

Agency 300

Department of Social and Health Services (cont.)

Long-Term Care

Recommendation Summary

Dollars in Thousands	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2017-19 Original Appropriations</b>	<b>1,902.3</b>	<b>2,295,280</b>	<b>3,011,125</b>	<b>5,306,405</b>
<b>Maintenance Other Changes:</b>				
1. Forecast Cost/Utilization	0.0	(14,698)	(4,328)	(19,026)
2. Mandatory Caseload Adjustments	0.0	(1,875)	(789)	(2,664)
3. Mandatory Workload Adjustments	66.0	10,563	4,338	14,901
4. Delay in APD Approval	0.0	370	(370)	0
5. Public Disclosure Impacts	0.7	57	50	107
<b>Maintenance -- Other Total</b>	<b>66.7</b>	<b>(5,583)</b>	<b>(1,099)</b>	<b>(6,682)</b>
<b>Maintenance Comp Changes:</b>				
6. Move Pension Fund Shift to Agencies	0.0	(11,864)	11,864	0
7. Updated PEBB Rate	0.0	(592)	(525)	(1,117)
8. Wellness \$25 Gift Card	0.0	4	2	6
9. Paid Family Leave--Employer Premium	0.0	11	9	20
10. Compensation Adjustment	0.0	1,193	1,104	2,297
<b>Maintenance -- Comp Total</b>	<b>0.0</b>	<b>(11,248)</b>	<b>12,454</b>	<b>1,206</b>
<b>Maintenance Transfer Changes:</b>				
11. Transfers	0.0	(151)	(76)	(227)
<b>Maintenance -- Transfer Total</b>	<b>0.0</b>	<b>(151)</b>	<b>(76)</b>	<b>(227)</b>
<b>Maintenance Central Services Changes:</b>				
12. Workers' Compensation	0.0	11	10	21
<b>Maintenance -- Central Svcs Total</b>	<b>0.0</b>	<b>11</b>	<b>10</b>	<b>21</b>
<b>Total Maintenance Changes</b>	<b>66.7</b>	<b>(16,971)</b>	<b>11,289</b>	<b>(5,682)</b>
<b>2017-19 Maintenance Level</b>	<b>1,969.0</b>	<b>2,278,309</b>	<b>3,022,414</b>	<b>5,300,723</b>
<b>Policy Other Changes:</b>				
13. Quality of Residential Care	8.5	668	1,409	2,077
14. Supported Living Investigators	3.8	(1,130)	6,234	5,104
15. Electronic Visit Verification	2.1	3,414	4,605	8,019

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**Department of Social and Health Services (cont.)**

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Dollars in Thousands	Annual FTEs	General Fund State	Other Funds	Total Funds
16. Individual Provider Management	3.3	814	1,113	1,927
<b>Policy -- Other Total</b>	<b>17.7</b>	<b>3,766</b>	<b>13,361</b>	<b>17,127</b>
<b>Policy Comp Changes:</b>				
17. PERS & TRS Plan 1 Benefit Increase	0.0	76	68	144
<b>Policy -- Comp Total</b>	<b>0.0</b>	<b>76</b>	<b>68</b>	<b>144</b>
<b>Total Policy Changes</b>	<b>17.7</b>	<b>3,842</b>	<b>13,429</b>	<b>17,271</b>
<b>2017-19 Policy Level</b>	<b>1,986.7</b>	<b>2,282,151</b>	<b>3,035,843</b>	<b>5,317,994</b>

**POLICY CHANGES**

**1. Forecast Cost/Utilization**

This item reflects changes in the utilization of long-term care services by nursing homes, area agencies on aging services, and home and community based services. (General Fund State, General Fund Federal) (General Fund-State; General Fund-Federal)

**2. Mandatory Caseload Adjustments**

This item reflects changes in the number of clients receiving Long-Term Services and Supports that were identified through the November 2017 caseload forecast process. (General Fund State, General Fund Federal) (General Fund-State; General Fund-Medicaid)

**3. Mandatory Workload Adjustments**

Funding is provided for costs associated with the professional staff necessary to verify Medicaid eligibility, assess functional disability, ensure quality assurance and coordinate the delivery of appropriate and cost-effective services for the anticipated caseloads in all long-term care settings. (General Fund State, General Fund Federal) (General Fund-State; General Fund-Medicaid)

**4. 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 was 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)

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##### 5. 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)

##### 6. 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)

##### 7. 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-Federal)

##### 8. 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-Federal)

##### 9. 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-Federal)

##### 10. 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)

##### 11. 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)

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#### 12. 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)

#### 13. Quality of Residential Care

Funding is provided to hire 8.5 staff investigators to conduct inspections and investigate complaints in assisted living facilities. In the last four years, the number of individuals receiving services has increased from 30,360 to 32,592, a 7.3 percent increase. Funding is also provided to maintain the Residential Care Services quality assurance unit. (General Fund-State; General Fund-Local; General Fund-Medicaid)

#### 14. 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-State; General Fund-Local; General Fund-Medicaid)

#### 15. 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)

#### 16. Individual Provider Management

Administrative support for individual providers is moved from the Department of Social and Health Services to a private vendor. The 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)

#### 17. 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-Federal)