

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
M2-3A	ProviderOne
M2-43	Rekhter Decision
M2-51	IT Security Requirements
M2-5H	State Hospital Discharge
M2-5Z	Deaf-Blind Equipment Distribution
M2-8M	Mileage Rate Adjustments
M2-8P	Postage Rate Adjustments
M2-8V	Building Access Control System
M2-9G	Workers Comp Base Correction
M2-9T	Transfers

**Aging & Long-Term
Support**

Administration

Program 050

DSHS Budget Division

Recommendation Summary

DSHS Budget Division

Recommendation Summary

Budget Period:2013-15

Version: E3 - 050 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	(8,045)	(6,904)	(14,949)
93	Mandatory Caseload Adjustments	0	0.0	(5,300)	(5,048)	(10,348)
SubTotal M1			0.0	(13,345)	(11,952)	(25,297)
Cumulative Total Thru M1			0.0	(13,345)	(11,952)	(25,297)
M2 - Inflation and Other Rate Changes						
3A	ProviderOne	0	6.7	733	733	1,466
43	Rekhter Decision	0	0.0	32,919	32,918	65,837
51	IT Security Requirements	0	1.0	124	124	248
5H	State Hospital Discharge	0	2.0	602	579	1,181
5Z	Deaf-Blind Equipment Distribution	0	0.0	0	200	200
8M	Mileage Rate Adjustments	0	0.0	19	16	35
8P	Postage Rate Adjustments	0	0.0	11	6	17
8V	Building Access Control System	0	0.0	27	24	51
9G	Workers Comp Base Correction	0	0.0	36	34	70
9T	Transfers	0	0.0	(98)	12	(86)
SubTotal M2			9.7	34,373	34,646	69,019
Cumulative Total Thru M2			9.7	21,028	22,694	43,722
Total Proposed Budget			9.7	21,028	22,694	43,722

Maintenance Level

DSHS Budget Division

Recommendation Summary

Budget Period:2013-15

Version: E3 - 050 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	(8,045)	(6,904)	(14,949)
93	Mandatory Caseload Adjustments	0	0.0	(5,300)	(5,048)	(10,348)
SubTotal M1			0.0	(13,345)	(11,952)	(25,297)
Cumulative Total Thru M1			0.0	(13,345)	(11,952)	(25,297)
M2 - Inflation and Other Rate Changes						
3A	ProviderOne	0	6.7	733	733	1,466
43	Rekhter Decision	0	0.0	32,919	32,918	65,837
51	IT Security Requirements	0	1.0	124	124	248
5H	State Hospital Discharge	0	2.0	602	579	1,181
5Z	Deaf-Blind Equipment Distribution	0	0.0	0	200	200
8M	Mileage Rate Adjustments	0	0.0	19	16	35
8P	Postage Rate Adjustments	0	0.0	11	6	17
8V	Building Access Control System	0	0.0	27	24	51
9G	Workers Comp Base Correction	0	0.0	36	34	70
9T	Transfers	0	0.0	(98)	12	(86)
SubTotal M2			9.7	34,373	34,646	69,019
Cumulative Total Thru M2			9.7	21,028	22,694	43,722
Total Proposed Budget			9.7	21,028	22,694	43,722

Department of Social and Health Services

DP Code/Title: M1-0U Forecast Cost/Utilization
Program Level - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 2013-15 Final 2015 Sup

Recommendation Summary Text:

Aging and Long-Term Support Administration (AL TSA) requests (\$14,949,000) Total Funds, (\$8,045,000) GF-State to reflect utilization changes related to Long Term Services and Supports (LTSS) that were identified through the June 2014 caseload forecast process.

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	(8,045,000)	(8,045,000)
001-C General Fund - Basic Account-Medicaid Federal	0	(6,904,000)	(6,904,000)
Total Cost	0	(14,949,000)	(14,949,000)

Staffing

Package Description:

The Department of Social and Health Services (DSHS) Aging and Long-Term Support Administration (AL TSA) requests (\$14,949,000) Total Funds, (\$8,045,000) GF-State to reflect changes in the utilization of LTSS that were identified in the June 2014 caseload forecasting process developed by AL TSA. Examples of these services and supports include but are not limited to nursing homes, Area Agency on Aging (AAA) services, nursing facility discharge payments, estate recoveries, and Home and Community Based Services (HCBS). The primary driver for this funding decrease was changes in per capita costs for in-home services.

Agency Contact: Bryan Way (360) 902-7769
 Program Contact: Eric Mandt (360) 725-2579

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The agency expects to have sufficient funding to cover per capita cost adjustments related to the AL TSA caseload.

Performance Measure Detail

Agency Level

Activity: E049 Adult Day Health Community Services No measures linked to package	Incremental Changes <u>FY 1</u> <u>FY 2</u> 0.00 0.00
Activity: E051 Program Support for Long Term Care No measures linked to package	Incremental Changes <u>FY 1</u> <u>FY 2</u> 0.00 0.00
Activity: E052 Eligibility/Case Management Services No measures linked to package	Incremental Changes <u>FY 1</u> <u>FY 2</u> 0.00 0.00
Activity: E053 In-Home Services No measures linked to package	Incremental Changes <u>FY 1</u> <u>FY 2</u> 0.00 0.00
Activity: E055 Residential Community Services No measures linked to package	Incremental Changes <u>FY 1</u> <u>FY 2</u> 0.00 0.00

Department of Social and Health Services

DP Code/Title: M1-0U Forecast Cost/Utilization
Program Level - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 2013-15 Final 2015 Sup

Activity: E064 Nursing Home Services

No measures linked to package

Incremental Changes

FY 1 **FY 2**

0.00 0.00

Activity: E077 Managed Care Services

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 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

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 long-term care clients 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?

There would not be sufficient funding available to cover projected costs of LTSS services provided to vulnerable individuals.

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.

Department of Social and Health Services

DP Code/Title: M1-0U Forecast Cost/Utilization
Program Level - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 2013-15 Final 2015 Sup

Expenditure and revenue calculations and assumptions

See attachment: AL TSA 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	(14,949,000)	(14,949,000)

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 Title</u>			
0011 General Fund State	0	(8,045,000)	(8,045,000)
<i>Total for Fund 001-1</i>	<u>0</u>	<u>(8,045,000)</u>	<u>(8,045,000)</u>
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19TA Title XIX Assistance (FMAP)	0	(6,904,000)	(6,904,000)
<i>Total for Fund 001-C</i>	<u>0</u>	<u>(6,904,000)</u>	<u>(6,904,000)</u>
Total Overall Funding	<u>0</u>	<u>(14,949,000)</u>	<u>(14,949,000)</u>

**2015 Supplemental Budget
ALTSA M1-0U Forecast Cost/Utilization**

		Due to Cost/Utilization Changes		
		Total	State	Federal
FY15 - June 2014 Update				
X01	Nursing Facilities	\$ 779,000	\$ (410,000)	\$ 1,189,000
X40	Adult Day Health	(116,000)	(61,000)	(55,000)
X43	NF Discharge	(26,000)	(26,000)	-
X48	Private Duty Nurse	(204,000)	(104,000)	(100,000)
X49	Recoveries	-	3,000	(3,000)
X61	In-Home	(17,537,000)	(8,351,000)	(9,186,000)
J85	Caregiver Training	2,592,000	1,313,000	1,279,000
J86	Agency Health Insurance	25,000	25,000	-
E8947	Background Check	240,000	120,000	120,000
X62	Adult Family Homes	(527,000)	(478,000)	(49,000)
X63	Adult Residential Centers	(162,000)	(144,000)	(18,000)
X64	Assisted Living	67,000	(53,000)	120,000
X65	Managed Care	(118,000)	(59,000)	(59,000)
FY15 Subtotal		\$ (14,987,000)	\$ (8,225,000)	\$ (6,762,000)
 Additional Adjustments outside forecast				
FY15 - June 2014 Update				
J82	AAA Case Management and Nursing Services & AAA Contract Mgt	\$ 38,000	\$ 180,000	\$ (142,000)
Budget Steps:				
TOTAL FY15		\$ (14,949,000)	\$ (8,045,000)	\$ (6,904,000)

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments
Program Level - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 2013-15 Final 2015 Sup

Recommendation Summary Text:

The Aging and Long-Term Support Administration (AL TSA) requests (\$10,348,000) Total Funds, (\$5,300,000) GF-State for changes in the number of clients receiving Long-Term Services and Supports (LTSS) that were identified through the June 2014 caseload forecasting process.

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	(5,300,000)	(5,300,000)
001-C General Fund - Basic Account-Medicaid Federal	0	(5,048,000)	(5,048,000)
Total Cost	0	(10,348,000)	(10,348,000)

Staffing

Package Description:

The Department of Social and Health Services (DSHS) AL TSA requests (\$10,348,000) Total Funds, (\$5,300,000) GF-State for changes in the number of clients receiving various LTSS. These changes were identified through the June 2014 caseload forecast process that includes forecast components developed by the Caseload Forecast Council (CFC) and AL TSA. Examples of these services and supports include but are not limited to nursing homes, Area Agency on Aging (AAA) services, nursing facility discharge payments, estate recoveries, and Home and Community Based Services (HCBS). Caseload changes for in-home personal care and adult family homes are the primary drivers for this funding decrease.

Agency Contact: Bryan Way (360) 902-7769
 Program Contact: Eric Mandt (360) 725-2579

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The agency expects to have sufficient funding to cover caseload cost adjustments related to the AL TSA caseload.

Performance Measure Detail

Agency Level

Activity: E049 Adult Day Health Community Services No measures linked to package	Incremental Changes <u>FY 1</u> <u>FY 2</u> 0.00 0.00
Activity: E050 Adult Family Home Community Services No measures linked to package	Incremental Changes <u>FY 1</u> <u>FY 2</u> 0.00 0.00
Activity: E052 Eligibility/Case Management Services No measures linked to package	Incremental Changes <u>FY 1</u> <u>FY 2</u> 0.00 0.00
Activity: E053 In-Home Services No measures linked to package	Incremental Changes <u>FY 1</u> <u>FY 2</u> 0.00 0.00
Activity: E055 Residential Community Services	Incremental Changes <u>FY 1</u> <u>FY 2</u>

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments
Program Level - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 2013-15 Final 2015 Sup

No measures linked to package	0.00	0.00
	Incremental Changes	
Activity: E064 Nursing Home Services	<u>FY 1</u>	<u>FY 2</u>
No measures linked to package	0.00	0.00
	Incremental Changes	
Activity: E077 Managed Care Services	<u>FY 1</u>	<u>FY 2</u>
No measures linked to package	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
- 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 long-term care clients 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 request cannot be absorbed within existing resources because this request addresses the forecasted growth of Medicaid and state only clients receiving LTSS in AL TSA. Increased costs 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 are the consequences of not funding this package?

If this package is not adopting then there would not be sufficient funding available to provide LTSS services to vulnerable individuals.

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?

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments
Program Level - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 2013-15 Final 2015 Sup

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

Expenditure and revenue calculations and assumptions

See attachment: AL TSA 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.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	0	(10,348,000)	(10,348,000)

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	(5,300,000)	(5,300,000)
<i>Total for Fund 001-1</i>	<u>0</u>	<u>(5,300,000)</u>	<u>(5,300,000)</u>
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19TA Title XIX Assistance (FMAP)	0	(5,048,000)	(5,048,000)
<i>Total for Fund 001-C</i>	<u>0</u>	<u>(5,048,000)</u>	<u>(5,048,000)</u>
Total Overall Funding	<u>0</u>	<u>(10,348,000)</u>	<u>(10,348,000)</u>

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

		Due to Caseload		
		Total	State	Federal
FY15 - June 2014 Update				
X01	Nursing Facilities	\$ 217,000	\$ 109,000	\$ 108,000
X40	Adult Day Health	(488,000)	(244,000)	(244,000)
X43	NF Discharge	5,000	5,000	-
X48	Private Duty Nurse	(1,204,000)	(604,000)	(600,000)
X49	Recoveries	-	-	-
X61	In-Home	(5,080,000)	(2,517,000)	(2,563,000)
J85	Caregiver Training	(631,000)	(320,000)	(311,000)
J86	Agency Health Insurance	-	-	-
E8947	Background Check	-	-	-
X62	Adult Family Homes	(2,926,000)	(1,572,000)	(1,354,000)
X63	Adult Residential Centers	464,000	252,000	212,000
X64	Assisted Living	(1,646,000)	(880,000)	(766,000)
X65	Managed Care	685,000	345,000	340,000
FY15 Subtotal		<u>\$(10,604,000)</u>	<u>\$(5,426,000)</u>	<u>\$(5,178,000)</u>

Additional Adjustments outside forecast

FY15 - June 2014 Update

J82	AAA Case Management and Nursing Services & AAA Contract Mgt	\$ 256,000	\$ 126,000	\$ 130,000
-----	---	-------------------	-------------------	-------------------

Budget Steps:

TOTAL FY15		<u>\$(10,348,000)</u>	<u>\$(5,300,000)</u>	<u>\$(5,048,000)</u>
-------------------	--	------------------------------	-----------------------------	-----------------------------

Department of Social and Health Services

DP Code/Title: M2-3A ProviderOne
Program Level - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 2013-15 Final 2015 Sup

Recommendation Summary Text:

The Aging and Long-Term Support Administration (AL TSA) requests resources to ensure timely implementation of the ProviderOne Phase 2 project. This implementation will increase payment integrity and timeliness of payments affecting about 70,000 Medicaid providers that serve AL TSA and Developmental Disabilities Administration (DDA) clients. The new staff will assist providers with submitting their claims for payment, facilitating timely payments, and resolve the Information Technology (IT) system and accounting issues associated with an IT project of this magnitude. Providers play an integral role in our success and ability to serve our clients and it is important that providers receive timely and accurate payments.

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	733,000	733,000
001-C General Fund - Basic Account-Medicaid Federal	0	733,000	733,000
Total Cost	0	1,466,000	1,466,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	0.0	13.4	6.7

Package Description:

Problem Statement:

Additional resources are needed to assist 70,000 providers transitioning to ProviderOne Phase 2 with claim submittal and ensure that the system is operational and making timely and accurate payments. Many providers, particularly Adult Family Homes, will not continue to be viable if payments are delayed. This could result in clients being transferred on short notice, most likely to more expensive nursing homes given the average high acuity of Adult Family Home clients.

A significant increase in provider calls is expected due to the large number of providers shifting to ProviderOne Phase 2. These providers are accustomed to using a phone-in and paper claiming system, and English is a second language for many. This provider population will need more intensive support than the Phase 1 medical providers. The Health Care Authority (HCA) requested funding for Phase 2 operations and maintenance in the 2014 session, but it was not funded. We propose that AL TSA be responsible for resolving customer issues for Adult Family Homes, Assisted Living Facilities, DDA Community Residential, skilled nursing services, Adult Day Health, and homecare agency and Individual Providers (IPs). Based on our experience with Phase 1, which only had 235 nursing home providers, many providers will need ongoing assistance with their claims and payments under the new payment system.

Due to the size and complexity of these new payment systems, additional AL TSA IT staff are needed to monitor system integrity reports; address Provider Compensation SubSystem (PCSS) vendor issues; resolve application interface problems that result in a provider not getting paid; process change requests for PCSS potentially involving more than 50 interfaces; resolve the Department of Social and Health Services (DSHS) Contracts Database changes that affect PCSS processes; address situations when the PCSS vendor does not meet their contractually required deliverables; provide quality control and vendor oversight to ensure deliverables address changes due to legislation, labor negotiations, and interface with providers; and support a large number of complex interfaces with state systems to ensure that the PCSS system functions properly.

There are new fiscal and contracting tasks as well, including oversight to ensure paid services do not exceed authorizations; design complex account coding logic; ensure all payments for services and benefits comply with state and federal regulations; capture payment, career hours and paid time off for over 35,000 Individual Providers (IP); track additional processing of employee/employer taxes, training and health costs for IPs; develop processes to pay the PCSS vendor rapidly upon receipt of

Department of Social and Health Services

DP Code/Title: M2-3A ProviderOne
Program Level - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 2013-15 Final 2015 Sup

completed AFRS-ready files to make payroll and tax/benefits payments timely; and manually bill managed care organizations for IP paid personal care hours.

Proposed Solution:

ALTSA requests 14.0 FTE beginning September 1, 2014 for the direct provider assistance in order to be in place in time for the October 2014, 1099 provider (residential facilities, skilled nursing services, administrative disqualification hearings, and home care agencies) go-live date. It is most efficient to assign payment support staff exclusively to assist ALTSA and DDA clients and providers. DSHS will hire, train, and manage these staff in order to be more responsive to client and provider needs, and coordinate with the DSHS fiscal and IT staff that will also be coordinating the operations of the PCSS payroll system for the W-2 providers (IPs).

Beginning July 2015, 1.5 FTE are requested for IT operations and reporting. Knowledgeable oversight is necessary to protect state resources by ensuring that the vendor fulfills their responsibilities and managing the impacts of technical changes resulting from PCSS system changes or upgrades, DSHS system changes or upgrades, tracking down the sources of errors to make sure they are addressed so that IPs are paid accurately and on time, and supporting mobile implementation for providers to report hours with smartphones or other mobile devices. There is also a need to design and update batch reporting for the Internal Revenue Service (IRS) requirement to match IP tax identification numbers with names in IRS and Social Security databases, taking over for the decommissioned Social Services Payment System.

Fiscal operations and contracts request 5.0 FTE, two beginning January 1, 2015 to manage the initial design, complex rules development for coding, and data conversion, adding three more in Fiscal Year 2015 after the system is fully implemented to develop internal controls to ensure payment integrity for the 35,000 IPs, ensure payments are coded correctly to the multiple federal funding sources and spread correctly between DDA and ALTSA, correct errors, manually bill back the managed care organizations, check name and TIN matches for IRS requirements, and research problems.

CTS Consultation:

Consults were completed with CTS for hosting services. The results of these consults were used in the requested amounts where needed.

Agency Contact: Bryan Way (360) 902-7769
Program Contact: Bill Moss (360) 725-2311

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

This implementation will increase payment integrity and timeliness of payments affecting about 70,000 Medicaid providers that serve ALTSA and Developmental Disabilities Administration (DDA) clients.

Performance Measure Detail

Agency Level

Activity: E051 Program Support for Long Term 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 DSHS Goal 5: Public Trust - Strong management practices will be used to ensure quality and efficiency. The decision package is essential to implementing the ALTSA Strategic Objective 5.1: Implement an electronic

Department of Social and Health Services

DP Code/Title: M2-3A ProviderOne
Program Level - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 2013-15 Final 2015 Sup

payment system (known as ProviderOne Phase 2) that will significantly increase overall payment integrity for social services organizations and IPs that contract with DSHS to provide long-term services and supports to DSHS clients.

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.

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 long-term care clients served in home and community-based settings.

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

Implementing ProviderOne Phase 2 with full operational support is a priority for the Centers for Medicare and Medicaid Services (CMS) and the various 1099 providers, and other representative groups, including the Washington State Residential Care Council. SEIU 775NW has made a new payment system a subject of collective bargaining for many years, and an independent arbitrator has ruled that the state must supply a new payment system with the features to be included in the new PCSS.

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

The department evaluated different alternatives for this decision package. One option includes creating a unit at DSHS to assist nearly 70,000 providers with submitting their claims for payment and facilitating timely payment. The other alternative is for this unit to be placed at the HCA. Providers play an integral role in our success and ability to serve our clients and it is important that providers receive timely and accurate payments.

What are the consequences of not funding this package?

The consequences of not adopting this decision package include increased ProviderOne Phase 2 implementation risk. This package creates valuable infrastructure to provide quality services and support to about 70,000 individual providers. Additional IT and accounting FTE are needed to ensure that the system is functioning properly and address any change requests or issues to ensure that our providers receive accurate and timely payment.

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: ALTSA M2-3A ProviderOne.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.

Department of Social and Health Services

DP Code/Title: M2-3A ProviderOne
Program Level - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 2013-15 Final 2015 Sup

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	0	844,000	844,000
B Employee Benefits	0	302,000	302,000
E Goods\Other Services	0	186,000	186,000
G Travel	0	5,000	5,000
J Capital Outlays	0	105,000	105,000
P Debt Service	0	4,000	4,000
T Intra-Agency Reimbursements	0	20,000	20,000
Total Objects	0	1,466,000	1,466,000

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 Title</u>			
0011 General Fund State	0	733,000	733,000
<i>Total for Fund 001-1</i>	0	733,000	733,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19UL Title XIX Admin (50%)	0	733,000	733,000
<i>Total for Fund 001-C</i>	0	733,000	733,000
Total Overall Funding	0	1,466,000	1,466,000

**2015 Supplemental Budget
 ALTSA M2-3A ProviderOne
 DSHS Staffing and Fiscal Note Model**

Link other working spreadsheets to this page for additional information / costs.

Fiscal Year	FTE	Object A	Object B	Object C	Object E	Object ED	Object G	Object J	Object P	Object TZ	Total
Total Fiscal Year 1	0.0	0	0		0	0	0	0	0	0	0
Total Fiscal Year 2	13.4	844,000	302,000		102,000	84,000	5,000	105,000	4,000	20,000	1,466,000
Biennial Total	6.7	844,000	302,000	0	102,000	84,000	5,000	105,000	4,000	20,000	1,466,000

Source of Funds						
Fund	EA Type	Source	% of Total	Fiscal Year 1	Fiscal Year 2	
001	1	State	50.00%	0	733,000	
001	2	Federal	50.00%	0	733,000	
001	7	Local	0.00%	0	0	
Total each Fiscal Year				0	1,466,000	
Biennial Total					1,466,000	
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	50.00%	0	733,000	
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
Department of Social and Health Services**

Information Technology Addendum

Recsum Code and Title **M2-3A ProviderOne**

Brief Description: The Aging and Long-Term Support Administration (AL TSA) requests resources to ensure timely implementation of the ProviderOne Phase 2 project. This implementation will increase payment integrity and timeliness of payments affecting about 70,000 Medicaid providers that serve AL TSA and Developmental Disabilities Administration (DDA) clients. The new staff will resolve the IT system issues associated with an IT project of this magnitude. Providers play an integral role in our success and ability to serve our clients and it is important that providers receive timely and accurate payments.

If this investment includes the use of servers, do you plan to use the state data center?

- Yes No, waiver received No, waiver not received Does not apply

Security

Security: How does this investment affect the state’s security posture? Have the proper security considerations been made? Does the investment itself actually improve infrastructure security? What, if any, security concerns are there?

This investment improves the state’s security posture. It allows the AL TSA to hire staff to address ongoing operational IT oversight issues, including error codes generated by the system and its interfaces with other state systems. These resources ensure that error codes can be addressed rapidly and that the security of client information and state technology investments has not been compromised. The investment also transfers use of the pre-existing Provider One Help Desk Software solution.

Feasibility/Risk

Cultural readiness/organizational capacity: Does this investment require significant institutional change within the agency, and is the agency prepared for that change? Is there committed and proven leadership? Is there a record of successful projects? Does the agency foster a culture of creative problem solving?

The AL TSA Assistant Secretary is the chief sponsor of this project. AL TSA IT staff have been involved as active participants in the Provider One project for more than a decade. AL STA has a solid record of accomplishment of successful projects. This investment presents a creative governance approach to solve transition of the project from the developing agency (HCA) to the Operations agency (DSHS). AL TSA has a history of successful projects including TIVA, CARE, T-CARE, and other systems delivered on time, on budget and within scope.

Technical complexity: Can the investment realistically be completed within the proposed framework of time, budget and resources?

This investment can be realistically completed within the proposed framework of time, budget, and resources.

M2-3A ProviderOne

2015 Supplemental Budget Department of Social and Health Services

Urgency: Is the investment urgent or can wait until a future funding cycle? Must the investment be completed all at once, or can we break it into incremental pieces?

The investment is urgent and must be completed all at once. We need these IT resources to ensure that that the system can support its users, make timely payment, provide vendor oversight, technical changes, support mobile implementation, and match IP tax identification numbers with names in IRS and Social Security databases.

Impact of not doing: What are the potential impacts to the state, agency, or the public if this investment is not completed?

There are potential impacts to the state, agency, or public if this investment is not completed. The substantial investments of past legislative sessions would be lost or at risk. The state could have to return to a failing antiquated payment technology and we would be non-compliant with federal Medicaid payment standards.

Technology Strategy Alignment

Agile value: Is the investment broken into incremental steps that provide customer-facing value and allow periodic assessment of progress?

This investment is not broken into incremental steps but does provide significant customer-facing value. IT staff will be supporting mobile implementation for individual providers to report their hours using mobile devices, corrects system errors to ensure that providers are paid correctly and timely, and ensures that tax information is matches between databases.

Modernization of state government: Will the investment result in replacing legacy systems that are no longer solving business problems with modern, appropriate technology solutions?

This investment is for 1.5 IT FTE to support the new modernized MMIS system that solves business problems with modern, appropriate technology solutions.

Mobility: Does the investment help state employees conduct business “any time, anywhere”? Does it improve mobile access to services for customers?

This investment does not help state employees conduct business “anytime, anywhere” but does allow individual providers to report their hours “anytime, anywhere” using their smartphones and other mobile devices.

Transparency: Does it increase public visibility of services provided with public funds? Does this investment increase public access to searchable public data and information?

This investment increases public visibility of services provided with public funds. It ensures that providers are paid correctly and timely by resolving system errors and supports mobile implementation for providers to report their hours using their smartphones and other mobile devices.

Accountability: Are the investment’s goals well articulated? How will “success” be determined or measured?

Success will be measured by the timely resolutions of application error codes in the Provider Payment Sub System.

2015 Supplemental Budget Department of Social and Health Services

Financial

Financial risk of not doing: Are there potential financial consequences for not completing this investment, such as fines for noncompliance with legal requirements or a loss of federal funding?

There are potential financial consequences for not completing this investment, including previous investments made by the state on the new MMIS system will not be able to be supported and maintained.

Cost Reduction: Does this investment prevent or reduce expenses, such as the cost of maintaining labor-intensive systems that could be automated, repairs or maintenance to obsolete or outdated infrastructure, or specialty expertise required for legacy technologies?

This investment does not prevent or reduce expenses.

Revenue Generation: Does this investment generate new revenue, or capture additional revenue left “on the table” by current solutions?

This investment does not generate revenue or capture additional revenue left “on the table” by current solutions.

Business Case/Agency Mission Priority

Mission priority: Does this investment help the agency better deliver its mission?

The Aging and Long-Term Support Administration (AL TSA) requests resources to ensure timely implementation of the ProviderOne Phase 2 project. This implementation will increase payment integrity and timeliness of payments affecting about 70,000 Medicaid providers that serve AL TSA and Developmental Disabilities Administration (DDA) clients. The new staff will resolve the IT problems associated with a project of this magnitude. These staff will also help support mobile implementation for providers to report their hours with smartphones and other mobile devices. Providers play an integral role in our success and ability to serve our clients and it is important that providers receive timely and accurate payments.

Business case: Is there a clear problem with the status quo, and does this investment clearly solve that business problem?

There is a clear problem with the status quo and this investment clearly solves that business problem. Currently, no assistance is available for independent providers or when the new Provider One, Phase 2 system goes live. When the Provider Payment Subsystem for W2 providers goes live, AL TSA will not have technical staff available to troubleshoot interface, error code or vendor timeliness issues.

Department of Social and Health Services

DP Code/Title: M2-43 Rekhter Decision
Program Level - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 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:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	32,919,000	32,919,000
001-C General Fund - Basic Account-Medicaid Federal	0	32,918,000	32,918,000
Total Cost	0	65,837,000	65,837,000

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 - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 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: E051 Program Support for Long Term 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?

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 long-term care clients 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?

Department of Social and Health Services

DP Code/Title: M2-43 Rekhter Decision
Program Level - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 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			
E Goods\Other Services	0	65,837,000	65,837,000

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	32,919,000	32,919,000
<i>Total for Fund 001-1</i>	0	32,919,000	32,919,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19TA Title XIX Assistance (FMAP)	0	32,918,000	32,918,000
<i>Total for Fund 001-C</i>	0	32,918,000	32,918,000
Total Overall Funding	0	65,837,000	65,837,000

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: M2-51 IT Security Requirements
Program Level - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 2013-15 Final 2015 Sup

Recommendation Summary Text:

The Aging and Long Term Support Administration (AL TSA) requests funding for two Business Analyst/Security Experts to comply with the new, stricter Information Technology (IT) security requirements for state agencies. AL TSA's Management Services Division (MSD), which also provides IT support for the Developmental Disabilities Administration (DDA), will improve its security efforts to enhance the safety of client identities and diagnoses.

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	124,000	124,000
001-C General Fund - Basic Account-Medicaid Federal	0	124,000	124,000
Total Cost	0	248,000	248,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	0.0	2.0	1.0

Package Description:

Problem Statement:

Recent state cybersecurity initiatives require increased server and application scanning, findings, gap analyses and mitigation plans to secure IT resources and client data. To effectively and proactively address security issues in applications and infrastructure, the department is requesting 2.0 IT security FTE to ensure data security for AL TSA and DDA. These two administrations contain extremely sensitive data and need adequate resources to ensure the security and privacy of this data.

Proposed Solution:

With two additional Business Analyst/Security Experts (IT Specialist 5), AL TSA will be able to meet the new standards by focusing on application and network database security in the following ways:

- Timely design reviews and modifications as needed
- Timely mitigation plans for server security problems
- Timely mitigation plans for application security problems
- Security application review during development to avoid security problems
- Ongoing server security review to avoid problems

The primary customers, or beneficiaries, of the increased security are individuals with developmental disabilities or long term care needs. These resources will help safeguard client identities and diagnoses.

CTS Consultation:

Consults were completed with CTS for hosting services. The results of these consults were used in the requested amounts where needed.

Agency Contact: Bryan Way (360) 902-7769
 Program Contact: Daniel Knutson-Bradec (360) 725-2436

Department of Social and Health Services

DP Code/Title: M2-51 IT Security Requirements
Program Level - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 2013-15 Final 2015 Sup

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

By funding this request, the agency expects that security issues in applications and infrastructure will be effectively and proactively addressed.

Performance Measure Detail

Agency Level

Activity: E051 Program Support for Long Term Care

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 5: Public Trust - Strong management practices will be used to ensure quality and efficiency. The decision package is essential to implementing the ALTSA Strategic Objective 4.1: Ensure seniors and individuals with a disability who are in need of long-term services and supports are supported in their community.

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.

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.

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

Washington's Chief Information Officer, advocates for seniors, the disabled and mental health communities, including the Senior Lobby, Association of Retarded Citizens (ARC) of Washington, and Disability Rights Washington will all support the protection of confidential client data.

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

Due to the nature of this decision package, the agency explored no other alternatives. The request cannot be absorbed within existing resources.

What are the consequences of not funding this package?

The consequences of adopting this package include having enough staff in place to meet the new cybersecurity initiatives and proactively addressing security issues in applications and infrastructure.

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?

Department of Social and Health Services

DP Code/Title: M2-51 IT Security Requirements
Program Level - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 2013-15 Final 2015 Sup

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

Expenditure and revenue calculations and assumptions

See attachment: AL TSA M2-51 IT Security Requirements.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			
A Salaries And Wages	0	158,000	158,000
B Employee Benefits	0	45,000	45,000
E Goods\Other Services	0	28,000	28,000
G Travel	0	1,000	1,000
J Capital Outlays	0	12,000	12,000
P Debt Service	0	1,000	1,000
T Intra-Agency Reimbursements	0	3,000	3,000
Total Objects	0	248,000	248,000

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	124,000	124,000
<i>Total for Fund 001-1</i>	0	124,000	124,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19UL Title XIX Admin (50%)	0	124,000	124,000
<i>Total for Fund 001-C</i>	0	124,000	124,000
Total Overall Funding	0	248,000	248,000

2015 Supplemental Budget

ALTSA M2-51 IT Security Requirements

DSHS Staffing and Fiscal Note Model

(last update April 2014)

Link other working spreadsheets to this page for additional information / costs.

Fiscal Year	FTE	Object A	Object B	Object C	Object E	Object ED	Object G	Object J	Object P	Object TZ	Total
FY 2014	0.0	0	0		0	0	0	0	0	0	0
FY 2015	2.0	158,000	45,000		15,000	13,000	1,000	12,000	1,000	3,000	248,000
Biennial Total	1.0	158,000	45,000	0	15,000	13,000	1,000	12,000	1,000	3,000	248,000

Source of Funds					
Fund	EA Type	Source	% of Total	FY 2014	FY 2015
001	1	State	50.00%	0	124,000
001	2	Federal	50.00%	0	124,000
001	7	Local	0.00%	0	0
Total each Fiscal Year				0	248,000
Biennial Total					248,000
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	50.00%	0	124,000
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
Department of Social and Health Services**

Information Technology Addendum

Recsum Code and Title **M2-51 IT Security Requirements**

Brief Description:

The Aging and Long Term Support Administration (AL TSA) requests funding for two Business Analyst/Security Experts to comply with the state’s new, stricter information technology (IT) security requirements for state agencies. AL TSA’s Management Services Division (MSD), which also provides IT support for the Developmental Disabilities Administration (DDA) and Behavioral Health and Service Integration Administration (BHSIA), has been warned that its current security standards are not meeting Washington State government regulations, and must be improved immediately to ensure the safety of client identities and diagnoses.

If this investment includes the use of servers, do you plan to use the state data center?

- Yes No, waiver received No, waiver not received Does not apply

Security

Security: How does this investment affect the state’s security posture? Have the proper security considerations been made? Does the investment itself actually improve infrastructure security? What, if any, security concerns are there?

Recent state cybersecurity initiatives require increased server and application scanning, findings, gap analyses and mitigation plans to secure IT resources and client data. This crucial work has been added to the workload of an under-resourced AL TSA network and application team. To effectively and proactively address security issues in applications and infrastructure, two security staff are needed to ensure data security for AL TSA, DDA, and BHSIA. These three administrations contain some of the most sensitive data in state government and need adequate resources to ensure data security and privacy.

Feasibility/Risk

Cultural readiness/organizational capacity: Does this investment require significant institutional change within the agency, and is the agency prepared for that change? Is there committed and proven leadership? Is there a record of successful projects? Does the agency foster a culture of creative problem solving?

This proposal does not require any significant institutional change within the agency. Committed and proven leadership with a record of successful projects is already in place in the in the AL TSA Management Services Division IT team. The administration does foster a culture of creative problem solving, as evidenced by significant large scale projects, contract management and resolution of emergency fixes resulting from legal and programmatic changes. However, while accomplishing this during times of administrative reductions, there is no existing capacity to absorb further ongoing requirements.

M2-51 IT Security Requirements

2015 Supplemental Budget Department of Social and Health Services

Technical complexity: Can the investment realistically be completed within the proposed framework of time, budget and resources?

Yes, the staff positions can be hired and begin working within the proposed framework of time, budget, and resources.

Urgency: Is the investment urgent or can wait until a future funding cycle? Must the investment be completed all at once, or can we break it into incremental pieces?

This investment must be completed all at once and cannot be postponed. Compliance with cybersecurity initiatives is important to the administration.

Impact of not doing: What are the potential impacts to the state, agency, or the public if this investment is not completed?

Failure to implement the new security requirements poses a significant liability to the agency and public stakeholders. We must protect sensitive information from malicious attacks and other threats.

Technology Strategy Alignment

Agile value: Is the investment broken into incremental steps that provide customer-facing value and allow periodic assessment of progress?

This investment is not broken into incremental steps that provide customer-facing value and allow periodic assessment of progress.

Modernization of state government: Will the investment result in replacing legacy systems that are no longer solving business problems with modern, appropriate technology solutions?

This investment will not replace legacy systems. It will ensure that the data on legacy systems is protected according to current federal privacy (e.g. Health Information Portability and Accountability Act) and Washington State IT policy standards.

Mobility: Does the investment help state employees conduct business “any time, anywhere”? Does it improve mobile access to services for customers?

No, this investment does not help state employees conduct business “anytime, anywhere” or improve mobile access to services for customers.

Transparency: Does it increase public visibility of services provided with public funds? Does this investment increase public access to searchable public data and information?

This investment does not increase public visibility of services provided with public funds or public access to searchable public data and information.

2015 Supplemental Budget Department of Social and Health Services

Accountability: Are the investment's goals well articulated? How will "success" be determined or measured?

The standards to measure success are as follow:

- Timely design reviews and modifications as needed
- Timely mitigation plans for server security problems
- Timely mitigation plans for application security problems
- Security application review during development to avoid security problems
- Ongoing server security review to avoid problems

Financial

Financial risk of not doing: Are there potential financial consequences for not completing this investment, such as fines for noncompliance with legal requirements or a loss of federal funding?

Yes, there are financial implications, including the risk of possible fines and penalties. For example, the State of Alaska recently received an \$8 million penalty from the federal Office of the Inspector General for incompliance with HIPAA regulations.

Cost Reduction: Does this investment prevent or reduce expenses, such as the cost of maintaining labor-intensive systems that could be automated, repairs or maintenance to obsolete or outdated infrastructure, or specialty expertise required for legacy technologies?

No, this investment does not prevent or reduce expenses.

Revenue Generation: Does this investment generate new revenue, or capture additional revenue left "on the table" by current solutions?

No, this investment does not generate new revenue or capture additional revenue left "on the table" by current solutions.

2015 Supplemental Budget Department of Social and Health Services

Business Case/Agency Mission Priority

Mission priority: Does this investment help the agency better deliver its mission?

The budget request supports DSHS Goal 5: Public Trust – Strong management practices will be used to ensure quality and efficiency. This request supports the Results Washington goal 5: Effective, efficient and accountable government. By ensuring the integrity of the state's data, much of which involves sensitive individual and provider personal and financial data, meeting the new security standards will benefit DSHS, clients served by the agency, and others.

Business case: Is there a clear problem with the status quo, and does this investment clearly solve that business problem?

Yes, this investment solves a clear problem with the status quo. The federal Office of the Inspector General recently audited the DSHS IT system and found that the agency is not currently in compliance with HIPAA regulations about ensuring that client health information remains confidential.

Department of Social and Health Services

DP Code/Title: M2-5H State Hospital Discharge
Program Level - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 2013-15 Final 2015 Sup

Recommendation Summary Text:

The Aging and Long Term Support Administration (AL TSA) requests funding for a long-term solution to serve people with both personal care and complicated cognitive or behavioral support needs who no longer respond to active treatment in a psychiatric setting. Funding would allow AL TSA to help 60 people move from institutional care at Western State Hospital (WSH) and divert more than 30 potential admissions per year.

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	602,000	602,000
001-C General Fund - Basic Account-Medicaid Federal	0	579,000	579,000
Total Cost	0	1,181,000	1,181,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	0.0	4.0	2.0

Package Description:

Problem Statement:

More than 60 people with personal care and complicated cognitive or behavioral support needs currently reside at WSH. Due to their cognitive conditions, active inpatient psychiatric treatment will not meet their needs even though they have a mental health diagnosis. For example, this could include adults of various ages with dementia or traumatic brain injury, as well as bipolar disorder. The federal Centers for Medicare and Medicaid Services (CMS) does not allow federal match for people not receiving active treatment. Services could be provided in less restrictive community settings, improving liberty and quality of life. DSHS proposes to relocate these residents to better serve their needs and earn more federal match.

Further, there are on average three similar people per month statewide who, with proper supports, can be diverted from inpatient psychiatric care. However, there is currently no local, dedicated expert in long-term care and mental health to make referrals and arrange placements and a lack of appropriate community settings to serve them, so these individuals often end up being unnecessarily committed to the state hospitals. DSHS projects that 131 individuals (total relocations and diversions) will need a long-term care placement in the 2015-17 biennium, in order to provide a lasting alternative to caring for these individuals at the state hospitals. However, individual history and behaviors makes finding community options difficult. Enhanced levels of service beyond what AL TSA currently funds are necessary in most cases. AL TSA currently uses Expanded Community Services (ECS), which pays an enhanced rate and provides behavior support and training to residential providers. However, ECS does not provide the level of service needed by most of the 131 people on an ongoing basis, so other service models are needed.

Proposed Solution:

With the support of the Legislature, AL TSA has been developing new service models for individuals with especially complicated behaviors and is ready to offer them pending final approval from CMS. The 2013 Legislature funded a new service, the Enhanced Services Facility (ESF) to support the most difficult to serve individuals who are not benefitting from active treatment in the state psychiatric hospitals. Adult Family Home (AFH) Specialty Care was also funded, which allows enhanced rates to be paid to AFHs for clients transitioning from psychiatric hospitals to support higher staffing levels and professional support. Key to the success of these programs is that the RSNs collaborate with HCS in developing strong care planning and support for transitions, including providing mental health treatment when needed and 24/7 response to client and provider at times of behavior escalation.

For both diversions and relocations, AL TSA will first use the current ECS program whenever possible, but the service needs of

Department of Social and Health Services

DP Code/Title: M2-5H State Hospital Discharge
Program Level - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 2013-15 Final 2015 Sup

most are expected to be greater. The majority of people will be served by AFH Specialty Care. The ESFs will handle the remainder of the WSH relocations, accepting their first residents in February 2015 and meeting their full capacity (42 beds) by mid-FY16. When necessary, exceptional rates for nursing homes will also be used.

Diversion is critical to ensure that this is not a one-time approach. To do referral and planning for diversions, AL TSA needs 3.0 new FTE social workers, located in each region of the state and 1.0 FTE program manager at headquarters. Without diversions, there would be new admissions to the state hospitals that would eventually require more wards.

Funding for all of the ESF beds is already contained in the AL TSA budget, as well as some funding for AFH Specialty Care. This brings down the total amount of the funding request, particularly for FY15 while the services phase in.

Agency Contact: Bryan Way (360) 902-7769
 Program Contact: Bea Rector (360) 902-2272

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The agency expects that it will be able to serve more than 60 people with personal care and complicated cognitive or behavioral support needs currently residing at WSH in a community setting.

Performance Measure Detail

Agency Level

Activity: E050 Adult Family Home Community Services

No measures linked to package

Incremental Changes

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

Activity: E052 Eligibility/Case Management Services

No measures linked to package

Incremental Changes

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

Activity: E055 Residential Community Services

No measures linked to package

Incremental Changes

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

Activity: E064 Nursing Home 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?

The budget request supports DSHS Goal 4: Quality of Life - Each individual in need will be supported to attain the highest quality of life and DSHS Goal 5: Public Trust - Strong management practices will be used to ensure quality and efficiency. The decision package is essential to implementing the AL TSA's Strategic Objective 4.1: Ensure seniors and individuals with a disability who are in need of long-term services and supports are supported in their community.

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.

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: M2-5H State Hospital Discharge
Program Level - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 2013-15 Final 2015 Sup

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.
 --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 transition of such residents out of the state hospitals will be supported by mental health advocates, the Traumatic Brain Injury Council, Disability Rights Washington and the Senior Lobby. This policy is also in line with CMS directives to not rely on hospitals for people who are not in active treatment and who can be served in the community.

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

Due to the nature of this decision package, no other alternatives were explored. The request cannot be absorbed within existing resources.

What are the consequences of not funding this package?

The consequences of adopting this package include relocating these residents to better serve their needs and earn more federal match.

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: AL TSA M2-5H State Hospital Discharge.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	249,000	249,000
B Employee Benefits	0	94,000	94,000
E Goods\Other Services	0	57,000	57,000
G Travel	0	1,000	1,000
N Grants, Benefits & Client Services	0	773,000	773,000
P Debt Service	0	1,000	1,000
T Intra-Agency Reimbursements	0	6,000	6,000
Total Objects	0	1,181,000	1,181,000

Department of Social and Health Services

DP Code/Title: M2-5H State Hospital Discharge
Program Level - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 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	602,000	602,000
<i>Total for Fund 001-1</i>		0	602,000	602,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u> <u>Title</u>				
19TA	Title XIX Assistance (FMAP)	0	373,000	373,000
19UL	Title XIX Admin (50%)	0	206,000	206,000
<i>Total for Fund 001-C</i>		0	579,000	579,000
Total Overall Funding		0	1,181,000	1,181,000

2015 Supplemental Budget
M2-5H State Hospital Discharge
Summary - Estimated Funding Request

**Providing ALTSA services to clients transitioned/diverted from State Hospitals (two ward:
6/17/2014**

1. What is the cost of serving clients with ALTSA Services (for 60 beds plus 35/year diversion)?

<u>Services</u>	<u>FY2015</u>	<u>2015-17 Biennium</u>
ECS-Residential	\$ 315,000	\$ 1,260,000
ECS-Nursing Home	511,000	2,044,000
AFH Specialty	2,188,000	10,225,000
Enhanced Services Facility (ESF)	655,800	7,886,400
Total Funds	\$ 3,669,800	\$ 21,415,400
	<i>GF-S</i> 1,894,800	10,952,400
	<i>GF-Fed</i> 1,775,000	10,463,000

Staffing - 4.0 FTEs (1 in each region, 1 at HQ)

	<u>FY2015</u>	<u>2015-17 Biennium</u>
Total Funds	\$ 408,000	\$ 816,000
	<i>GF-S</i> 204,000	408,000
	<i>GF-Fed</i> 204,000	408,000

Services + Staffing

	<u>FY2015</u>	<u>2015-17 Biennium</u>
Total Funds	\$ 4,078,000	\$ 22,231,000
	<i>GF-S</i> 2,098,800	11,360,400
	<i>GF-Fed</i> 1,979,000	10,871,000

2. What funding is needed, given that we already have some appropriations we can use?

	<u>FY2015</u>	<u>2015-17 Biennium</u>
Services + Staffing (above)	\$ 4,078,000	\$ 22,231,000
less some AFH Specialty	(795,700)	(1,591,400)
less ESF appropriation	(2,101,000)	(8,660,000)
Total Funds	\$ 1,181,000	\$ 11,980,000
	<i>GF-S</i> 602,000	6,110,000
	<i>GF-Fed</i> 579,000	5,870,000

Department of Social and Health Services

DP Code/Title: M2-5Z Deaf-Blind Equipment Distribution
Program Level - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 2013-15 Final 2015 Sup

Recommendation Summary Text:

The Aging and Long Term Support Administration (AL TSA), Office of Deaf and Hard of Hearing (ODHH) requests federal funds authority to participate in the National Deaf-Blind Equipment Distribution Program (NDBEDP) for Washington. ODHH will distribute specialized customer premises equipment (CPE) to low-income individuals who are deaf-blind. These individuals need specialized CPE to effectively access telecommunications service, internet access service, and advanced communications.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-2 General Fund - Basic Account-Federal	0	200,000	200,000
Total Cost	0	200,000	200,000

Staffing

Package Description:

Problem Statement:

AL TSA, ODHH requests federal funds authority for participation in the National Deaf-Blind Equipment Distribution Program (NDBEDP) for Washington. ODHH will distribute specialized customer premises equipment (CPE) to low-income individuals who are deaf-blind. These individuals need specialized CPE to effectively access telecommunications service, internet access service, and advanced communications. The Twenty-First Century Communications and Video Accessibility Act of 2010 requires the Federal Communications Commission to take certain steps to ensure that individuals with disabilities have access to emerging communications technologies in the 21st century. Most communications-related statutes and regulations have not specifically addressed the communications needs of the deaf-blind population.

Proposed Solution:

ODHH needs federal funds authority of \$200,000 beginning in Fiscal Year 2015 and each year thereafter to claim federal reimbursement for expenditures associated with this pilot program. No additional GF-State funding is requested to execute the requirements of this pilot.

Agency Contact: Bryan Way (360) 902-7769

Program Contact: Eric Raff (360) 915-5835

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The agency expects to distribute specialized CPE to low-income individuals who are deaf-blind.

Performance Measure Detail

Agency Level

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

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: M2-5Z Deaf-Blind Equipment Distribution
Program Level - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 2013-15 Final 2015 Sup

The budget request supports 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 AL TSA Strategic Objective 4.5: Remove barriers to telecommunications by providing current and emerging telecommunication services for people who are deaf, hard of hearing or deaf-blind.

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.

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

This budget request would be supported by all stakeholders, including deaf-blind individuals, Washington State Deaf-Blind Citizens (WSDBC), Deaf-Blind Service Center (DBSC), Northwest Helen Keller National Center (NW HKNC), Seattle Lighthouse for the Blind, and the Federal Communications Commission.

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

The request cannot be absorbed within existing resources because the program does not currently have the federal funds authority that this decision package requests.

What are the consequences of not funding this package?

The consequences of adopting this package include the ODHH distributing specialized customer premises equipment (CPE) to low-income individuals who are deaf-blind.

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

ODHH requests \$200,000 GF-Federal authority beginning in Fiscal Year 2015 and each year thereafter to distribute specialized CPE to low-income individuals who are deaf-blind as approved under the NDBEDP for the State of Washington. There are no GF-State funding requested as part of this decision package.

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.

Department of Social and Health Services

DP Code/Title: M2-8M Mileage Rate Adjustments
Program Level - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 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	19,000	19,000
001-C General Fund - Basic Account-Medicaid Federal	0	16,000	16,000
Total Cost	0	35,000	35,000

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: E051 Program Support for Long Term Care

No measures linked to package

Incremental Changes

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

Activity: E054 Investigations/Quality Assurance for Vulnerable Adults

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 - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 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	34,000	34,000
T Intra-Agency Reimbursements	0	1,000	1,000
Total Objects	0	35,000	35,000

Department of Social and Health Services

DP Code/Title: M2-8M Mileage Rate Adjustments
Program Level - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 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	19,000	19,000
<i>Total for Fund 001-1</i>		0	19,000	19,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19UL	Title XIX Admin (50%)	0	16,000	16,000
<i>Total for Fund 001-C</i>		0	16,000	16,000
Total Overall Funding		0	35,000	35,000

**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 - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 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:

<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	11,000	11,000
001-C General Fund - Basic Account-Medicaid Federal	0	6,000	6,000
Total Cost	0	17,000	17,000

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

Activity: **E052 Eligibility/Case Management Services**

Incremental Changes
FY 1

FY 2

Department of Social and Health Services

DP Code/Title: M2-8P Postage Rate Adjustments
Program Level - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 2013-15 Final 2015 Sup

No measures linked to package

0.00 0.00

Activity: E054 Investigations/Quality Assurance for Vulnerable Adults

Incremental Changes

FY 1 FY 2

No measures linked to package

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 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 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?

State of Washington
Decision Package
Department of Social and Health Services

DP Code/Title: M2-8P Postage Rate Adjustments
Program Level - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 2013-15 Final 2015 Sup

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	13,000	13,000
T Intra-Agency Reimbursements	0	4,000	4,000
Total Objects	0	17,000	17,000

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 Title</u>			
0011 General Fund State	0	11,000	11,000
<i>Total for Fund 001-1</i>	0	11,000	11,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19UL Title XIX Admin (50%)	0	6,000	6,000
<i>Total for Fund 001-C</i>	0	6,000	6,000
Total Overall Funding	0	17,000	17,000

**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 - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 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	27,000	27,000
001-C General Fund - Basic Account-Medicaid Federal	0	24,000	24,000
Total Cost	0	51,000	51,000

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: E051 Program Support for Long Term Care

No measures linked to package

<u>Incremental Changes</u>	
<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 - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 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 - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 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	51,000	51,000
<u>DSHS Source Code Detail</u>			
Overall Funding	<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	27,000	27,000
<i>Total for Fund 001-1</i>	<u>0</u>	<u>27,000</u>	<u>27,000</u>
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19UL Title XIX Admin (50%)	0	24,000	24,000
<i>Total for Fund 001-C</i>	<u>0</u>	<u>24,000</u>	<u>24,000</u>
Total Overall Funding	0	51,000	51,000

**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: M2-9G Workers Comp Base Correction
Program Level - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 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	36,000	36,000
001-C General Fund - Basic Account-Medicaid Federal	0	34,000	34,000
Total Cost	0	70,000	70,000

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 - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 2013-15 Final 2015 Sup

Performance Measure Detail

Agency Level

Activity: E051 Program Support for Long Term Care
No measures linked to package

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

Activity: E052 Eligibility/Case Management Services
No measures linked to package

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

Activity: E054 Investigations/Quality Assurance for Vulnerable Adults
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.

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?

Department of Social and Health Services

DP Code/Title: M2-9G Workers Comp Base Correction
Program Level - 050 Aging & Long Term Support Admin

Budget Period: 2013-15 Version: E3 050 2013-15 Final 2015 Sup

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	70,000	70,000

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	36,000	36,000
<i>Total for Fund 001-1</i>	0	36,000	36,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19UL Title XIX Admin (50%)	0	34,000	34,000
<i>Total for Fund 001-C</i>	0	34,000	34,000
Total Overall Funding	0	70,000	70,000

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

Department of Social and Health Services

	Program	FY 15	FY 15		Total
		OBJECT	FUNDING	FUNDING	
		B	State	Other	
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 - 050 Long Term Care Services

Budget Period: 2013-15 Version: E3 050 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	(98,000)	(98,000)
001-C General Fund - Basic Account-Medicaid Federal	0	12,000	12,000
Total Cost	0	(86,000)	(86,000)

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 - 050 Long Term Care Services

Budget Period: 2013-15 Version: E3 050 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: E051 Program Support for Long Term Care

No measures linked to package

Incremental Changes

FY 1 FY 2

0.00 0.00

Activity: E052 Eligibility/Case Management Services

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,

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.

Department of Social and Health Services

DP Code/Title: M2-9T Transfers
Program Level - 050 Long Term Care Services

Budget Period: 2013-15 Version: E3 050 2013-15 Final 2015 Sup

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	(14,000)	(14,000)
E Goods\Other Services	0	(66,000)	(66,000)
T Intra-Agency Reimbursements	0	(6,000)	(6,000)
Total Objects	0	(86,000)	(86,000)

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	(98,000)	(98,000)
<i>Total for Fund 001-1</i>	0	(98,000)	(98,000)
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19UL Title XIX Admin (50%)	0	12,000	12,000
<i>Total for Fund 001-C</i>	0	12,000	12,000
Total Overall Funding	0	(86,000)	(86,000)

**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)
2. CFS Compensation Adjustments			0.0			0			(6,000)			(6,000)
3. ISSD Chargeback Reallocation			0.0			0			(501,000)	(24,000)		(525,000)
4. ITS Adjustment			0.0			0			(73,000)			(73,000)
			0.0			0						0
010 Total	0.0	0.0	0.0	0	0	0			(598,000)	(24,000)		(622,000)
020 Juvenile Rehabilitation												
1. ISSD Compensation Adjustments			0.0			0			(3,000)			(3,000)
2. CFS Compensation Adjustments			0.0			0			(14,000)			(14,000)
3. ISSD Chargeback Reallocation			0.0			0			140,000			140,000
4. ITS Adjustment			0.0			0			(14,000)			(14,000)
			0.0			0						0
020 Total	0.0	0.0	0.0	0	0	0			109,000	0		109,000
030 Mental Health												
1. ISSD Compensation Adjustments			0.0			0			(10,000)			(10,000)
2. CFS Compensation Adjustments			0.0			0			(34,000)			(34,000)
3. ISSD Chargeback Reallocation			0.0			0			532,000	39,000		571,000
4. ITS Adjustment			0.0			0			(20,000)			(20,000)
			0.0			0						0
030 Total	0.0	0.0	0.0	0	0	0			468,000	39,000		507,000
040 Developmental Disabilities Administration												
1. ISSD Compensation Adjustments			0.0			0			(12,000)			(12,000)
2. CFS Compensation Adjustments			0.0			0			(35,000)			(35,000)
3. ISSD Chargeback Reallocation			0.0			0			511,000	355,000		866,000
4. ITS Adjustment			0.0			0			(40,000)			(40,000)
			0.0			0						0
040 Total	0.0	0.0	0.0	0	0	0			424,000	355,000		779,000
050 Aging & Long-Term Support Admin												
1. ISSD Compensation Adjustments			0.0			0			(13,000)			(13,000)
2. CFS Compensation Adjustments			0.0			0			(2,000)			(2,000)
3. ISSD Chargeback Reallocation			0.0			0			12,000	12,000		24,000
4. ITS Adjustment			0.0			0			(83,000)			(83,000)
5. ODHHS Compensation Adjustment			0.0			0			(12,000)			(12,000)
			0.0			0						0
050 Total	0.0	0.0	0.0	0	0	0			(98,000)	12,000		(86,000)
060 Economic Services Administration												
1. ISSD Compensation Adjustments			0.0			0			(47,000)			(47,000)
2. CFS Compensation Adjustments			0.0			0			(7,000)			(7,000)
3. ISSD Chargeback Reallocation			0.0			0			(1,023,000)	(463,000)		(1,486,000)
4. ITS Adjustment			0.0			0			(411,000)			(411,000)
6. ESA to ADMIN Transfer			0.0			0			(29,000)	(16,000)		(45,000)
			0.0			0						0
060 Total	0.0	0.0	0.0	0	0	0			(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
4. ITS Adjustment			0.0			0			(6,000)			(6,000)
			0.0			0						0
070 Total	0.0	0.0	0.0	0	0	0			(4,000)	1,000		(3,000)
100 Division of Voc. Rehabilitation												
1. ISSD Compensation Adjustments			0.0			0			(2,000)			(2,000)
2. CFS Compensation Adjustments			0.0			0						0
3. ISSD Chargeback Reallocation			0.0			0			(35,000)			(35,000)
4. ITS Adjustment			0.0			0			(15,000)			(15,000)
5. ODHHS Compensation Adjustment			0.0			0			12,000			12,000
			0.0			0						0
100 Total	0.0	0.0	0.0	0	0	0			(40,000)	0		(40,000)
110 Administration & Supporting Services												
1. ISSD Compensation Adjustments			0.0			0			107,000			107,000
2. CFS Compensation Adjustments			0.0			0			108,000			108,000
3. ISSD Chargeback Reallocation			0.0			0			219,000	80,000		299,000
4. ITS Adjustment			0.0			0			(10,000)			(10,000)
6. ESA to ADMIN Transfer			0.0			0			29,000	16,000		45,000
			0.0			0						0
110 Total	0.0	0.0	0.0	0	0	0			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.