

Agency 300

Department of Social and Health Services (cont.)
Developmental Disabilities
Recommendation Summary

Dollars in Thousands	Annual FTEs	General Fund State	Other Funds	Total Funds
2017-19 Original Appropriations	3,663.4	1,491,105	1,526,999	3,018,104
Maintenance Other Changes:				
1. Forecast Cost/Utilization	0.0	(13,751)	(8,991)	(22,742)
2. Institution Vehicle Replacement	0.0	75	74	149
3. Facility Maintenance Costs	0.0	420	417	837
4. Mandatory Caseload Adjustments	0.0	8,965	9,162	18,127
5. Mandatory Workload Adjustments	(5.7)	(693)	(462)	(1,155)
6. Equipment Replacement Costs	0.0	24	16	40
7. Delay in APD Approval	0.0	62	(62)	0
8. Utilization of Residential Services	0.0	3,634	(252)	3,382
9. Fircrest Laundry Operating Backfill	1.0	162	161	323
10. Utilization of SL Tiered Rates	0.0	623	623	1,246
11. Public Disclosure Impacts	0.1	8	8	16
12. Food and Medical Adjustments	0.0	353	355	708
Maintenance -- Other Total	(4.6)	(118)	1,049	931
Maintenance Comp Changes:				
13. Move Pension Fund Shift to Agencies	0.0	(17,192)	17,192	0
14. Updated PEBB Rate	0.0	(1,182)	(1,100)	(2,282)
15. Wellness \$25 Gift Card	0.0	6	6	12
16. Paid Family Leave--Employer Premium	0.0	11	11	22
17. Compensation Adjustment	0.0	106	100	206
Maintenance -- Comp Total	0.0	(18,251)	16,209	(2,042)
Maintenance Transfer Changes:				
18. Transfers	0.0	(120)	(156)	(276)
Maintenance -- Transfer Total	0.0	(120)	(156)	(276)
Maintenance Central Services Changes:				
19. Workers' Compensation	0.0	215	205	420
Maintenance -- Central Svcs Total	0.0	215	205	420
Total Maintenance Changes	(4.6)	(18,274)	17,307	(967)
2017-19 Maintenance Level	3,658.9	1,472,831	1,544,306	3,017,137

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Dollars in Thousands	Annual FTEs	General Fund State	Other Funds	Total Funds
Policy Other Changes:				
20. RHC Medicaid Compliance	130.9	9,544	9,543	19,087
21. Local Expenditure Authority	0.0	0	2,000	2,000
22. Supported Living Investigators	0.0	0	3,747	3,747
23. Electronic Visit Verification	0.5	549	746	1,295
24. Individual Provider Management	0.8	126	200	326
25. SOLA Community Options	11.1	1,362	1,361	2,723
26. Consolidated Maintenance/Operations	7.1	650	651	1,301
Policy -- Other Total	150.3	12,231	18,248	30,479
Policy Comp Changes:				
27. PERS & TRS Plan 1 Benefit Increase	0.0	109	101	210
Policy -- Comp Total	0.0	109	101	210
Total Policy Changes	150.3	12,340	18,349	30,689
2017-19 Policy Level	3,809.2	1,485,171	1,562,655	3,047,826

POLICY CHANGES**1. Forecast Cost/Utilization**

This item makes expenditure adjustments to reflect changes in the utilization of personal care services within the Developmental Disabilities Administration. (General Fund-State; General Fund-Medicaid)

2. Institution Vehicle Replacement

Lease-purchase funding is provided to replace passenger vans, nursing vans and facility maintenance vehicles. This step is ongoing. (General Fund-State; General Fund-Medicaid)

3. Facility Maintenance Costs

One-time funding is provided for equipment, goods and services beyond the scope of ordinary maintenance but lower than the threshold for capital projects. Maintenance projects include, but are not limited to, interior and exterior painting and the replacement of doors and carpets. (General Fund-State; General Fund-Medicaid)

4. Mandatory Caseload Adjustments

This item reflects savings associated with caseload changes in the November 2017 Developmental Disabilities forecast. (General Fund-State; General Fund-Medicaid)

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5. Mandatory Workload Adjustments

Funding is provided for established client-to-staff ratios resulting from Developmental Disabilities Administration caseload growth. (General Fund-State; General Fund-Medicaid)

6. Equipment Replacement Costs

Funding is provided to replace furniture, medical, kitchen and other equipment necessary to maintain the health, safety and security of residents and staff at the department's institutional programs. (General Fund-State; General Fund-Medicaid)

7. Delay in APD Approval

Each year, the department submits Washington's advanced planning document (APD) to the Centers for Medicare and Medicaid Services (CMS) which requests enhanced federal funding for qualifying activities. While the document is submitted to CMS months in advance of the federal fiscal year start in October 2017, it was not approved until November 2017. Funding is provided to backfill federal funds with state funds for the two months of enhanced federal funding not received due to the delay in approving the APD. (General Fund-State; General Fund-Medicaid)

8. Utilization of Residential Services

Funding is provided to address greater utilization of Developmental Disabilities Administration residential services in Adult Supported Living, Child Supported Living, Group Homes, Community Protection, and Intermediate Care for the Intellectually Disabled. (General Fund-State, General Fund-Federal) (General Fund-State; General Fund-Medicaid)

9. Fircrest Laundry Operating Backfill

Funding is provided to replace items not covered by insurance when the Fircrest laundry facility burned down and for the increased costs in transporting laundry to an offsite facility. (General Fund-State; General Fund-Medicaid)

10. Utilization of SL Tiered Rates

Funding is provided to implement a new rate structure for Supported Living, Community Residential, Group Homes and Group Training Homes. The new rate structure will minimize audit findings from the State Auditor and simplify administrative case management workload. (General Fund-State; General Fund-Medicaid)

11. Public Disclosure Impacts

Funding is provided for additional public disclosure staffing to accommodate the requirements mandated by Chapter 303, Laws of 2017 (Public Records Administration). (General Fund-State; General Fund-Medicaid)

12. Food and Medical Adjustments

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

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13. Move Pension Fund Shift to Agencies

In the enacted 2017-19 budget, the legislature shifted a portion of General Fund pension costs to the Pension Funding Stabilization Account, and instructed the Office of Financial Management to allocate this change to agency budgets. This item implements that requirement. (General Fund-State; Pension Funding Stabilization Account-State)

14. Updated PEBB Rate

The funding rate for the Public Employees' Benefits Board (PEBB) insurance program is adjusted for fiscal year 2019 to reflect updated actuarial projections, administrative costs and payments to third-party administrators. The funding is sufficient for a new virtual diabetes prevention program and a change in the waiting period for dental crown replacements in the Uniform Dental Program (UDP) from seven to five years. The change would bring UDP into alignment with the current waiting period in the managed dental plans. This reduces the fiscal year 2019 funding rate from \$957 per month to \$906. (General Fund-State; General Fund-Medicaid)

15. Wellness \$25 Gift Card

Some employees are eligible, under the terms of their collective bargaining agreements, to earn a \$25 gift card after completing a health risk assessment. This item provides funding for agencies to pay the employer's share of Social Security and Medicare taxes on the gift cards. (General Fund-State; General Fund-Medicaid)

16. Paid Family Leave--Employer Premium

A paid family and medical leave program was created by Chapter 5, Laws of 2017, 3rd Special Session. Beginning January 1, 2019, the state, as an employer, will be responsible for payment of employer premiums for employees not covered by a collective bargaining agreement. This item provides funding for this obligation. (General Fund-State; General Fund-Medicaid)

17. Compensation Adjustment

This item makes technical adjustments related to compensation steps that were provided in the enacted 2017-19 budget. Staffing models used to calculate costs for additional staff did not account for 2 percent salary increases, health insurance premium increases, and targeted increases for certain positions. (General Fund-State; General Fund-Medicaid)

18. Transfers

Funding and FTEs are transferred within DSHS programs to align with the programs where costs are incurred. The net impact is zero. (General Fund-State; General Fund-Medicaid)

19. Workers' Compensation

Agency budgets are adjusted to reflect each agency's estimated charges from the Department of Labor and Industries for workers' compensation. (General Fund-State; General Fund-Federal)

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20. RHC Medicaid Compliance

Funding is provided to hire staff to meet requirements from the Centers for Medicare and Medicaid Services (CMS) concerning continuous, aggressive active treatment in all intermediate care facilities for individuals with intellectual disabilities. (General Fund-State; General Fund-Medicaid)

21. Local Expenditure Authority

Local expenditure authority is increased to allow for full expenditure from private/local contributions and grants expected in the 2017-19 biennium. (General Fund-Local)

22. Supported Living Investigators

This item gives DSHS fee authority for supported living providers sufficient to cover oversight and investigation costs for clients residing in supported living settings. Provider rates are increased to cover the cost of the fee, which is eligible for federal matching funds, resulting in a net GF-State savings when combining the Developmental Disabilities Administration and Aging and Long-Term Support Administration. (General Fund-Local; General Fund-Medicaid)

23. Electronic Visit Verification

Funding is provided for DSHS to comply with the federal "21st Century Cures Act," which requires states to implement an Electronic Visit Verification (EVV) system by January 1, 2019 or receive a federal match rate reduction that escalates from 0.25 percent in 2019 up to one percent by 2023. An EVV system will electronically report and verify information about the delivery of personal care services, such as the date and time, service type and location. (General Fund-State; General Fund-Medicaid)

24. Individual Provider Management

Administrative support for individual providers is moved from the Department of Social and Health Services to a private vendor. A private vendor will provide financial management services, including individual provider overtime management, as well as co-employer functions for clients receiving in-home personal care from an individual provider. (General Fund-State; General Fund-Medicaid)

25. SOLA Community Options

This item provides 47 community residential placements in State Operated Living Alternatives (SOLAs) for individuals residing in residential habilitation centers (RHCs) who have requested community placements but the department has been unable to find community providers willing to serve these clients at existing rates. These placements will be phased in over a three-year period. (General Fund-State; General Fund-Medicaid)

26. Consolidated Maintenance/Operations

This item provides staffing to address the deterioration and degradation of physical assets, along with addressing federal regulatory compliance requirements established by the Centers for Medicare and Medicaid Services (CMS). (General Fund-State; General Fund-Medicaid)

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27. PERS & TRS Plan 1 Benefit Increase

For eligible Public Employees' and Teachers' Retirement System Plan 1 members, this item provides a one-time ongoing increase of 3%, up to a maximum of \$62.50 per month. (General Fund-State; General Fund-Medicaid)