Washington goals to:

Help the most vulnerable people become independent and self-sufficient and:

--Increase the percent of clients with a developmental disability served in home and community-based settings.

What are the other important connections or impacts related to this proposal?

Stakeholders, including clients receiving support services and their families, the ARC of Washington, Developmental Disabilities Council, residential providers associations - Community Residential Services Association and Community Protection Providers Association all support a rate increase to cover the cost of healthcare and an hourly benchmark increase for the staff providing residential services and supports to clients in the administration's residential program.

What alternatives were explored by the agency, and why was this alternative chosen?

Department of Social and Health Services

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The request cannot be absorbed within existing resources because the forecasting process doesn't fund rate increases. Any rate increases would occur outside of the forecast process as the forecast accounts for caseload and per capita cost adjustments only.

What are the consequences of not funding this package?

The consequences of adopting this package include having sufficient funding to increase rates for Supported Living providers who must meet ACA requirements. Supported Living Facilities, as well as other settings, play an integral role in our ability to provide clients with an array of quality services and supports.

What is the relationship, if any, to the state's capital budget?

This request has no impact on the capital budget.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: DDA PL-4Q Community Residential Rate Adjustments.xlsm

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

These costs are ongoing and will carry forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	0	7,835,000	7,835,000

DSHS Source Code Detail

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	0	3,915,000	3,915,000
<i>Total for Fund 001-1</i>	0	3,915,000	3,915,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19TA Title XIX Assistance (FMAP)	0	3,920,000	3,920,000
<i>Total for Fund 001-C</i>	0	3,920,000	3,920,000
Total Overall Funding	0	7,835,000	7,835,000

**2015 Supplemental Budget
DDA PL-4Q Community Residential Rate Adjustments**

Community Residential Rate Adjustments

Category	FY14	FY15	13-15 Biennium
Employee Health Care (ACA)	-	7,835,000	7,835,000
Administrative Rate Increase	-	-	-
Staffing	-	-	-
Total	-	7,835,000	7,835,000

Category	FY16 FTE	FY17 FTE	15-17 Biennium FTE	FY16 Cost	FY17 Cost	15-17 Biennium Cost
Employee Health Care (ACA)	-	-	-	15,671,000	15,671,000	31,342,000
Administrative Rate Increase	-	-	-	1,028,000	1,028,000	2,056,000
Staffing (3 FTE FY16 Only)	3.0	-	1.5	372,000	-	372,000
Total	3.0	-	1.5	17,071,000	16,699,000	33,770,000

DDA	FY14	FY15	13-15 Biennium
State	-	3,915,000	3,915,000
Federal	-	3,920,000	3,920,000
Total	-	7,835,000	7,835,000

DDA	FY16 FTE	FY17 FTE	15-17 Biennium FTE	FY16 Cost	FY17 Cost	15-17 Biennium Cost
State	-	-	-	8,567,000	8,344,000	16,911,000
Federal	-	-	-	8,504,000	8,355,000	16,859,000
Total	3.0	-	1.5	17,071,000	16,699,000	33,770,000

71

**2015 Supplemental Budget
DDA PL-4Q Community Residential Rate Adjustments**

INCREASE TO STAFF WAGES

County/Prog Type	Current Benchmark Rate	% CPI Increase to Benchmark July, 2015	Benchmark \$ from CPI July, 2015	Benchmark Increase July, 2015	Proposed Benchmark Rate July, 2015	% CPI Increase to Benchmark July, 2016	Benchmark \$ from CPI July, 2016	Benchmark Increase July, 2016	Proposed Benchmark Rate July, 2016	JUNE 2014 Total ISS Hours	MSA/NON-MSA/King	ACA Cost FY2015 (January 1, 2015 six months)	ACA Cost FY2016	ACA Cost FY2017
Core/CP Non-MSA	\$15.17		\$0.77		\$15.94			\$0.00	\$15.94	1,518,367	Non-MSA	\$584,571	\$1,169,143	\$1,169,143
Core/CP MSA	\$15.48		\$0.77		\$16.25			\$0.00	\$16.25	12,998,783	MSA	\$5,004,532	\$10,009,063	\$10,009,063
Core/CP King	\$16.08		\$0.77		\$16.85			\$0.00	\$16.85	5,459,290	King	\$2,101,827	\$4,203,653	\$4,203,653
State-Only Non-MSA	\$15.17		\$0.77		\$15.94			\$0.00	\$15.94	15,315	Non-MSA	\$5,896	\$11,793	\$11,793
State-Only MSA	\$15.48		\$0.77		\$16.25			\$0.00	\$16.25	60,112	MSA	\$23,143	\$46,286	\$46,286
State-Only King	\$16.08		\$0.77		\$16.85			\$0.00	\$16.85	15,695	King	\$6,043	\$12,085	\$12,085
RCL Non-MSA	\$15.17		\$0.77		\$15.94			\$0.00	\$15.94	0	Non-MSA	\$0	\$0	\$0
RCL MSA	\$15.48		\$0.77		\$16.25			\$0.00	\$16.25	178,120	MSA	\$68,576	\$137,152	\$137,152
RCL King	\$16.08		\$0.77		\$16.85			\$0.00	\$16.85	66,430	King	\$25,576	\$51,151	\$51,151
Core LSR Prog Mngr - MSA	\$23.07		\$0.77		\$23.84			\$0.00	\$23.84	37,080	MSA	\$14,276	\$28,552	\$28,552
Core LSR Prog Mngr - King	\$23.97		\$0.77		\$24.74			\$0.00	\$24.74	2,588	King	\$996	\$1,993	\$1,993
State-Only LSR Prog Mngr - MSA	\$23.07		\$0.77		\$23.84			\$0.00	\$23.84	0	MSA	\$0	\$0	\$0
RCL LSR Prog Mngr - MSA	\$23.07		\$0.77		\$23.84			\$0.00	\$23.84	0	MSA	\$0	\$0	\$0
Professional Services	Varies									N/A	Prof Services			
										20,351,781	Total	\$7,835,436	\$15,670,871	\$15,670,871
											State	\$3,917,718	\$7,835,436	\$7,835,436

ADJUST NON-STAFF RATE: BRING UNDERPAID AGENCIES UP TO THE STANDARDIZED RATES

Total Biennium	\$31,341,742
Total Biennium GF-S	\$15,670,871

72