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Recommendation Summary

Decision Packages

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**BHSIA -
Alcohol and
Substance Abuse
Program 070**

DSHS Budget Division

Recommendation Summary

DSHS Budget Division

Recommendation Summary

Version: G3 - 070 2013-15 Final 2015 Sup

Budget Period:2013-15
 Budget Level Criteria: ALL

Dollars in Thousands	Agency Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds	
M2 - Inflation and Other Rate Changes						
70	Lcl Auth. Medicaid Elig. Services	0	0.0	0	200	200
72	Initiative 502	0	0.0	0	200	200
74	Federal Authority Bridges Grant	0	0.0	0	993	993
75	Federal authority PFS Grant	0	0.0	0	2,937	2,937
76	6312 (2014 Session) Implementation	0	0.0	0	0	0
9G	Workers Comp Base Correction	0	0.0	3	1	4
9T	Transfers	0	0.0	(4)	1	(3)
	SubTotal M2		0.0	(1)	4,332	4,331
	Cumulative Total Thru M2		0.0	(1)	4,332	4,331
PL - Performance Level						
R3	Address Interim CD Medicaid Rates	0	0.0	9,251	33,629	42,880
	SubTotal PL		0.0	9,251	33,629	42,880
	Cumulative Total Thru PL		0.0	9,250	37,961	47,211
Total Proposed Budget			0.0	9,250	37,961	47,211

Maintenance Level

DSHS Budget Division

Recommendation Summary

Budget Period:2013-15

Version: G3 - 070 2013-15 Final 2015 Sup

Budget Level Criteria: M1+M2

Dollars in Thousands	Agency Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
M2 - Inflation and Other Rate Changes					
70	Lcl Auth. Medicaid Elig. Services	0	0	200	200
72	Initiative 502	0	0	200	200
74	Federal Authority Bridges Grant	0	0	993	993
75	Federal authority PFS Grant	0	0	2,937	2,937
76	6312 (2014 Session) Implementation	0	0	0	0
9G	Workers Comp Base Correction	0	3	1	4
9T	Transfers	0	(4)	1	(3)
	SubTotal M2	0.0	(1)	4,332	4,331
Total Proposed M1+M2 Budget		0.0	(1)	4,332	4,331

Department of Social and Health Services

DP Code/Title: M2-70 Lcl Auth. Medicaid Elig. Services
Program Level - 070 Alcohol and Substance Abuse

Budget Period: 2013-15 Version: G3 070 2013-15 Final 2015 Sup

Recommendation Summary Text:

The Behavioral Health and Service Integration Administration (BHSIA) requests local authority in order to allow county governments to utilize local sales tax dollars for Medicaid match to provide essential chemical dependency/substance use disorder services in their service areas. By funding this request, BHSIA is expected to continue having essential services available statewide for Medicaid individuals.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-7 General Fund - Basic Account-Private/Local	0	100,000	100,000
001-C General Fund - Basic Account-Medicaid Federal	0	100,000	100,000
Total Cost	0	200,000	200,000

Staffing

Package Description:

Problem Statement:

In an effort to expand local chemical dependency/substance use disorder programs, the Association of County Human Services (ACHS) has requested permission to use local sales tax as a match for Medicaid Treatment Services. In order to do this, the Department of Social and Health Services (DSHS) needs local spending authority. This opportunity gives additional flexibility to the counties to provide services to an increased number of Medicaid individuals as well as increase provider capacity. If this request is not granted, the state will need to provide the GF-State matching funds to ensure all Medicaid patients are served. As Medicaid enrollment continues to increase, the use of local revenue to match Medicaid will help reduce the demand for additional state funding needed to match Medicaid funds. Currently, the state provides all Medicaid match funds needed for the services delivered to Medicaid eligible clients. This authority is requested for those counties that have local funds available and choose to use them for this purpose.

Proposed Solution:

By allowing for the use of local sales tax dollars through intergovernmental fund transfers as Medicaid match for essential treatment services, including detoxification services, BHSIA will reduce the burden on the state budget to provide Medicaid matching funds. By funding this request, it would align the chemical dependency/substance use disorder system with the community mental health system that already allows Regional Support Networks to use local matching funds for Medicaid Services. The local sales tax dollars, if allowed, would provide additional treatment services through assessments, group and individual counseling, and detoxification as well as other needed services.

Agency Contact: Martha Brenna (360) 902-8194

Program Contact: Tara Smith (360) 725-3701

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

By funding this request, BHSIA will be able to provide services to a larger number of eligible people.

Department of Social and Health Services

DP Code/Title: M2-70 Lcl Auth. Medicaid Elig. Services
Program Level - 070 Alcohol and Substance Abuse

Budget Period: 2013-15 Version: G3 070 2013-15 Final 2015 Sup

Performance Measure Detail

Agency Level

Activity: G015 Community Based Drug and Alcohol Treatment Services

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

The decision package is essential to implementing the BHSIA Strategic Objective 1.5: Increase outpatient chemical dependency/substance use disorder treatment retention for adults.

This funding allows us to maintain and strengthen our treatment continuum for essential services within an appropriate setting for Medicaid eligible individuals. The counties in collaboration with their local providers will be able to manage access to services in a timely manner for Medicaid eligible clients. This will also allow for the continuation of staff training, education, and skill building to assist staff in the treatment of our Medicaid clients.

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

This decision 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.

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 goal to: Provide access to good medical care to improve people's lives.

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

The Association of County Human Services and local county governments will support this proposal.

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

The request cannot be absorbed within existing resources for the following reason: the department does not have the required local expenditure authority.

What are the consequences of not funding this package?

By allowing for the use of local sales tax dollars through intergovernmental fund transfers as Medicaid match for essential treatment services, including detoxification services, BHSIA will reduce the burden on the state budget to provide Medicaid matching funds.

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: M2-70 Lcl Auth. Medicaid Elig. Services
Program Level - 070 Alcohol and Substance Abuse

Budget Period: 2013-15 Version: G3 070 2013-15 Final 2015 Sup

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

Expenditure and revenue calculations and assumptions

Counties were asked to submit the potential amount of local sales tax funds that they estimated as use for Medicaid match for services per year. Based on their responses the amount of local sales tax estimated to be used is \$550,000 per year and would potentially draw down the same amount of federal Medicaid dollars for a total annual amount of \$1,100,000. Yakima County responded with a request for \$50,000 per year, and King County responded with a request for \$500,000 per year. In Fiscal Year 2015 two months of use is assumed to be \$200,000 all funds, \$100,000 local.

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	100,000	100,000

DSHS Source Code Detail

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-7, General Fund - Basic Account-Private/Local			
<u>Sources Title</u>			
5417 Contributions & Grants	0	100,000	100,000
<i>Total for Fund 001-7</i>	<u>0</u>	<u>100,000</u>	<u>100,000</u>
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19TA Title XIX Assistance (FMAP)	0	100,000	100,000
<i>Total for Fund 001-C</i>	<u>0</u>	<u>100,000</u>	<u>100,000</u>
Total Overall Funding	<u>0</u>	<u>200,000</u>	<u>200,000</u>

Department of Social and Health Services

DP Code/Title: M2-72 Initiative 502
Program Level - 070 Alcohol and Substance Abuse

Budget Period: 2013-15 Version: G3 070 2013-15 Final 2015 Sup

Recommendation Summary Text:

The Behavioral Health and Service Integration Administration (BHSIA), spending authority for Dedicated Marijuana Fund (DMF, I-502 tax revenues) revenues designated for the Department of Social and Health Services (DSHS) in order to carry out the DSHS obligations under I-502.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
315-1 Dedicated Marijuana Acct-State	0	200,000	200,000
Total Cost	0	200,000	200,000

Staffing

Package Description:

Problem Statement:

I-502 requires the BHSIA, Division of Behavioral Health and Recovery (DBHR) to implement and maintain programs and practices aimed at the prevention or reduction of maladaptive substance use, substance-use disorder, and substance abuse or substance dependence. In order to fulfill the requirements in I-502, DBHR will need the appropriated spending authority from the DMF to pay for these services.

Proposed Solution:

- DSHS, BHSIA, DBHR, is responsible for implementation of the following provisions in Section 28 of I-502:
- Design and administer the Washington Healthy Youth Survey and may expand administration to include young adults. BHSIA will be able to implement these two provisions with the granted authority in fiscal year 2015. The following requirements are expected to be implemented in the 2015-17 Biennium:
 - Contract with the Washington State Institute for Public Policy to conduct a cost-benefit evaluation and produce reports to the legislature by September 1, 2015, with subsequent reports in 2017, 2022, and 2032.
 - Implement and maintain programs and practices aimed at prevention or reduction of maladaptive substance use, substance-use disorder, substance abuse or substance dependence, as these terms are defined in the Diagnostic and Statistical Manual of Mental Disorders, among middle school and high school age students.
 - Provide chemical dependency/substance abuse disorder treatment services to youth.

Agency Contact: Martha Brenna (360) 902-8194
 Program Contact: Michael Langer (360) 725-3740

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

It is expected that the requirements of I-502 will be met.

Performance Measure Detail
Agency Level

Department of Social and Health Services

DP Code/Title: M2-72 Initiative 502
Program Level - 070 Alcohol and Substance Abuse

Budget Period: 2013-15 Version: G3 070 2013-15 Final 2015 Sup

Activity: G022 DASA Administration

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

The decision package is essential to implementing the BHSIA's Strategic Objective 1.4: Maintain the percent of participants in evidence-based BHSIA funded chemical dependency/substance use disorder prevention programs and Strategic Objective 1.6: Increase outpatient chemical dependency/substance use disorder treatment for youth.

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

This decision 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.

--Increase outpatient chemical dependency/substance use disorder treatment retention for youth from the FY 2013 average of 74 percent to 76.2 percent by June 30, 2015.

Preventing or delaying the onset of underage alcohol and marijuana use is associated with positive outcomes such as improved school performance, reduced youth delinquency and positive mental health. Research indicates that treatment retention (i.e. remaining in treatment for at least 90 days) is associated with positive outcomes such as reduction in substance use and criminal justice involvement. Longer participation in treatment also increases the likelihood of employment and increased earnings, as well as stability in housing.

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 provide access to good medical care to improve people's lives and:

--Decrease the percent of youth who smoke marijuana.

--Decrease the percentage of 10th graders who report smoking marijuana in the past 30 days from 19.3 percent in 2012 to 18 percent by 2017.

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

As part of the plan development process, the draft plans were shared and discussed with state-level partners, tribes, community members and stakeholders in October 2013 through public forums held in Yakima, Spokane, Seattle, and Vancouver. A total of 350 people attended these forums with an additional 175 attending through a webinar. DBHR presented in conjunction with the Department of Health (DOH) and Washington State Institute for Public Policy (WSIPP). The general consensus indicated a need in the communities for increased prevention and treatment services in response to the decreased public perception of harm due to marijuana use, misuse and abuse. Stakeholders would be impacted positively by increased funding enabling enhanced prevention programs and treatment services available to communities.

The plan will be updated annually to address issues or barriers that may arise and make adjustments as programs, contracts, and activities are evaluated.

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

Department of Social and Health Services

DP Code/Title: M2-72 Initiative 502
Program Level - 070 Alcohol and Substance Abuse

Budget Period: 2013-15 Version: G3 070 2013-15 Final 2015 Sup

The request cannot be absorbed within existing resources for the following reason: the activities and funding source required by statute are based on a new revenue source for which there is no appropriation authority.

What are the consequences of not funding this package?

By funding this request, BHSIA will continue to strengthen its efforts to mitigate the prevalence of youth marijuana, alcohol and other substance abuse and collect critical data on the prevalence of marijuana and other substance use, misuse, and abuse. The treatment system would benefit from support and technical assistance on how to more successfully retain youth in services. This could be accomplished by using performance based contracting to improve retention in youth outpatient treatment, including education for parents on resources, treatment options and how to communicate effectively with youth. Funding would be allocated to contract for an overall evaluation of the impacts of I-502 on Washington State.

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: BHSIA M2-72 Initiative 502.xls

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

The costs will potentially increase in future biennia as a result of increased revenue collections.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	0	200,000	200,000

DSHS Source Code Detail

		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding				
Fund 315-1, Dedicated Marijuana Acct-State				
<u>Sources</u> <u>Title</u>				
3151	Dedicated Marijuana Fund	0	200,000	200,000
<i>Total for Fund 315-1</i>		<u>0</u>	<u>200,000</u>	<u>200,000</u>
Total Overall Funding		<u>0</u>	<u>200,000</u>	<u>200,000</u>

**2015 Supplemental Budget
BHSIA M2-72 Initiative 502**

Section	Fixed Distribution (every three months)	
(1)	DSHS - Washington State Healthy Youth Survey	125,000
(2)	DSHS - Washington State Institute for Public Policy	50,000
(3)	UW - Alcohol & Drug Abuse Institute	5,000
(4)	WSLCB - Admin (retained)	1,250,000
		\$ 1,430,000

September Estimate		
13-15	15-17	17-19
\$ 500,000	\$ 1,000,000	\$ 1,000,000
\$ 200,000	400,000	400,000
\$ 20,000	40,000	40,000
\$ 5,000,000	10,000,000	10,000,000
\$ 5,720,000	\$ 11,440,000	\$ 11,440,000

Distribution of Remainder		
(5a)	DSHS - Behavioral Health & Recovery Program	15.0%
(5b)	DOH - Marijuana Education & Public Health Program	10.0%
(5c)	UW - Short & Long Term Effect Research	0.6%
(5c)	WSU - Short & Long Term Effect Research	0.4%
(5d)	State Basic Health Plan Trust	50.0%
(5e)	HCA - Community Health Centers Contract	5.0%
(5f)	OSPI - Building Bridges Program Grants	0.3%
(5g)	General Fund-State (unspecified)	18.7%
		100.0%

13-15	15-17	17-19
\$ 1,917,000	\$ 18,368,984	\$ 50,534,759
\$ 1,278,000	12,245,989	33,689,840
\$ 76,680	734,759	2,021,390
\$ 51,120	489,840	1,347,594
\$ 6,390,000	61,229,947	168,449,198
\$ 639,000	6,122,995	16,844,920
\$ 38,340	367,380	1,010,695
\$ 2,389,860	22,900,000	63,000,000
\$ 12,780,000	\$ 122,459,893	\$ 336,898,396
\$ 18,500,000	\$ 133,899,893	\$ 348,338,396
\$ 18,500,000	\$ 66,949,946.52	\$ 174,169,197.86

Total change from June forecast:		September Forecast		
	\$Millions	2013-15	2015-17	2017-19
-2013-15 +\$25.4 M				
-2015-17 +\$44.9 M				
-2017-19 -\$19.6 M				
	GF-S share of excise tax and license fees	\$3.1	\$31.1	\$63.0
	Retail sales tax and B&O	\$3.8	\$28.9	\$56.0
	Total General Fund	\$6.9	\$60.1	\$119.0
	Total Non-GF	\$18.5	\$146.8	\$285.4

* Detail may not add to total due to rounding
Source: ERF, BOTE, Analysis

Revenue Review
September 18, 2014
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WASHINGTON STATE ECONOMIC AND REVENUE FORECAST COUNCIL

Department of Social and Health Services

DP Code/Title: M2-74 Federal Authority Bridges Grant
Program Level - 070 Alcohol and Substance Abuse

Budget Period: 2013-15 Version: G3 070 2013-15 Final 2015 Sup

Recommendation Summary Text:

The Behavioral Health and Service Integration Administration (BHSIA) requests increased federal authority for the Bringing Recovery into Diverse Groups through Engagement & Support (BRIDGES) in order to utilize awarded federal funds. By funding this request, BHSIA is expected to provide delivery of behavioral health, housing support, peer, and other recovery-oriented services not covered under the state's Medicaid plan.

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	993,000	993,000
Total Cost	0	993,000	993,000

Staffing

Package Description:

Problem Statement:

The BRIDGES project will benefit individuals who experience behavioral health disorders and chronic homelessness by facilitating access to Evidence Based Permanent Supportive Housing and Supported Employment through engagement and support. BRIDGES provides meaningful choice regarding housing and support services, utilizes Peer Navigators to assist with enrollment in Medicaid and mainstream benefits, and connects individuals with needed treatment.

Proposed Solution:

BRIDGES is a Washington State partnership between the Division of Behavioral Health and Recovery (DBHR), other state agencies, and providers in three communities. The project will provide outreach efforts to 600 individuals and will assist 90 individuals to obtain Permanent Supportive Housing over the course of the grant. Services will be provided by local teams that include a Housing Specialist, a Peer Navigator, and an Employment Specialist. Grant resources will be leveraged to obtain rental subsidies (e.g. "bridge" vouchers) through local funding to ensure housing is affordable for all individuals. The grant does not require match funding.

BRIDGES will utilize Permanent Supportive Housing and Supported Employment. Individuals will be enrolled in Medicaid and other mainstream benefits through a Peer Navigator. The Peer Navigator will be certified as an 'In-person Assistor' and will utilize SSI/SSDI Outreach Access and Recovery (SOAR) to help eligible individual access disability benefits. Special training will be provided to the teams on the unique needs of the population being served such as the Housing First philosophy. The project team will work with local homeless continuums of care and consumer groups/organizations to identify any modifications that may be needed to ensure services are culturally relevant and meet the Culturally and Linguistically Appropriate Services (CLAS) requirement.

Agency Contact: Martha Brenna (360) 902-8194
 Program Contact: Melodie Pazolt (360) 725-0487

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Department of Social and Health Services

DP Code/Title: M2-74 Federal Authority Bridges Grant
Program Level - 070 Alcohol and Substance Abuse

Budget Period: 2013-15 Version: G3 070 2013-15 Final 2015 Sup

It is expected that improved client outcomes will result because of improved delivery of behavioral health, housing support, peer, and other recovery-oriented services not covered under the state's Medicaid plan.

Performance Measure Detail

Agency Level

Activity: G022 DASA Administration

No measures linked to package

Incremental Changes

FY 1

0.00

FY 2

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 possible quality of life.

The decision package is essential to implementing the BHSIA's Strategic Objective 1.2: Increase the number of adults (18 and older) receiving outpatient mental health services.

Primary outcomes include improved housing retention, increased enrollment in Medicaid and mainstream governmental benefits, and improved employment outcomes. Alternative funding sources will be developed to ensure sustainability after the grant has ended. BRIDGES will coordinate efforts with the Projects for Assistance in Transition from Homelessness (PATH) as well as the Unified Block Grant priorities to reduce homelessness. The BRIDGES teams will assist individuals who are chronically homeless with behavioral health issues connect with services and treatment. Many individuals who are chronically homeless are discharged from inpatient settings. Many individuals who are chronically homeless face chronic health conditions in addition to behavioral health issues.

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

This decision 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.

Provide access to good medical care to improve people's lives and:
--Increase the number of adults receiving outpatient mental health services.

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

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

BHSIA is coordinating the efforts of and requesting a subcommittee of the Governor's Interagency Council on Chronic Homelessness be established in conjunction with the Substance Abuse and Mental Health Services Administration (SAMHSA) Policy Academy on Chronic Homelessness activities. The goals of the Policy Academy are to reduce chronic homelessness through SAMHSA-sponsored, cross-agency federal efforts to provide intensive, targeted technical assistance. The statewide plan to ensure sustained partnerships across public health and housing systems will result in short and long-term strategies to support individuals who experience chronic homelessness through the state.

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

The request cannot be absorbed within existing resources for the following reason: additional federal authority is required to take advantage of the opportunity.

Department of Social and Health Services

DP Code/Title: M2-74 Federal Authority Bridges Grant
Program Level - 070 Alcohol and Substance Abuse

Budget Period: 2013-15 Version: G3 070 2013-15 Final 2015 Sup

What are the consequences of not funding this package?

Primary outcomes include improved housing retention, increased enrollment in Medicaid and mainstream governmental benefits, and improved employment outcomes.

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: BHSIA M2-74 BRIDGES Federal Authority.xls

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

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

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	0	993,000	993,000

DSHS Source Code Detail

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-2, General Fund - Basic Account-Federal			
<u>Sources Title</u>			
243P BRIDGES	0	993,000	993,000
<i>Total for Fund 001-2</i>	<u>0</u>	<u>993,000</u>	<u>993,000</u>
Total Overall Funding	0	993,000	993,000

**2015 Supplemental Budget
BHSIA M2-74 BRIDGES Federal Authority**

	BHSIA - CD	BHSIA - MH	Total
BRIDGES	661,736.00	50,000.00	711,736.00
Current	66,215.65	4,167.00	70,382.65
Accrual	136,054.00	17,334.00	153,388.00
Total	202,269.65	21,501.00	223,770.65
Projection	203,000.00	22,000.00	225,000.00
Balance	458,736.00	718,853.00	1,177,589.00
Estimated Federal Expenditure by State Fiscal Year			
FY14	203,000	22,000	225,000
FY15	992,538	28,000	1,020,538
FY16	711,736		711,736
FY17	177,934		177,934
Total 15-17	890,000	-	890,000
Total Grant Award	2,085,208	50,000	2,847,274

Department of Social and Health Services

DP Code/Title: M2-75 Federal authority PFS Grant
Program Level - 070 Alcohol and Substance Abuse

Budget Period: 2013-15 Version: G3 070 2013-15 Final 2015 Sup

Recommendation Summary Text:

The Behavioral Health and Service Integration Administration (BHSIA) requests increased federal authority for the Partnership for Success (PFS) in order to utilize awarded federal funds. By funding this request, BHSIA is expected to provide funding to strengthen community coalitions in Washington State to expand and enhance their local efforts to successfully implement the strategic prevention framework and proven prevention strategies in order to more effectively and efficiently address substance abuse.

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	2,937,000	2,937,000
Total Cost	0	2,937,000	2,937,000

Staffing

Package Description:

Problem Statement:

BHSIA's prevention priorities include underage drinking among 12- to 20-year olds, prescription drug misuse and abuse among 12- to 25-year-olds, and misuse and abuse of marijuana among youth ages 12-17.

In Washington State's 2012 student survey 29 percent of 10th grade students and 36 percent of 12th grade students reported drinking alcohol in the last 30 days; marijuana use among 12th grade students has increased 7.2 percent since 2004. Students think that using marijuana regularly is not risky (12th grade: 20 percent in 2004 to 39 percent in 2012) and 56.2 percent of the 12th grade students who drank alcohol in the past 30 days had also used marijuana. Washington State has the third highest rate nationally of nonmedical use of prescription pain relievers as of December 2012 according to a federal Substance Abuse and Mental Health Services Administration (SAMHSA) report published in 2013.

This federal grant project is targeted in 52 high-need community sites across the state. The State Epidemiological Outcomes Workgroup (SEOW) conducted the data analysis to develop community risk profiles to identify high need communities in each county. Collectively, these coalitions represent over 450,000 individuals including 16 cities/suburban areas, 15 towns and 21 rural areas. These communities are demographically representative of the state. However, selected high-need communities have more adults without high school degrees (13 percent vs. 10 percent); population under federal poverty level (15 percent vs. 12 percent); eligibility for free and reduced lunch (54 percent vs. 46 percent); and 30-day use by 10th graders of alcohol (29 percent vs. 23 percent) and marijuana (22 percent vs. 19 percent).

Proposed Solution:

The goal of the federal grant project is to strengthen the 52 Community Prevention and Wellness Initiative (CPWI) community coalitions in Washington State to expand and enhance their local strategic planning efforts. BHSIA will achieve this through three key objectives: 1) Increase support to local high-need communities for strategic prevention planning and implementation; 2) Targeted enhancement projects based on specific local needs and gaps; and 3) Increase technical assistance and training support provided to local high-need communities by funding 2.0 FTE Prevention System Managers and 1.0 FTE Lead Evaluator. The key risk factors that will be addressed are youth perception of risk and parental attitudes. The grant funding is on the Federal Fiscal Year.

Agency Contact: Martha Brenna (360) 902-8194

Department of Social and Health Services

DP Code/Title: M2-75 Federal authority PFS Grant
Program Level - 070 Alcohol and Substance Abuse

Budget Period: 2013-15 Version: G3 070 2013-15 Final 2015 Sup

Program Contact: Sarah Mariani (360) 725-3774

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The federal grant project is expected to strengthen the 52 Community Prevention and Wellness Initiatives in order to better address key community risk factors.

Performance Measure Detail

Agency Level

Activity: G022 DASA Administration

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

The decision package is essential to implementing the BHSIA's Strategic Objective 1.4: Maintain the percent of participants in evidence-based BHSIA funded chemical dependency prevention programs.

The Division of Behavioral Health and Recovery (DBHR) is focused on a substance abuse prevention system that is community coalition-driven using the localized strategic planning framework. This approach allows BHSIA to promote strategy implementation that builds on what works; have a deeper impact on underage drinking, prescription drug misuse and abuse, and misuse/abuse of marijuana; better measure those impacts; and build support for additional investments in prevention. With this grant project BHSIA has begun to enhance support to coalitions in high-need communities throughout the state for prevention planning and implementation and work toward our goals. With this funding BHSIA is enhancing support to community strategic plans to implement culturally and linguistically appropriate programs and strategies. Other agencies that are members of the grant's advisory board are invited to participate in training opportunities supported by the grant as space is available.

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

This decision package supports the Results Washington goal to:

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

Provide access to good medical care to improve people's lives and:

--Decrease the percent of youth who smoke marijuana.

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:

Provide access to good medical care to improve people's lives

Department of Social and Health Services

DP Code/Title: M2-75 Federal authority PFS Grant
Program Level - 070 Alcohol and Substance Abuse

Budget Period: 2013-15 Version: G3 070 2013-15 Final 2015 Sup

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

Stakeholders are supportive of this grant; the administration is not aware of any concerns. The State Prevention Policy Consortium serves as the advisory board to the grant implementation. Membership in this Consortium includes over 20 interagency, Tribal and community partners with vested interest in substance abuse prevention and mental health promotion. Needs assessment and evaluation support is provided by SEOW that includes members of the prevention research community and DBHR Decision Support and Evaluation staff.

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

The request cannot be absorbed within existing resources for the following reason: BHSIA does not have sufficient federal authority.

What are the consequences of not funding this package?

By funding this request, BHSIA is expected to provide funding to strengthen community coalitions in Washington State to expand and enhance their local efforts to successfully implement the strategic prevention framework and proven prevention strategies in order to more effectively and efficiently address substance abuse.

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

The yearly award amount is \$2,208,000. In Fiscal Year 2014, \$750,000 was spent. It is assumed that the balance of \$1,458,000 will be spent in evenly in Fiscal Year 2015 and Fiscal Year 2016. The expenditure level in Fiscal Year 2015 is expected to be \$2,937,000.

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

The final year of the grant award is FY 2018.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	0	378,000	378,000
B Employee Benefits	0	116,000	116,000
E Goods\Other Services	0	82,000	82,000
G Travel	0	21,000	21,000
N Grants, Benefits & Client Services	0	2,340,000	2,340,000
Total Objects	0	2,937,000	2,937,000

Department of Social and Health Services

DP Code/Title: M2-75 Federal authority PFS Grant

Program Level - 070 Alcohol and Substance Abuse

Budget Period: 2013-15 Version: G3 070 2013-15 Final 2015 Sup

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-2, General Fund - Basic Account-Federal				
<u>Sources</u> <u>Title</u>				
243N	Partnership for Success	0	2,937,000	2,937,000
<i>Total for Fund 001-2</i>		<u>0</u>	<u>2,937,000</u>	<u>2,937,000</u>
Total Overall Funding		0	2,937,000	2,937,000

Department of Social and Health Services

DP Code/Title: M2-76 6312 (2014 Session) Implementation
Program Level - 070 Alcohol and Substance Abuse

Budget Period: 2013-15 Version: G3 070 2013-15 Final 2015 Sup

Recommendation Summary Text:

The Behavioral Health Services Integration Administration (BHSIA) requests funding to implement actuarially sound Medicaid rates as a result of the passage of 2SSB 6312, Section 23, and to meet the requirement that persons eligible for Medicaid receive medically necessary chemical dependency/substance use disorder treatment services. By funding this request, BHSIA is expected to develop actuarially sound Medicaid rates for Medicaid eligible people receiving chemical dependency/substance use disorder treatment services and ensure adequate funding for behavioral health services.

Fiscal Detail:

Operating Expenditures

FY 1

FY 2

Total

Overall Funding

Program Cost

Total Cost

Staffing

Package Description:

Problem Statement:

Because the chemical dependency/substance use disorder treatment system is currently funded on a fee-for-service basis, BHSIA does not currently have actuarially sound Medicaid managed care rates for the state's chemical dependency/substance use disorder treatment system. 2SSB 6312 outlines the requirement for the state to implement managed care behavioral health integration by April 1, 2016. The state will deliver an integrated mental health and chemical dependency/substance use disorder benefit in new county-based regions known as Behavioral Health Organizations (BHOs) under risk based managed care contracts. The intent is that better coordination of care will lead to improved health outcomes.

Proposed Solution:

To support the integration of behavioral health services into a managed care environment, the actuary will analyze the overall cost of the new integrated system to ensure that managed care rates are adequate to operate a statewide service delivery system. The actuary also will determine cost offsets that will support the case for cost-effectiveness, which is a requirement of the Centers for Medicare and Medicaid Services (CMS). The expectation is that because of historically low provider rates and low service penetration by persons who require chemical dependency/substance use disorder treatment, the actuarial work will result in the need for additional resources. It is assumed that during the state's budget and legislative processes, the numbers will be developed and refined.

The rates will be paid to the BHOs on a per member per month basis and will be tied to the state's formal caseload forecast process to ensure that funding meets the demand for services.

Agency Contact: Martha Brenna (360) 902-8194
Program Contact: David Daniels (360) 725-2380

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Department of Social and Health Services

DP Code/Title: M2-76 6312 (2014 Session) Implementation
Program Level - 070 Alcohol and Substance Abuse

Budget Period: 2013-15 Version: G3 070 2013-15 Final 2015 Sup

It is expected that the persons eligible for Medicaid receive medically necessary chemical dependency/substance use disorder treatment services.

Performance Measure Detail

Agency Level

Activity: G015 Community Based Drug and Alcohol Treatment Services

No measures linked to package

Incremental Changes

FY 1

FY 2

0.00

0.00

Incremental Changes

FY 1

FY 2

0.00

0.00

Activity: G085 Residential Drug and Alcohol Treatment Services

No measures linked to package

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

The budget request supports DSHS Goal 1: Health - Each individual and each community will be healthy.

The decision package is essential to implementing the BHSIA's Strategic Objective 1.15 - Implement managed care behavioral health integration by April 1, 2016.

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

This decision 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.

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

Provide access to good medical care to improve people's lives and:
--Increase the percent of outpatient chemical dependency treatment retention.

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

There is very high interest by stakeholders related to this investment. Treatment providers across the state and county leadership who will be part of the prospective county based Behavioral Health Organizations are awaiting actuarially sound Medicaid rates to support behavioral health integration.

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

The request cannot be absorbed within existing resources for the following reason: the expectation is that because of historically low provider rates and low service penetration by persons who require chemical dependency/substance use disorder treatment, the actuarial work will result in the need for additional resources.

What are the consequences of not funding this package?

It is assumed that the rates that will be paid to the BHOs on a per member per month basis and will be tied to the state's formal caseload forecast process will ensure that funding meets the demand for services.

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

Department of Social and Health Services

DP Code/Title: M2-76 6312 (2014 Session) Implementation
Program Level - 070 Alcohol and Substance Abuse

Budget Period: 2013-15 Version: G3 070 2013-15 Final 2015 Sup

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?

Contracts will be developed with the new Behavioral Health Organizations.

Expenditure and revenue calculations and assumptions

Expenditure assumptions and amounts will be provided once the actuarial process is complete.

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			
Program Totals			

DSHS Source Code Detail

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund ,			
<u>Sources Title</u>			

Total for Fund

Total Overall Funding

Totals for all funds

Department of Social and Health Services

DP Code/Title: M2-9G Workers Comp Base Correction
Program Level - 070 Div of Alc/Substnce Abuse

Budget Period: 2013-15 Version: G3 070 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	3,000	3,000
001-C General Fund - Basic Account-Medicaid Federal	0	1,000	1,000
Total Cost	0	4,000	4,000

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 - 070 Div of Alc/Substnce Abuse

Budget Period: 2013-15 Version: G3 070 2013-15 Final 2015 Sup

Performance Measure Detail

Agency Level

Activity: G022 DASA Administration

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.

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?

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.

Department of Social and Health Services

DP Code/Title: M2-9G Workers Comp Base Correction
Program Level - 070 Div of Alc/Substnce Abuse

Budget Period: 2013-15 Version: G3 070 2013-15 Final 2015 Sup

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	4,000	4,000
<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	3,000	3,000
<i>Total for Fund 001-1</i>	<u>0</u>	<u>3,000</u>	<u>3,000</u>
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19UL Title XIX Admin (50%)	0	1,000	1,000
<i>Total for Fund 001-C</i>	<u>0</u>	<u>1,000</u>	<u>1,000</u>
Total Overall Funding	<u>0</u>	<u>4,000</u>	<u>4,000</u>

**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 - 070 Div of Alc/Substnce Abuse

Budget Period: 2013-15 Version: G3 070 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	(4,000)	(4,000)
001-C General Fund - Basic Account-Medicaid Federal	0	1,000	1,000
Total Cost	0	(3,000)	(3,000)

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, 100, 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 - 070 Div of Alc/Substnce Abuse

Budget Period: 2013-15 Version: G3 070 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: G022 DASA Administration

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.

Department of Social and Health Services

DP Code/Title: M2-9T Transfers
Program Level - 070 Div of Alc/Substnce Abuse

Budget Period: 2013-15 Version: G3 070 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			
E Goods\Other Services	0	(5,000)	(5,000)
T Intra-Agency Reimbursements	0	2,000	2,000
Total Objects	0	(3,000)	(3,000)

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	(4,000)	(4,000)
Total for Fund 001-1	0	(4,000)	(4,000)
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19UL Title XIX Admin (50%)	0	1,000	1,000
Total for Fund 001-C	0	1,000	1,000
Total Overall Funding	0	(3,000)	(3,000)

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

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

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

NOTES:

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

Policy Level

DSHS Budget Division

Recommendation Summary

Budget Period:2013-15

Version: G3 - 070 2013-15 Final 2015 Sup

Budget Level Criteria: PL Only

Dollars in Thousands	Agency Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
PL - Performance Level					
R3 Address Interim CD Medicaid Rates	0	0.0	9,251	33,629	42,880
	SubTotal PL	0.0	9,251	33,629	42,880
Total Proposed PL Only Budget		0.0	9,251	33,629	42,880

Department of Social and Health Services

DP Code/Title: PL-R3 Address Interim CD Medicaid Rates
Program Level - 070 Alcohol and Substance Abuse

Budget Period: 2013-15 Version: G3 070 2013-15 Final 2015 Sup

Recommendation Summary Text:

The Behavioral Health and Service Integration Administration (BHSIA) requests a short term rate increase for Medicaid chemical dependency/substance use disorder services in order to keep the chemical dependency/substance use disorder provider network viable until the rates of reimbursement have been actuarially certified and approved by the Centers for Medicare and Medicaid Services (CMS). By funding this request, BHSIA is expected to have continued essential services available statewide for Medicaid individuals with chemical dependency/substance use disorders.

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	9,251,000	9,251,000
001-C General Fund - Basic Account-Medicaid Federal	0	33,629,000	33,629,000
Total Cost	0	42,880,000	42,880,000

Staffing

Package Description:

Problem Statement:

The opportunity to expand Medicaid under the Affordable Care Act has resulted in an increased number of individuals becoming newly eligible for Medicaid services. An unintended consequence of this expansion has been a significant decrease in the amount that service providers are being reimbursed for the same services, provided to the same individuals who were previously treated as low-income eligible clients. The state Medicaid rates for services are significantly lower than the low-income rates of reimbursement paid to providers to serve people not eligible for Medicaid. If this request is not approved, there is a risk of reduced capacity to provide essential Medicaid services to those in need of chemical dependency/substance use disorder treatment. Raising the rate within existing funding was looked at as an option, but would only decrease access and capacity within the system for essential services. With the passage of ESSB 6002 Section 208 (7), the Legislature directed BHSIA, Division of Behavioral Health and Recovery (DBHR) to review differential rates paid for alcohol and substance abuse assessment and treatment services for Medicaid and non-Medicaid clients and the impact to providers as previously uninsured clients become eligible for services through the Medicaid expansion under the Affordable Care Act. With adequate revenue, providers will have the resources needed to retain staff and meet the increased need for persons who are in need of Medicaid eligible substance disorder treatment. This is a stop gap fee for service model while actuarially sound rates area being developed.

Proposed Solution:

SSB 6312 identifies the state purchasing of mental health and chemical dependency/substance use disorder treatment services and integration with managed care contracts and the creation of Behavioral Health Organizations (BHOs). These BHOs will be responsible for formulating their network of services within a defined regional area that will be identified later this fall. A temporary rate increase will help to keep providers statewide viable so that Medicaid individuals continue to have access to essential services during the period of transition to a managed care model.

The proposed implementation date of a vendor rate increase is for July 1, 2015. For the nine month period leading up to implementation of the BHOs in Fiscal Year 16, an 18.5 percent increase to GF-State is proposed for: outpatient group treatment, Parent Child Assistance Program (PCAP), Safe Babies Safe Moms (SBSM) and Pregnant and Parenting Women (PPW) Residential services.

Agency Contact: Martha Brenna (360) 902-8194

Department of Social and Health Services

DP Code/Title: PL-R3 Address Interim CD Medicaid Rates
Program Level - 070 Alcohol and Substance Abuse

Budget Period: 2013-15 Version: G3 070 2013-15 Final 2015 Sup

Program Contact: Tara Smith (360) 725-3701

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

It is expected that the interim rate increase for Medicaid chemical dependency/substance use disorder services will keep the provider network viable until the rates of reimbursement have been actuarially certified and approved by the Centers for Medicare and Medicaid Services.

Performance Measure Detail

Agency Level

<p>Activity: G015 Community Based Drug and Alcohol Treatment Services No measures linked to package</p>	<p>Incremental Changes <u>FY 1</u> <u>FY 2</u> 0.00 0.00</p>
<p>Activity: G085 Residential Drug and Alcohol Treatment Services No measures linked to package</p>	<p>Incremental Changes <u>FY 1</u> <u>FY 2</u> 0.00 0.00</p>
<p>Activity: G098 Support Services for Clients Receiving Drug and Alcohol Treatment No measures linked to package</p>	<p>Incremental Changes <u>FY 1</u> <u>FY 2</u> 0.00 0.00</p>

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

The budget request supports DSHS Goal 1: Health - Each individual and each community will be healthy

The decision package is essential to implementing the BHSIA Strategic Objective 1.5: Increase outpatient chemical dependency/substance use disorder treatment retention for adults.

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

This decision 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.

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 goal to: Provide access to good medical care to improve people's lives.

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

The Association of County Human Services (ACHS), local county governments, PCAP Programs, and PPW residential providers will be in support of this proposal.

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

The request cannot be absorbed within existing resources for the following reason: there is not sufficient funding to redirect

Department of Social and Health Services

DP Code/Title: PL-R3 Address Interim CD Medicaid Rates
Program Level - 070 Alcohol and Substance Abuse

Budget Period: 2013-15 Version: G3 070 2013-15 Final 2015 Sup

resources.

What are the consequences of not funding this package?

A temporary rate increase will help to keep providers statewide viable so that Medicaid individuals continue to have access to essential services during the period of transition to a managed care model.

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?

Contracts will need to be amended to incorporate the rate change.

Expenditure and revenue calculations and assumptions

See attachment: BHSIA PL-R3 Address Interim CD Medicaid Rates.xlsx

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

The costs will change in future biennia as a result of implementation of the Behavioral Health Organizations.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	0	42,880,000	42,880,000
<u>DSHS Source Code Detail</u>			
Overall Funding			
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	0	9,251,000	9,251,000
<i>Total for Fund 001-1</i>	<u>0</u>	<u>9,251,000</u>	<u>9,251,000</u>
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19TA Title XIX Assistance (FMAP)	0	33,629,000	33,629,000
<i>Total for Fund 001-C</i>	<u>0</u>	<u>33,629,000</u>	<u>33,629,000</u>
Total Overall Funding	<u>0</u>	<u>42,880,000</u>	<u>42,880,000</u>

2015 Supplemental Budget
BHSIA PL-R3 Address Interim CD Medicaid Rates

MEDIUM NON-MEDICAID RATE RANGE (Medium Group/No Detox)

	Annual Numbers					
	Total		GF-S		Federal	
Outpatient	\$	39,942,081	\$	7,524,180	\$	32,417,901
Residential	\$	1,787,135	\$	893,210	\$	893,925
Youth Detox						
Adult Detox						
PPW Support Services	\$	1,150,464	\$	833,817	\$	316,648
Annual Total	\$	42,879,680	\$	9,251,207	\$	33,628,474

