

Agency 300

Department of Social and Health Services (cont.)
Alcohol & Substance Abuse
Recommendation Summary

| Dollars in Thousands | Annual FTEs | General Fund State | Other Funds | Total Funds |
|--|---------------|--------------------|------------------|------------------|
| 2017-19 Original Appropriations | 81.3 | 150,150 | 659,495 | 809,645 |
| Maintenance Other Changes: | | | | |
| 1. Mandatory Caseload Adjustments | 0.0 | (1,215) | (6,386) | (7,601) |
| 2. BHO Rate Adjustment | 0.0 | 1,635 | 4,391 | 6,026 |
| 3. Public Disclosure Impacts | 0.4 | 50 | 11 | 61 |
| 4. Technical Corrections | 0.0 | 0 | 47,736 | 47,736 |
| Maintenance -- Other Total | 0.4 | 470 | 45,752 | 46,222 |
| Maintenance Comp Changes: | | | | |
| 5. Move Pension Fund Shift to Agencies | 0.0 | (927) | 927 | 0 |
| 6. Updated PEBB Rate | 0.0 | (42) | (9) | (51) |
| 7. Paid Family Leave--Employer Premium | 0.0 | 3 | 1 | 4 |
| 8. Compensation Adjustment | 0.0 | 34 | 7 | 41 |
| Maintenance -- Comp Total | 0.0 | (932) | 926 | (6) |
| Maintenance Central Services Changes: | | | | |
| 9. Workers' Compensation | 0.0 | 1 | 0 | 1 |
| Maintenance -- Central Svcs Total | 0.0 | 1 | 0 | 1 |
| Total Maintenance Changes | 0.4 | (461) | 46,678 | 46,217 |
| 2017-19 Maintenance Level | 81.7 | 149,689 | 706,173 | 855,862 |
| Policy Other Changes: | | | | |
| 10. Opioid Response | 1.3 | 7,785 | 2,315 | 10,100 |
| 11. Youth Drug Prevention Services | 1.2 | 0 | 1,657 | 1,657 |
| Policy -- Other Total | 2.4 | 7,785 | 3,972 | 11,757 |
| Policy Comp Changes: | | | | |
| 12. PERS & TRS Plan 1 Benefit Increase | 0.0 | 6 | 1 | 7 |
| Policy -- Comp Total | 0.0 | 6 | 1 | 7 |
| Policy Transfer Changes: | | | | |
| 13. BH - Integration Transfer | (38.4) | (78,472) | (363,727) | (442,199) |
| Policy -- Transfer Total | (38.4) | (78,472) | (363,727) | (442,199) |
| Total Policy Changes | (36.0) | (70,681) | (359,754) | (430,435) |
| 2017-19 Policy Level | 45.7 | 79,008 | 346,419 | 425,427 |

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| POLICY CHANGES | | | | |
| 1. Mandatory Caseload Adjustments | | | | |
| Funding adjustments are made to reflect changes in the number of Medicaid-eligible clients based on the November 2017 caseload forecast. (General Fund-State; General Fund-Medicaid) | | | | |
| 2. BHO Rate Adjustment | | | | |
| Appropriations for behavioral health organizations (BHO) are adjusted to reflect cost estimates for community substance use disorder services. The changes in rates are largely due to case mix and utilization factors. (General Fund-State; General Fund-Medicaid) | | | | |
| 3. 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) | | | | |
| 4. Technical Corrections | | | | |
| Adjustments are made for variances found in the reconciliation of multiple budget steps to correct the federal funding source, provide additional federal and local authority, and make net zero, category transfers between agency programs. (General Fund-Federal; General Fund-Medicaid) | | | | |
| 5. 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) | | | | |
| 6. 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) | | | | |
| 7. 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) | | | | |

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8. Compensation Adjustment

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

9. 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)

10. Opioid Response

This step is part of a multi-agency package to expand treatment and prevention services across the state to prevent opioid-related overdose deaths. Specific investments at the Department of Social and Health Services (DSHS) include expanding hub and spoke networks and tribal-specific treatment services, increasing Naloxone distribution, expanding the Parent Child Assistance Program and developing a Medication Assisted Treatment (MAT) capacity tracking tool where providers will report treatment capacity on a regular basis. (General Fund-State; General Fund-Medicaid)

11. Youth Drug Prevention Services

Funding is provided to continue youth alcohol, marijuana and opioid prevention services in 40 predominately rural communities beyond the September 2018 expiration of the federal Partnership for Success Grant. (Dedicated Marijuana Account-State)

12. 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)

13. BH - Integration Transfer

Chapter 225, Laws of 2014 requires the Health Care Authority (HCA) and DSHS to fully integrate physical health care and behavioral health care services to Medicaid clients by January 1, 2020. As part of the second phase of behavioral health integration, all community mental health and substance use disorder programs are transferred from DSHS to HCA, with the exception of the licensing and certification program which will transfer to the Department of Health. This whole-person approach to care offers better coordinated care and consolidates the payment and delivery of physical and behavioral health services for individuals enrolled in Medicaid through managed care. (General Fund-State; General Fund-Federal; General Fund-Local; other accounts)