

Department of Social & Health Services

Children and Family Services

The sum of \$1.1 million in one-time funding is provided to expedite the hiring of social workers and support staff needed to complete the phase-in of the state's policy of a private and individual face-to-face visit each month with children in out-of-home care and in-home dependencies and their caregivers.

State and federal funding in the amount of \$2.4 million is provided for the Children's Administration to contract with nonprofit organizations to facilitate twice-monthly visits between siblings placed in out-of-home care who live apart from each other.

The sum of \$2.3 million in state and federal funds is provided to pay for an increase in contracted supervised visits. The increase in court-ordered supervised visits between parents and dependent children has increased the Department's use of contracted service hours.

The Children's Administration performs education and health screens for all children who are in out-of-home care for 30 days or longer. The sum of \$1.0 million in state and federal funds is provided for 12 additional staff to perform the screens.

The amount of \$657,000 is provided to the Division of Licensed Resources to hire 7.5 additional licensers to address their backlog in processing licenses and to allow for smaller licensing caseloads.

A total of \$800,000 is provided to contract with medical professionals for comprehensive safety assessments of high-risk families. Of this amount, \$400,000 is for assessments of families receiving in-home child protective services or family voluntary services. The remaining \$400,000 is for assessments of families with an infant who is age birth to 15 days that was diagnosed at birth as substance exposed, and for which the Department received an intake referral related to the infant's exposure to substances. All of the safety assessments will use validated tools to guide intervention decisions through the identification of additional safety and risk factors.

The sum of \$997,000 is provided for Chapter 281, Laws of 2008 (E2SHB 3145). Of this amount, \$797,000 is provided to implement a pilot program for intensive resource foster homes in two geographical areas with high concentrations of high-needs children in foster care. The intensive resource foster home providers will receive a monthly stipend, training, and professional consultation. The remaining \$200,000 is provided for the Department to contract for constellation hub models of foster care support in areas of the state not currently served by this model.

State funding in the amount of \$12.2 million is provided in maintenance level to address changes in federal funding of child welfare services. State funding of \$20.0 million was provided to replace federal funding that was disallowed due to a change in federal Medicaid rules that prevent the state from charging certain administrative activities to Targeted Case Management and alter the state's match requirements for other programs. The loss of Medicaid funds is partially offset by a \$7.8 million reduction in state funding in foster care and adoption support and a corresponding increase in Title IV-E federal funding due to greater federal revenue earnings in recent years.

State and federal funding is reduced by \$2.3 million in fiscal year 2008 due to one-time under-expenditures resulting from delays in staff hires within the Children's Administration.

Juvenile Rehabilitation Administration

A total of \$2.8 million in state funding is provided to backfill Title XIX Medicaid funds for Targeted Case Management. The DSHS-Juvenile Rehabilitation Administration had received these funds to support its Family Functional Parole (FFP) program. FFP is a case management model that motivates youth and families to fully participate in services and provides ongoing assessment and support as needed.

Mental Health

State and federal funding for the public mental health system is increased by a total of \$21.8 million. Major changes in support of community mental health services include:

- Additional state funds of \$6.3 million are provided to maintain and improve community mental health services for children and adults who are not eligible for Medicaid due to income, family circumstances, or the stage or nature of their illness. Services include crisis response, counseling, case management, acute care, residential services, job finding services, and emergency rent assistance.
- Additional state funds of \$2.3 million are provided to enable the Spokane Regional Support Network (RSN) to complete implementation of its comprehensive plan for reducing use of Eastern State Hospital. A portion of the plan is being funded with the RSN's locally-authorized mental health sales tax. Key elements of the plan include: additional crisis triage and crisis stabilization beds; an intensive outpatient treatment team for persons with co-occurring disorders and other special needs; housing assistance for high-utilizers of hospital and jail services who are at risk of homelessness; and family respite care services to assist with the discharge and return home of elderly individuals.
- The sum of \$4.7 million is provided for the transition to fee-for-service in Pierce County necessitated by the county's decision to discontinue operation as an RSN. Funds are provided on a one-time basis to assist non-governmental mental health agencies in Pierce County with start-up and other extraordinary administrative costs. Funds are also provided to cover the state-only component of crisis triage, evaluation and treatment, and mobile crisis outreach services.
- State funding of \$2 million is provided to cover the cost of 180-day Involuntary Treatment Act commitment hearings in Pierce and Spokane Counties. Due to the presence of the state psychiatric hospitals, the two counties are responsible for conducting an extraordinarily large number of such hearings.
- The amount of \$2.9 million is provided to increase the RSN capitation rates to the bottom of the actuarially sound rate ranges.

Major changes in support of the state psychiatric hospitals include:

- In order to improve patient and staff safety, \$2.3 million is provided to pilot a direct care staffing plan for six high-incident wards at Eastern and Western State Hospitals. The pilot includes funding for 31 direct care positions, including registered nurses, licensed practical nurses, and mental health technicians. The Department is to monitor outcomes for improved patient and staff safety and provide a written report to the Legislature by October 1, 2009.
- One-time funding of \$951,000 is provided to cover laundry services that are temporarily being performed at Rainier School as a result of a fire in the laundry at Western State Hospital. Funding covers additional labor costs and laundry transportation.

Developmental Disabilities

A total of \$1.9 million is provided for a new waiver program for children with developmental disabilities who are at risk of being institutionalized as a result of intense behaviors. The families of eligible children will receive coordinated in-home support services, such as intensive behavior management training for the family, other caregivers, or school staff, minor home or vehicle adaptations, respite, and therapies. The funding reflects a phase-in of services for a total of 100 families ongoing.

A one-time payment of \$1.0 million in state funding is provided to settle a class action lawsuit filed by the Washington Federation of State Employees, on behalf of Division of Developmental Disabilities case managers, to achieve wage parity with social workers in the Children's Administration during the period of December 2002 through June 2007. Parity for current and future wages was addressed in the 2007-09 enacted budget.

State funding in the amount of \$605,000 and federal funding in the amount of \$292,000 are provided to accelerate the rate of employment services provided to high school graduates. Funding will cover the cost of services to 31 additional graduates receiving Home- and Community-Based Waiver services and to about 50 additional graduates receiving state-only services.

Recently, there has been an increase in the number of admissions for people under the age of 21 to the Residential Habilitation Centers (RHCs). As of February 2008, there were 17 children at Fircrest RHC and 9 children at Frances Haddon Morgan Center. The amount of \$7.3 million is provided to address the increased admissions, including:

- A total of \$5.9 million in state funds and matching federal funds is provided for additional staff and other institutional expenses at re-opened cottages at Fircrest RHC.
- State funds of \$1.4 million are provided for contracts with Bremerton and Shoreline School Districts for education-related costs at Fircrest and Frances Haddon Morgan Center RHCs. (This funding is in addition to institutional education allocations within the K-12 budget and is used to pay for one-on-one aides, transportation, and space improvements.)

There is a one-time reduction of state and federal funding of \$2 million for new programs authorized in the 2007-09 budget that have been slower to ramp up than previously anticipated in fiscal year 2008; no individuals will receive a cut in services. This item assumes a slower start to new Home- and Community-Based Services waiver placements for individuals with aging parents or caregivers, a slower placement rate for community protection services, and a slower phase-in for family support programs.

Aging and Disabilities Services (Long-Term Care and Developmental Disabilities)

The sum of \$46.9 million is provided for two interacting items related to Medicaid Personal Care service hours:

- 1) The 2007 Washington State Supreme Court decision in *Jenkins v. Washington State Department of Social and Health Services* found that the "Shared Living Rule" was in violation of the federal comparability requirement. As a result, all Medicaid Personal Care clients must have their hours assessed on an individual basis, regardless of whether their provider lives with them in a "shared living" situation or lives elsewhere. This decision requires additional funding for service hours for laundry, meal preparation, shopping, and other services that had previously been denied.
- 2) The comparability requirement in the court's decision along with the existing contract language of the 2006 Binding Arbitration Collective Bargaining Agreement (CBA) between SEIU 775NW and the state results in additional service hours being authorized and funding being required for items such as wood fuel, off-site laundry, etc. that were not covered by funding previously provided for the CBA in the 2007-09 budget.

Funding of \$5.4 million is provided for phase one implementation of a 17 level Comprehensive Assessment Reporting Evaluation residential payment system that more closely ties reimbursement to client acuity. New payment levels include reimbursement for challenging behaviors, cognitive decline, and clinical complexity. For adult family homes, funding is sufficient to offset liability insurance costs and to provide an average rate increase of 5 percent for Long-Term Care clients and 9 percent for Developmental Disabilities clients (includes the 2 percent increase provided in the 2007-09 biennial budget). Payment rates for boarding homes contracted as assisted living facilities are held harmless at fiscal year 2008 funded levels; however, this provider type will not receive a 2 percent vendor rate increase in fiscal year 2009 that was previously budgeted in the 2007-09 biennial budget.

Long-Term Care

State and federal funding for long-term care is increased by a total of \$7.9 million net with lower than expected caseload costs. Major changes include the items below and the items listed under “Aging and Disabilities Services.”

For nursing facility Medicaid payment rates, \$6.1 million in new funding is provided in addition to \$18 million that was previously set aside by the 2007-09 operating budget, making the total for fiscal year 2009 \$24 million. The funding is designated as follows:

- \$6.1 million is provided as an add-on payment rate of approximately \$1.57 per patient day to nursing homes with Medicaid clients to increase compensation for low-wage workers beginning July 1, 2008. Funds may also be used to increase staffing levels of nurse aides and to avoid wage compression by job classes immediately affected by low-wage worker pay increases.
- The \$18 million for fiscal year 2009 that was set aside by the 2007-09 operating budget is directed to be spent as follows:
 - \$6.9 million is provided to cover costs that are higher than anticipated due to increased client acuity and successful appeals on rates paid.
 - \$1.4 million is provided pursuant to Chapter 263, Laws of 2008 (ESB 6629), which makes clarifications to the nursing home statute and increases direct care rates to certain nursing homes whose rates were reduced due to ambiguity in the statute.
 - \$9.7 million is provided for 1.99 percent vendor rate increases to direct care, therapy care, support services, and operations.

The sum of \$772,000 is provided from the State Traumatic Brain Injury Account to cover public awareness campaigns to promote awareness of traumatic brain injuries (TBIs), support groups for individuals with TBIs and their families, and costs for DSHS to support the Traumatic Brain Injury Council.

Long-Term Care Task Force Initiatives (Long-Term Care, Medical Assistance, and Department of Health)

Funding of \$3.9 million is provided for programs to benefit the elderly and others with long-term care needs, pursuant to Chapter 146, Laws of 2008, Partial Veto (ESSHB 2668). The funding is designated as follows:

- \$1.5 million is provided to help 585 unpaid caregivers continue to care for elderly and disabled relatives in their own homes. Services include respite and training (Long-Term Care budget).
- \$1.8 million is provided for behavior supports and technical assistance for caregivers of individuals with challenging behaviors who utilize the Community Options Program Entry System program (Long-Term Care budget).
- \$164,000 is provided for Adult Protective Services fatality review teams (Long-Term Care budget).
- \$400,000 is provided for four counties to participate in the Senior Falls Prevention program that includes a combination of exercise programs, risk identification and reduction, and consumer education (Department of Health budget).
- \$50,000 is provided for the implementation of a dental access project for senior citizens. Beginning in the 2009-11 biennium, and to the extent funds are appropriated for this purpose, the project will include enhanced reimbursement rates for certified dentists and medical providers who provide preventive oral health and specific dental procedures to senior citizens (Medical Assistance budget).

Economic Services Administration

The budget provides authority to raise the Temporary Assistance to Needy Families cash grant by 3 percent in fiscal year 2009 to account for increased housing costs, resulting in an expenditure of \$7.8 million in WorkFirst revenues. The increase in the cash grant can be accomplished within the WorkFirst’s current appropriation level, without reduction to services or caseload in fiscal year 2009. The cash grant has not been increased since 1993.

State funding of \$2.7 million is provided for the Division of Child Support (DCS) as a result of federal changes to the distribution of child support collections. Beginning in October 1, 2008, any Internal Revenue Service tax refunds intercepted by DCS will be distributed first to cover any debts owed to families. Currently, tax refund intercepts are first applied to offset costs to the state for welfare and Medicaid costs, if applicable, and then distributed to families.

A total of \$2.0 million in state and federal funding is provided to increase the gross income limits for eligibility for the Basic Food Program (food stamps) to 200 percent of the federal poverty limit, as allowed by the U.S. Department of Agriculture. Starting October 1, 2008, it is estimated an additional 23,300 families will receive benefits due to the change. The benefits for Basic Food are funded solely by federal dollars and the state and federal government share the administrative costs. Funding is also provided for the estimated increase of 233 families that will receive benefits through the state's Basic Food for Legal Immigrants Program, which is solely state funded and has the same eligibility requirements as the basic food program.

The sum of \$656,000 in state funding is provided for increased costs and requirements associated with immigration and naturalization programs. The programs' services include assistance with completing the citizen application, English language and civics classes, assistance with federal Immigration and Naturalization Service fee waiver requests, and help applying for test exemptions for disabled clients.

State funding in the amount of \$462,000 is provided to hire five additional Supplemental Security Income disability facilitators to assist disabled General Assistance clients who meet federal disability standards with application and enrollment into the federal disability program. Assistance from facilitators results in reduced length of stay for clients on General Assistance.

Alcohol and Substance Abuse

A total of \$5.3 million is provided to fund Chapter 320, Laws of 2008, Partial Veto (ESSB 6665), which continues two pilot programs authorized during the 2005 session: the integrated crisis response/secure detoxification (ICR) program and the intensive case management program. The funding will extend the programs through fiscal year 2009 and allow time for additional evaluation. Approximately \$550,000 of this funding was intended to expand the ICR pilot program to Spokane; however, the Governor vetoed the portion of the legislation that allowed this expansion.

Medical Assistance Administration

Funding is provided for a 2 percent increase above the 2007-09 biennial budget level for changes in enrollment and per person medical costs, primarily due to increases in hospital inpatient and outpatient service utilization, Medicare Part A premium payments, and managed care caseloads. These increases (roughly \$97 million in state funds) are offset somewhat by a slowdown in the growth rate of the General Assistance – Unemployable caseload and by lower drug expenditures (approximately \$35 million in state funds). A decrease in the federal Medicaid participation rate of less than 0.5 percent results in approximately a \$20 million shift from federal to state expenditures for fiscal year 2009.

In accordance with Chapter 245, Laws of 2008 (SB 6421), \$1.9 million in State Tobacco Prevention and Control Account funds and \$1.7 million in federal funds are provided for smoking cessation counseling, nicotine replacement therapy, and related prescription drugs for adults enrolled in Medicaid programs.

The budget reflects a savings of \$6.3 million in state funds due to a slowing in the growth rates in premiums for the Healthy Options managed care program.

Administration and Supporting Services

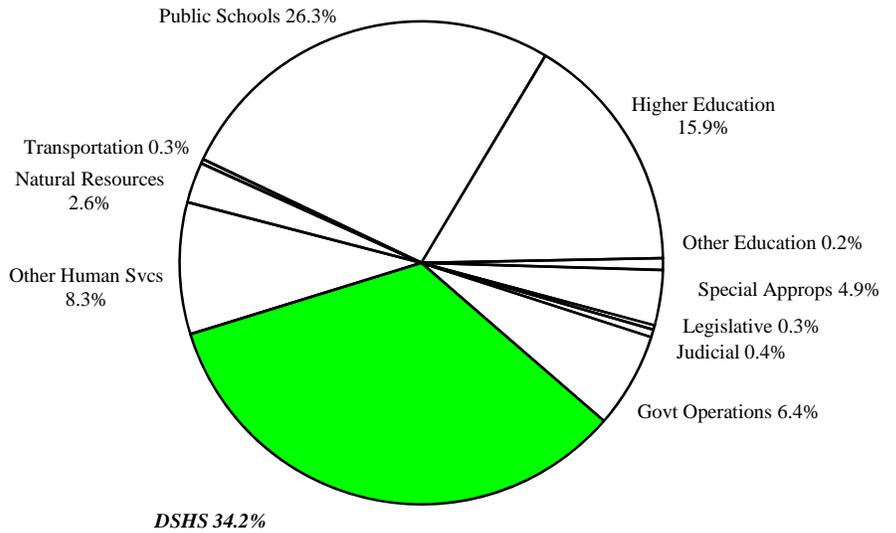
State general funding, in the amount of \$450,000 is provided as part of DSHS's original settlement agreement for the Braam lawsuit regarding foster children. One requirement of that agreement was an oversight panel to monitor the Department's compliance with the terms of the settlement agreement. Previously this panel was

funded by grants from the Casey Foundation. However, as of January 1, 2008, that funding has ended, and DSHS will pay for the panel's operating expenses.

The sum of \$1.6 million is provided toward the development of a flexible payment system for independent home care providers and others who collectively bargain for wages and benefits. Specifically, funding is provided for a project management team and one information technology FTE to develop a project plan, timeline, and budget plan. The Legislature finds the amounts provided are sufficient for a timely and expeditious transition to a more flexible provider payroll system that will work in conjunction with the ProviderOne payment system.

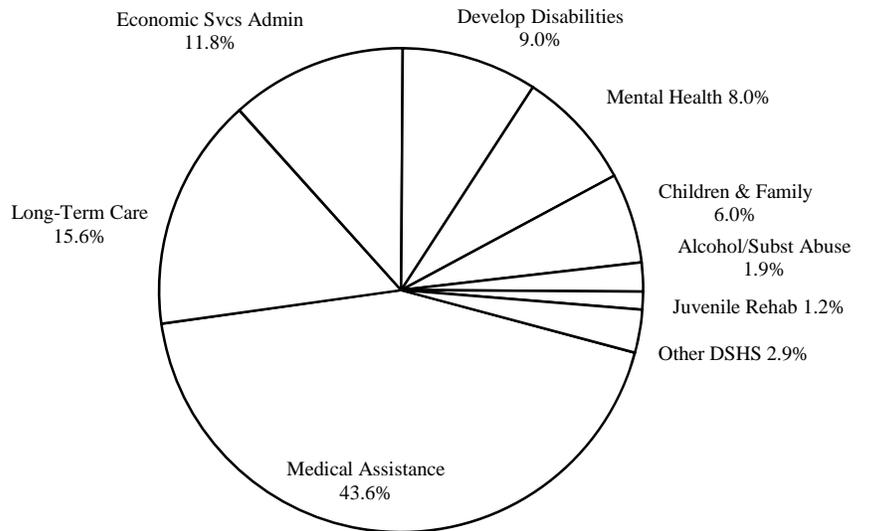
2007-09 Washington State Omnibus Operating Budget
Including 2008 Supplemental
Total Budgeted Funds
(Dollars in Thousands)

Legislative	172,104
Judicial	289,761
Governmental Operations	3,660,925
DSHS	19,364,441
Other Human Services	5,046,997
Natural Resources	1,549,219
Transportation	171,443
Public Schools	15,167,950
Higher Education	9,212,934
Other Education	447,620
Special Appropriations	2,113,197
Statewide Total	57,196,591



Washington State

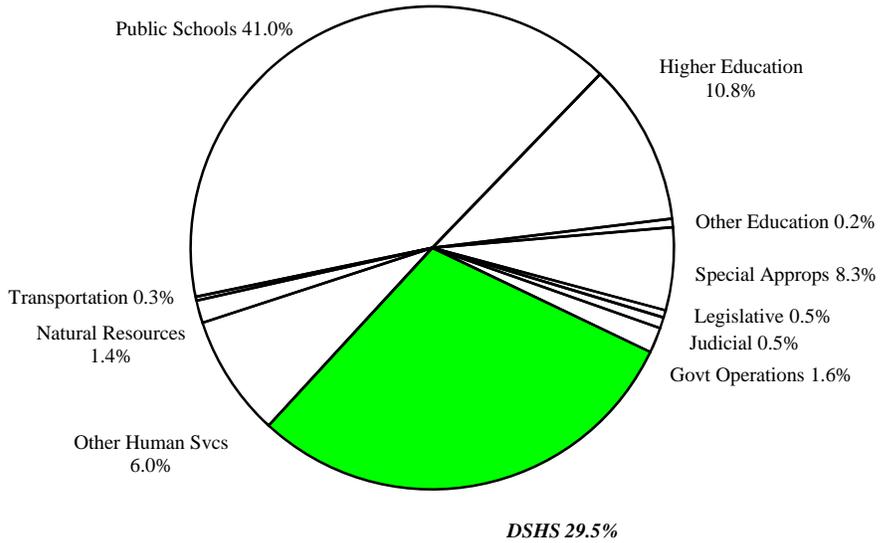
Medical Assistance	8,446,610
Long-Term Care	3,013,784
Economic Services Admin	2,277,898
Developmental Disabilities	1,752,166
Mental Health	1,546,781
Children & Family Svcs	1,166,449
Alcohol/Subst Abuse	370,326
Juvenile Rehabilitation	234,280
Other DSHS	556,147
DSHS	19,364,441



DSHS

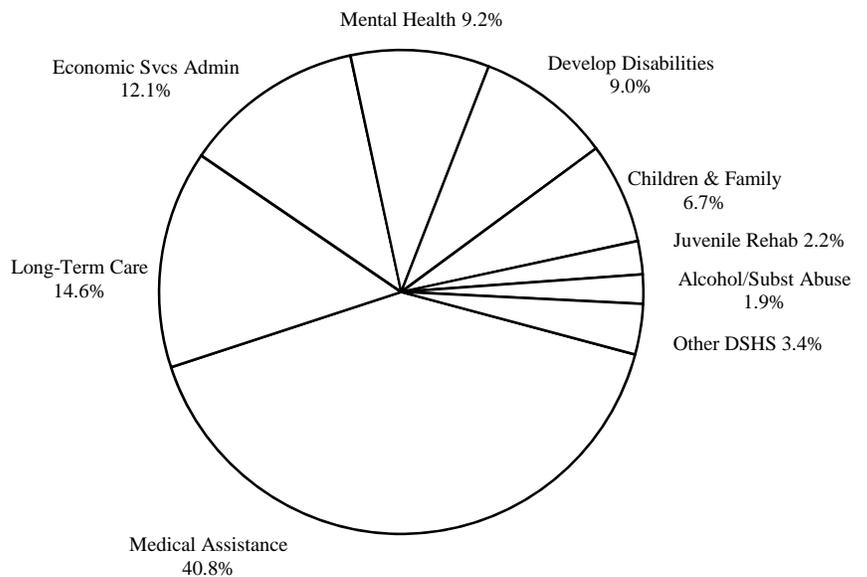
2007-09 Washington State Omnibus Operating Budget
Including 2008 Supplemental
Near General Fund - State
(Dollars in Thousands)

Legislative	167,290
Judicial	248,838
Governmental Operations	572,949
DSHS	10,009,444
Other Human Services	2,735,777
Natural Resources	509,186
Transportation	85,614
Public Schools	13,621,900
Higher Education	3,653,746
Other Education	188,438
Special Appropriations	1,862,037
Statewide Total	33,655,219



Washington State

Medical Assistance	4,083,328
Long-Term Care	1,459,710
Economic Services Admin	1,210,027
Mental Health	925,855
Developmental Disabilities	901,415
Children & Family Svcs	674,028
Juvenile Rehabilitation	222,625
Alcohol/Subst Abuse	195,028
Other DSHS	337,428
DSHS	10,009,444



DSHS

**Department of Social and Health Services
Children & Family Services**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	656,031	470,168	1,126,199
Total Maintenance Changes	16,098	20,300	36,398
Policy Changes - Non-Comp			
1. Supervised Visitation	1,656	644	2,300
2. Expedite 30-Day Visit Phase-In	884	264	1,148
3. Safety Assessments	616	184	800
4. Build in Federal Grant Authority	0	2,317	2,317
5. Additional Licensing Staff	500	157	657
6. One-Time FTE Savings	-1,610	-690	-2,300
7. Foster Youth Education	655	38	693
8. Child Long-Term Well-Being	109	35	144
9. Additional CHET Screeners	812	256	1,068
10. Multi-Dimensional Treatment Care	581	319	900
11. Sibling Visits	1,829	578	2,407
12. Home Support Specialists	1,100	347	1,447
13. Intensive Resource Home Pilot	857	140	997
14. Newborn Safety Law Education	10	0	10
15. Reactive Attachment Disorder Pilot	500	0	500
16. Child Safety Legislation	42	29	71
17. Governor Veto	-2,836	-704	-3,540
Policy -- Non-Comp Total	5,705	3,914	9,619
Policy Changes - Comp			
18. PEBB Rate Reduction	-3,806	-1,961	-5,767
Policy -- Comp Total	-3,806	-1,961	-5,767
2007-09 Revised Appropriations	674,028	492,421	1,166,449
Fiscal Year 2008 Total	461	1,295	1,756
Fiscal Year 2009 Total	1,438	658	2,096

Comments:

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| <p>1. Supervised Visitation - One-time funding is provided to pay for increases in contracted supervised visits. The increase in court-ordered supervised visits between parents and dependent children has increased the Department's use of contracted service hours. (General Fund-State, General Fund-Federal)</p> <p>2. Expedite 30-Day Visit Phase-In - One-time funding is provided to expedite the hiring of social workers and support staff needed to complete the phase-in of the state's policy of a private and individual face-to-face visits each month with children in out-of-home care and in-home dependencies and their caregivers. (General Fund-State, General Fund-Federal)</p> <p>3. Safety Assessments - Funding is provided to contract with medical professionals for comprehensive safety assessments of high-risk families. Of this amount, \$400,000 is for assessments of families receiving in-home child protective services or family voluntary services. The remaining \$400,000 is for assessments of families with an infant, age birth to 15 days, diagnosed at birth as substance exposed and the Department received an intake referral related to the infant's exposure to substances. The safety assessments will use validated</p> | <p>assessment tools to guide intervention decisions through the identification of additional safety and risk factors. (General Fund-State, General Fund-Federal)</p> <p>4. Build in Federal Grant Authority - The Department received additional federal funding authority from the U.S. Department of Health and Human Services to support the infrastructure of monthly caseworker visits as well as one-time local funding from the Casey Family Foundation to expedite implementation of the practice model. The federal grant authority will continue in the 2009-11 biennium. (General Fund-Federal, General Fund-Private/Local)</p> <p>5. Additional Licensing Staff - Funding is provided to the Division of Licensed Resources to hire 7.5 additional licensors to address licensing backlog and allow for smaller licensing caseloads. (General Fund-State, General Fund-Federal)</p> <p>6. One-Time FTE Savings - Funding is reduced in FY 2008 due to one-time under-expenditures resulting from delays in staff hires. (General Fund-State, General Fund-Federal)</p> |
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Department of Social and Health Services Children & Family Services

7. **Foster Youth Education** - The sum of \$108,000 is provided to implement Section 4 of Chapter 297, Laws of 2008, Partial Veto (SHB 2679), which authorizes two school district-based foster care recruitment pilots in one or more school districts with a high number of Child Protective Services removals and out-of-home placements. State funding of \$585,000 is provided for contracted educational advocates to provide educational assistance for children in foster care. However, the Governor vetoed funding for this item as well as Section 4 of SHB 2679 (please see Governor Veto item below). (General Fund-State, General Fund-Federal)
8. **Child Long-Term Well-Being** - Chapter 152, Laws of 2008 (E2SHB 3205), requires the court to direct the filing of a petition to terminate parental rights when a child has been in foster care for 15 of the past 22 months unless the court finds that there is a good cause exception. Funding is provided for the increased workload due to the requirements of E2SHB 3205. (General Fund-State, General Fund-Federal)
9. **Additional CHET Screeners** - The Department undertakes a screening of all children who are in out-of-home care for 30 days or longer called the Child Health Education and Tracking (CHET) screen. Funding is provided for 12 additional staff to perform CHET screens. (General Fund-State, General Fund-Federal)
10. **Multi-Dimensional Treatment Care** - Funding is provided for a multi-dimensional treatment foster care program to recruit foster homes that have the tools to serve children with high behavioral and emotional needs. This item was vetoed (please see Governor Veto item below). (General Fund-State, General Fund-Federal)
11. **Sibling Visits** - Funding is provided for the Department to contract with nonprofit organizations to facilitate twice-monthly visits between siblings living apart from each other in out-of-home care. (General Fund-State, General Fund-Federal)
12. **Home Support Specialists** - Funding is provided to hire 20 additional home support specialists, plus two supervisors and four support staff, starting July 1, 2008. Specialists assist families with dependent children or those at risk of becoming dependent with support services, including transportation, supervised visitation, and parenting skills instruction. The Department shall concentrate the additional specialists in the field offices of counties experiencing an increase in dependency filings above the state average. Between 2004 and 2007, the statewide number of dependency filings increased 13 percent (520 filings). The Department will direct the additional specialists to counties experiencing filing rates above the statewide average during the same period: three to Whatcom County (98 percent or 80 filings); two to Mason County (93 percent or 37 filings); eight to Spokane County (48 percent or 201 filings); two to Grays Harbor County (32 percent or 43 filings); and five to Pierce County (27 percent or 110 filings). It is the intent of the Legislature for these specialists to be hired in addition to current staff, and staff being hired under the Department's phase-in of social workers provided in the 2007-09 biennial budget. The Department will track specific outcome data and report to the Legislature preliminary findings by December 15, 2008, and a final report by June 15, 2009. This item was vetoed (please see Governor Veto item below). (General Fund-State, General Fund-Federal)
13. **Intensive Resource Home Pilot** - Funding is provided for Chapter 281, Laws of 2008 (E2SHB 3145), which implements an intensive resource foster home pilot program in two geographical areas with high concentrations of high-needs children in foster care. The intensive resource home providers will receive a monthly stipend, training, and professional consultation. The Department is provided \$200,000 to contract for constellation hub models of foster care support in areas of the state not currently served by this model. (General Fund-State, General Fund-Federal)
14. **Newborn Safety Law Education** - Funding is provided for the Department to contract with the largest nonprofit organization in the state conducting education and outreach on RCW 13.34.360, the safety of newborn children law.
15. **Reactive Attachment Disorder Pilot** - Funding is provided for a pilot project in Clark County to identify reactive attachment disorder in children and provide them with appropriate and recommended intervention services. Eligible children are those currently receiving services from the Division of Children and Family Services. The pilot expires at the end of FY 2010. This item was vetoed (please see Governor Veto item below).
16. **Child Safety Legislation** - Funding is provided to implement Chapter 211, Laws of 2008 (2SSB 6206), which makes adjustments to child abuse and neglect reports and the Department's response to those reports. (General Fund-State, General Fund-Federal)
17. **Governor Veto** - The Governor vetoed subsections (26), (27), (33), (34), and (36) of Section 202 of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided funding for a reactive attachment disorder pilot, additional home support specialists, educational advocates, multi-dimensional treatment foster care, and for Section 4 of SHB 2679 (Students In Foster Care), which the Governor vetoed.
18. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Social & Health Services Children & Family Services

WORKLOAD HISTORY By Fiscal Year

	2000	2001	2002	2003	2004	2005	2006	2007	Estimated	
									2008	2009
Foster Care ⁽¹⁾										
Avg # Children Served Monthly	7,826	7,838	7,853	7,880	7,713	7,769	7,769	7,908	8,048	8,146
% Change from prior year		0.2%	0.2%	0.3%	-2.1%	0.7%	0.0%	1.8%	1.8%	1.2%
Relative Placements										
Avg # Children Served Monthly	2,596	2,509	2,670	2,731	2,739	2,995	3,469	3,641	3,729	3,776
% Change from prior year		-3.4%	6.4%	2.3%	0.3%	9.3%	15.8%	5.0%	2.4%	1.3%
Child Care ⁽²⁾										
Avg # Children Served Monthly	3,856	4,034	4,441	4,389	4,064	4,182	4,235	4,580	4,550	4,614
% Change from prior year		4.6%	10.1%	-1.2%	-7.4%	2.9%	1.3%	8.1%	-0.6%	1.4%
Child Protective Services (CPS)										
Avg CPS Referrals Monthly	6,351	6,375	6,461	6,288	6,558	6,481	6,426	6,206	6,357	6,358
% Change from prior year		0.4%	1.4%	-2.7%	4.3%	-1.2%	-0.8%	-3.4%	2.4%	0.0%
Adoption Support ⁽³⁾										
Avg # Children Served Monthly	4,720	5,683	6,603	7,392	8,387	9,208	9,964	10,632	11,155	11,741
% Change from prior year		20.4%	16.2%	12.0%	13.5%	9.8%	8.2%	6.7%	4.9%	5.3%
Caseload Ratio										
Avg Cases Per Worker ⁽⁴⁾	29:1	29:1	24:1	24:1	24:1	24:1	23:1	22:1	20:1	19:1

⁽¹⁾ Includes unduplicated count of children in licensed foster care placements (family foster care, behavioral rehabilitative services, and receiving care). Does not include unlicensed kinship care. These data are not comparable with prior editions of the Legislative Budget Notes, which provided a duplicated count of children in licensed foster care. Official forecasts are now based on an unduplicated count of children in licensed foster care placements, rather than a duplicated count.

⁽²⁾ Includes the following child care services: CPS/Child Welfare Services (CWS), Therapeutic/Medicaid Treatment, and Foster Parent Employment. Data is not comparable to prior editions of the Legislative Budget Notes, which also included teen parent, seasonal child care, and adoption support.

⁽³⁾ Data reflect Adoption Support maintenance payments. These data are not comparable to caseloads displayed in editions of the Legislative Budget Notes published prior to 2006, which reported total eligibles. Official forecasts are now based on maintenance payments rather than eligibles.

⁽⁴⁾ Combined average number of open cases per worker for CPS, CWS, and Family Reconciliation Services at the end of the fiscal year.

Data Sources :

FY 2000 through FY 2006 actuals for Foster Care, Child Care, CPS, and Adoption Support are from the Department of Social and Health Services (DSHS) Division of Research and Data Analysis reports.

FY 2000 through FY 2006 actuals for Caseload Ratio are from the DSHS Central Budget Office.

FY 2000 through FY 2008 data for Relative Placements is from the Caseload Forecast Council.

FY 2007 through FY 2009 estimates for Foster Care and Adoption Support represent the Caseload Forecast Council February 2008 forecast.

FY 2007 through FY 2009 estimates for Child Care, CPS, and Caseload Ratio are from DSHS Children's Administration.

**Department of Social and Health Services
Juvenile Rehabilitation**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	224,203	10,992	235,195
Total Maintenance Changes	-2,129	-117	-2,246
Policy Changes - Non-Comp			
1. Support Parole Services	2,808	800	3,608
2. Participation Incentive Pilot Study	165	0	165
3. Governor Veto	-165	0	-165
Policy -- Non-Comp Total	2,808	800	3,608
Policy Changes - Comp			
4. PEBB Rate Reduction	-2,257	-20	-2,277
Policy -- Comp Total	-2,257	-20	-2,277
<hr/>			
2007-09 Revised Appropriations	222,625	11,655	234,280
Fiscal Year 2008 Total	1,404	400	1,804
Fiscal Year 2009 Total	-853	380	-473

Comments:

- 1. Support Parole Services** - Funding is provided to backfill Title XIX Medicaid funds for Targeted Case Management (TCM). The Juvenile Rehabilitation Administration had received TCM funds to support its Family Functional Parole (FFP) program. The FFP program is a case management model that motivates youth and families to fully participate in services and provides ongoing assessment and support as needed. (General Fund-State, General Fund-Private/Local)
- 2. Participation Incentive Pilot Study** - Funding is provided for the Juvenile Rehabilitation Administration to establish a program to promote family participation in juvenile offender treatment programs. The pilot program will be limited to a single county and will be evaluated by the University of Washington School of Medicine's Department of Psychiatry and Behavioral Sciences Division of Public Behavioral Health and Justice. This item was vetoed (please see Governor Veto item below).
- 3. Governor Veto** - The Governor vetoed Section 203(9) of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided funding to establish a pilot program to promote family participation in juvenile offender treatment programs.
- 4. PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

**Department of Social & Health Services
Juvenile Rehabilitation**

WORKLOAD HISTORY
By Fiscal Year

	2000	2001	2002	2003	2004	2005	2006	2007	<u>Estimated</u>	
									2008	2009
Community Residential ⁽¹⁾										
Avg Daily Population/Month	209	194	173	172	144	123	99	92	108	108
% Change from prior year		-7.2%	-10.8%	-0.5%	-16.6%	-14.7%	-19.2%	-7.1%	17.4%	0.0%
Institutions										
Avg Daily Population/Month	984	987	937	797	781	782	728	736	679	662
% Change from prior year		0.3%	-5.1%	-14.9%	-2.1%	0.1%	-6.8%	1.1%	-7.7%	-2.5%
Parole ⁽²⁾										
Avg Daily Population/Month	1,023	1,062	1,006	847	802	728	751	692	708	708
% Change from prior year		3.8%	-5.3%	-15.8%	-5.3%	-9.2%	3.1%	-7.9%	2.3%	0.0%

⁽¹⁾ Includes State Group Homes, Community Residential Placements, Short-Term Transition program, and the County Commitment program. Beginning in FY 2002, funding for County Commitment program beds was eliminated.

⁽²⁾ Parole eligibility standards were significantly modified in FY 2000 and FY 2003.

Data Sources:

FY 2000 through FY 2006 from the Department of Social and Health Services Juvenile Rehabilitation Administration.

FY 2007 through FY 2009 data are from legislative fiscal staff.

**Department of Social and Health Services
Mental Health**

(Dollars in Thousands)

	NGF-S	Other	Total
2007-09 Original Appropriations	918,670	606,215	1,524,885
Total Maintenance Changes	-1,003	7,623	6,620
Policy Changes - Non-Comp			
1. Hospital Ward Size & Case Mix	100	0	100
2. Laundry Fire Increased Costs	951	0	951
3. Utter Request Legislation	-5,574	5,574	0
4. Pierce Transition Fee for Service	3,166	1,289	4,455
5. Pierce Provider Transition Costs	215	0	215
6. Long-Term ITA Judicial Costs	2,033	0	2,033
7. Consumer Run Clubhouses	250	0	250
8. RSN Rate Adjustment	1,403	1,466	2,869
9. Mental Health First Aid	80	80	160
10. Increased Non-Medicaid Funding	6,250	0	6,250
11. Study on Residential Drift	75	0	75
12. Paperwork Reduction Project	100	0	100
13. Spokane Acute Care Diversions	2,250	0	2,250
14. State Hospital Staffing	2,278	0	2,278
15. Behavioral Intervention Training	250	0	250
16. Governor Veto	-425	0	-425
Policy -- Non-Comp Total	13,402	8,409	21,811
Policy Changes - Comp			
17. PEBB Rate Reduction	-5,214	-1,321	-6,535
Policy -- Comp Total	-5,214	-1,321	-6,535
2007-09 Revised Appropriations	925,855	620,926	1,546,781
Fiscal Year 2008 Total	-3	4,396	4,393
Fiscal Year 2009 Total	8,191	2,692	10,883

Comments:

- Hospital Ward Size & Case Mix** - Funding is provided for consultants and facilitators to assist the Mental Health Division in reviewing and developing recommendations on ward sizes and ward patient case mix at Eastern State Hospital (ESH) and Western State Hospital (WSH). The review and recommendations shall also include discharge and community placement practices for all three state psychiatric facilities. Regional Support Networks shall be included in the development of recommendations for discharge and placement practices. Recommendations shall be provided to the Legislature by October 15, 2008.
- Laundry Fire Increased Costs** - Laundry services are being performed at Rainier School as a result of a fire in the laundry at WSH. WSH is incurring additional costs in labor, rental equipment to transport laundry, and fuel to maintain laundry services. One-time funding is provided to cover the increased operating costs.
- Utter Request Legislation** - New legislation clarifies that only the direct costs related to court-ordered competency evaluation and reporting are not subject to payment by the committed individual. This clarifying language will allow DSHS to resume collecting from patients, insurance companies, and the federal government for costs associated with evaluating and treating criminal defendants for their mental illness. (General Fund-State, General Fund-Federal, General Fund-Private/Local)
- Pierce Transition Fee for Service** - Funding is provided for the Department to contract with Pierce County for the provision of crisis triage, evaluation and treatment, and mobile crisis outreach services. This item is the state-only component of the transition to a fee-for-service delivery system necessitated by the county's decision to discontinue operation as a regional support network (RSN). During FY 2008, most costs of this transition (\$1.3 million) will be covered by the expenditure of state funds accumulated in county risk reserves during prior contract periods. (General Fund-State, General Fund-Local)
- Pierce Provider Transition Costs** - Funds are provided on a one-time basis to assist non-governmental mental health agencies in Pierce County with start-up and other extraordinary administrative costs required by the conversion from a capitated to a unit fee-based service delivery and billing system.
- Long-Term ITA Judicial Costs** - Funding is provided to cover the cost of 180-day Involuntary Treatment Act (ITA)

Department of Social and Health Services Mental Health

- commitment hearings in Pierce and Spokane Counties. Due to the presence of the state psychiatric hospitals, the two counties are responsible for conducting an extraordinarily large number of such hearings.
7. **Consumer Run Clubhouses** - Funding is provided for one-time emergency financial assistance to consumer-run clubhouses. In order to receive these funds, the clubhouse must be able to demonstrate need to the Department. The amounts and quantity of the individual grants are at the discretion of the Department. This item was vetoed (please see Governor Veto item below).
 8. **RSN Rate Adjustment** - Funding is provided to increase the RSN capitation rates to the bottom of the actuarially sound rate ranges. The Mental Health Division administers mental health services under the federal 1915B waiver that requires it to maintain compliance with the federal Balanced Budget Act (BBA). The BBA requires that managed care capitation rates are actuarially sound. (General Fund-State, General Fund-Federal)
 9. **Mental Health First Aid** - One-time funding is provided for a mental health first aid train-the-trainer program. The course will teach participants how to train others to recognize the symptoms of mental disorders; to determine possible causes or risk factors; to give appropriate initial help and support to a person suffering from a mental health disorder; and to recognize a mental health crisis and take appropriate action.
 10. **Increased Non-Medicaid Funding** - Additional state funds are provided to enable the community mental health system to maintain and improve delivery of non-Medicaid services. These include crisis response, counseling, case management, acute care, and residential services for children and adults who are not presently eligible for Medicaid due to income, family circumstances, or the stage or nature of their illness. These state-only funds are also used to provide services such as care in larger residential facilities, help finding a job, and emergency rent assistance that are not covered by the Medicaid program. Increased non-Medicaid funding for the Pierce County area and for the Spokane RSN are provided separately. The amounts provided here are for the other 11 RSNs. (General Fund-State, General Fund-Local)
 11. **Study on Residential Drift** - Funding is provided for the Washington Institute for Mental Illness Research and Training to study whether and the extent to which there is a greater concentration of people with severe and persistent mental illness in areas proximate to state psychiatric hospitals. If indicated by the results of the study, the Department and the RSN shall incorporate them into revision of the formula used to allocate state hospital beds among the RSNs. This item was vetoed (please see Governor Veto item below).
 12. **Paperwork Reduction Project** - Funds are provided to implement all consensus recommendations of the 2006 paperwork reduction work group that are permissible under current state and federal law. This item was vetoed (please see Governor Veto item below).
 13. **Spokane Acute Care Diversions** - Funding is provided to enable the Spokane RSN to implement a comprehensive plan it has developed for reducing its use of ESH. Key elements of the RSN's plan, much of which is being funded with its locally-authorized mental health sales tax, include additional crisis triage and crisis stabilization beds; an intensive outpatient treatment team for persons with co-occurring disorders and other special needs; housing assistance for high-utilizers of hospital and jail services who are at risk of homelessness; and respite care to assist elderly individuals avoid or return home after hospitalization. The budget additionally provides that RSNs are not to be charged for short-term stays at the state psychiatric hospitals, except to the extent these cause the RSN to exceed its total bed allocation.
 14. **State Hospital Staffing** - In order to improve patient and staff safety, funding is provided to pilot a direct care staffing plan for six high-incident wards at ESH and WSH. The pilot includes funding for 31 direct care positions, including registered nurses, licensed practical nurses, and mental health technicians. The Department is authorized to fill the positions with any mix of these direct care staff provided a good faith effort is made to first hire and recruit positions in accordance with the direct care staffing plan. The Department is to monitor outcomes for improved patient and staff safety and provide a written report to the Legislature by October 1, 2009.
 15. **Behavioral Intervention Training** - Funding is provided for a behavior intervention specialist at each of the state psychiatric hospitals to develop and implement a train-the-trainer program in techniques that will help staff identify and defuse situations than can lead to violent patient behaviors.
 16. **Governor Veto** - The Governor vetoed subsections (1)(u), (3)(b), and (4)(b) of Section 204 of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided emergency funding for consumer run clubhouses, a one-time study on residential drift, and funding to implement recommendations from the 2006 joint stakeholder paperwork reduction project.
 17. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

**Department of Social & Health Services
Mental Health**

**WORKLOAD HISTORY
By Fiscal Year**

	2000	2001	2002	2003	2004	2005	2006	2007	Estimated	
									2008	2009
State Hospitals ⁽¹⁾										
Avg Daily Census/Month	1,343	1,343	1,328	1,231	1,192	1,207	1,262	1,292	1,359	1,264
% Change from prior year		0.0%	-1.2%	-7.3%	-3.1%	1.2%	4.6%	2.4%	5.2%	-7.0%
Community Outpatient Services										
Avg Persons Served per Month	44,985	49,362	51,206	53,141	55,252	53,918	51,779	49,874	50,100	50,700
% Change from prior year		9.7%	3.7%	3.8%	4.0%	-2.4%	-4.0%	-3.7%	0.5%	1.2%
Adults	32,754	36,046	36,938	38,091	39,402	38,340	36,979	35,738	35,700	36,000
% Change from prior year		10.1%	2.5%	3.1%	3.4%	-2.7%	-3.5%	-3.4%	-0.1%	0.8%
Children	12,231	13,316	14,268	15,050	15,849	15,578	14,800	14,136	14,400	14,700
% Change from prior year		8.9%	7.2%	5.5%	5.3%	-1.7%	-5.0%	-4.5%	1.9%	2.1%
People on Medicaid	30,752	35,493	37,750	40,782	45,174	46,752	45,219	42,802	42,800	43,000
% Change from prior year		15.4%	6.4%	8.0%	10.8%	3.5%	-3.3%	-5.3%	0.0%	0.5%
People not on Medicaid	14,234	13,869	13,456	12,358	10,078	7,166	6,560	7,072	7,300	7,700
% Change from prior year		-2.6%	-3.0%	-8.2%	-18.5%	-28.9%	-8.4%	7.8%	3.2%	5.5%

⁽¹⁾ Includes: Eastern State Hospital, Western State Hospital (WSH), WSH Program for Adaptive Living Skills (PALS), and Child Study and Treatment Center.

Data Sources :

FY 2000 through FY 2007 actuals are from DSHS Division of Research and Data Analysis reports.

FY 2008 and FY 2009 estimates are by legislative fiscal committee staff.

**Department of Social and Health Services
Developmental Disabilities**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	891,214	846,371	1,737,585
Total Maintenance Changes	1,766	-2,190	-424
Policy Changes - Non-Comp			
1. Keep Children Out of Institutions	921	963	1,884
2. LTC Taskforce-AFH 17 Levels of CARE	1,399	1,461	2,860
3. Shared Living Lawsuit	7,823	8,182	16,005
4. One-Time Savings in Community Serv	-1,000	-1,048	-2,048
5. Education for Children	1,363	0	1,363
6. Hyatt Lawsuit	1,000	0	1,000
7. DD Employment Services	605	292	897
Policy -- Non-Comp Total	12,111	9,850	21,961
Policy Changes - Comp			
8. PEBB Rate Reduction	-3,676	-3,280	-6,956
Policy -- Comp Total	-3,676	-3,280	-6,956
2007-09 Revised Appropriations	901,415	850,751	1,752,166
Fiscal Year 2008 Total	3,831	2,293	6,124
Fiscal Year 2009 Total	4,604	4,277	8,881

Comments:

- 1. Keep Children Out of Institutions** - Funding is provided for a new waiver program for children with developmental disabilities who are at risk of being institutionalized as a result of intense behaviors. The Division of Developmental Disabilities' (DDD) new comprehensive assessment tool will identify families who are eligible for Home and Community Based Services and who are most likely to request an out-of-home placement for their children. The families of eligible children will receive coordinated in-home support services, such as minor home or vehicle adaptations, respite, therapies, and intensive behavior management training for the family, other caregivers, or school staff. The funding reflects a phase-in of services for up to 100 families. (General Fund-State, General Fund-Federal)
- 2. LTC Taskforce-AFH 17 Levels of CARE** - As recommended by the Joint Legislative Task Force on Long-Term Care (LTC) Residential Facility Payment Systems, funding is provided to update the historical cost base for community residential payment and for phase one implementation of a payment system for 17 Comprehensive Assessment Reporting Evaluation (CARE) levels. Compared to the current six-level payment system, the 17 CARE level payment system ties reimbursement more closely to client acuity, regardless of the care setting. The additional payment levels also provide higher reimbursement for challenging behaviors, cognitive decline, and clinical complexity, creating incentives for clients to age in place. Funding previously provided in the 2007-09 enacted budget for 2 percent vendor rate increases for boarding homes and adult family homes (AFHs) in FY 2009 is redistributed based on client acuity to AFHs and boarding homes licensed as adult residential care/enhanced adult residential care. FY 2009 payment rates for boarding homes contracted as assisted living will be held harmless at FY 2008 levels and will not receive any additional rate increase. For AFHs, funding is sufficient to offset liability insurance costs and provides an average rate increase in FY 2009 of 5 percent for LTC clients and 9 percent for Developmental Disabilities clients, depending on the acuity level of clients served and the region of the state. (General Fund-State, General Fund-Federal)
- 3. Shared Living Lawsuit** - Funding is provided for two interacting items. First, the 2007 Washington State Supreme Court decision in *Jenkins v. Washington State Department of Social and Health Services* invalidated the "Shared Living Rule" and required that all Medicaid Personal Care clients be treated comparably, regardless of whether their paid providers of home care lived with them in a "shared living" situation or lived elsewhere. This decision requires additional funding for service hours that had previously been denied for laundry, meal preparation, shopping, and other services. Second, the combination of this court decision with the existing contract language of the 2006 Binding Arbitration Collective Bargaining Agreement between SEIU 775NW and the state results in additional service hours being authorized for items that were not covered by funding provided in the 2007-09 budget. (General Fund-State, General-Fund Federal)
- 4. One-Time Savings in Community Serv** - Funding is reduced for new programs authorized in the 2007-09 budget that have been slower to ramp up than previously anticipated in FY 2008; no individuals will receive a cut in services. This item assumes a slower start to new Home and Community Based Services

Department of Social and Health Services Developmental Disabilities

waiver placements for individuals with aging parents or caregivers, a slower placement rate for community protection services, and a slower phase-in for family support programs. (General Fund-State, General Fund-Federal)

5. **Education for Children** - Funding is provided to the Department of Social and Health Services to fulfill its contracts with the school districts under Chapter 28A.190 RCW to provide transportation, building space, and other support services for the educational programs of students living in Residential Habilitation Centers (RHCs). This funding is in addition to institutional education allocations within the K-12 budget, and is largely used to pay for one-on-one behavioral aides. As of February 2008, 17 children under 21 were residing at Fircrest RHC and 9 were residing at Frances Haddon Morgan RHC.
6. **Hyatt Lawsuit** - A one-time payment settles a class action lawsuit filed by the Washington Federation of State Employees, on behalf of DDD case managers, to achieve wage parity with social workers in the Children's Administration Program during the period of December 2002 through June 2007. Parity for current and future wages was addressed in the 2007-09 enacted budget.
7. **DD Employment Services** - Funding is provided to accelerate the rate of employment services provided to high school graduates receiving Home and Community Based Services and to provide services to 31 additional graduates receiving waiver services. Additional state funding of \$325,000 is also provided for approximately 50 additional state-only clients. (General Fund-State, General Fund-Federal)
8. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Social & Health Services Developmental Disabilities

WORKLOAD HISTORY By Fiscal Year

	2000	2001	2002	2003	2004	2005	2006	2007	Estimated	
									2008	2009
Institutions										
Avg Monthly Population ⁽¹⁾	1,139	1,116	1,093	1,044	1,004	975	948	945	957	955
% Change from prior year		-2.0%	-2.0%	-4.5%	-3.8%	-2.8%	-2.8%	-0.3%	1.3%	-0.2%
Community Residential Programs⁽²⁾										
Avg Month End Contracted Beds	3,920	3,957	4,010	4,005	4,469	4,903	4,723	4,631	4,847	4,985
% Change from prior year		0.9%	1.3%	-0.1%	11.6%	9.7%	-3.7%	-1.9%	4.7%	2.9%
Employment & Day Programs										
Avg Monthly Number Served	9,193	9,636	10,186	10,751	9,700	8,636	9,021	9,454	9,697	10,128
% Change from prior year		4.8%	5.7%	5.5%	-9.8%	-11.0%	4.5%	4.8%	2.6%	4.4%
Family Support & Children's Medicaid Personal Care⁽³⁾										
Number of Clients Served	5,247	4,449	4,986	5,249	5,758	5,648	5,922	6,317	6,460	7,181
% Change from prior year		-15.2%	12.1%	5.3%	9.7%	-1.9%	4.8%	6.7%	2.3%	11.2%
Personal Care⁽⁴⁾										
Number of Clients Served	5,015	5,630	6,212	6,758	8,934	9,002	9,283	9,603	9,884	10,243
% Change from prior year		12.3%	10.3%	8.8%	32.2%	0.8%	3.1%	3.5%	2.9%	3.6%

⁽¹⁾ Funded capacity at the Residential Habilitation Centers from FY 2000 through FY 2003 was 1,231 clients.

Population for years prior to 2008 excludes respite care; 2008 and 2009 does include some funded short-term stay respite.

⁽²⁾ Includes Alternate Living, Group Homes, Companion Homes, Supported Living, Community Protection, and private intermediate care facilities for the mentally retarded. Does not include State-Operated Living Alternative clients of between 112-120 per month. Prior to 2008, it includes state supplemental payment clients receiving community residential services.

⁽³⁾ Prior to 2001, family support includes all children receiving Medicaid Personal Care (MPC). For 2001 forward, family support includes MPC only for non-waiver clients; MPC for waiver clients is included in "Personal Care" below.

⁽⁴⁾ Personal Care includes Medicaid Personal Care, Chore Services, and Waiver Personal Care (WPC). For 2004 forward, WPC shown includes both children and adults, since personal care on the waiver was not separately identified for these groups by the Caseload Forecast Council. Prior to FY 1990, Developmental Disabilities' clients enrolled in these programs were counted in the Long-Term Care program totals.

Data Sources :

For Personal Care, FY 2008 forward is from the Caseload Forecast Council.

Except as noted above, 2008 and 2009 are estimates from legislative fiscal staff.

Other data is from the Department of Social and Health Services Executive Management Information System and the Division of Developmental Disabilities client services database.

**Department of Social and Health Services
Long-Term Care**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	1,446,903	1,559,013	3,005,916
Total Maintenance Changes	-8,183	-25,846	-34,029
Policy Changes - Non-Comp			
1. LTC Task Force Initiatives	2,463	1,002	3,465
2. LTC Taskforce-AFH 17 Levels of CARE	1,236	1,291	2,527
3. Fair Rental Cost Study	180	170	350
4. Shared Living Lawsuit	15,084	15,778	30,862
5. Traumatic Brain Injury	0	772	772
6. Long-Term Care Worker Training	839	838	1,677
7. Nursing Home Worker Wages	3,000	3,134	6,134
8. Nurse Delegation for Insulin	40	40	80
9. Farmer's Market Nutrition Program	100	0	100
10. Kinship Navigation and Support	132	0	132
11. Governor Veto	-839	-838	-1,677
Policy -- Non-Comp Total	22,235	22,187	44,422
Policy Changes - Comp			
12. PEBB Rate Reduction	-1,245	-1,280	-2,525
Policy -- Comp Total	-1,245	-1,280	-2,525
2007-09 Revised Appropriations	1,459,710	1,554,074	3,013,784
Fiscal Year 2008 Total	7,745	8,117	15,862
Fiscal Year 2009 Total	13,245	12,790	26,035

Comments:

- LTC Task Force Initiatives** - Consistent with the Governor's Long-Term Care (LTC) Task Force recommendation that individuals be served in the least restrictive environment whenever possible, funding is provided to implement Chapter 146, Laws of 2008, Partial Veto, Sections 4 and 8 (E2SHB 2668). Funding includes: (1) \$1.5 million to increase respite care services by 12 percent and to provide support and training to an additional 585 unpaid caregivers; (2) \$881,000 General Fund-State and matching federal funds to provide technical assistance and training for caregivers of clients with challenging behaviors; and (3) \$82,000 General Fund-State for Adult Protective Services fatality review teams. (Total funding for all LTC Task Force Initiatives is approximately \$2.9 million General-Fund State and \$1 million General Fund-Federal, including \$400,000 in the Department of Health for a falls prevention program and \$50,000 in start-up funding in Department of Social and Health Services (DSHS) Medical Assistance for a senior dental access project that will be implemented during the 2009-11 biennium). (General Fund-State, General Fund-Federal)
- LTC Taskforce-AFH 17 Levels of CARE** - As recommended by the Joint Legislative Task Force on LTC Residential Facility Payment Systems, funding is provided to update the historical cost base for community residential payment and for phase one implementation of a payment system for 17 Comprehensive Assessment Reporting Evaluation (CARE) levels. Compared to the current six-level payment system, the 17 CARE level

payment system ties reimbursement more closely to client acuity, regardless of the care setting. The additional payment levels also provide higher reimbursement for challenging behaviors, cognitive decline, and clinical complexity, creating incentives for clients to age in place. Funding previously provided in the 2007-09 enacted budget for 2 percent vendor rate increases for boarding homes and adult family homes (AFHs) in FY 2009 is redistributed based on client acuity to AFHs and boarding homes licensed as adult residential care/enhanced adult residential care. FY 2009 payment rates for boarding homes contracted as assisted living will be held harmless at FY 2008 levels and will not receive any additional rate increase. For AFHs, funding is sufficient to offset liability insurance costs and provides an average rate increase in FY 2009 of 5 percent for LTC clients and 9 percent for Developmental Disabilities clients, depending on the acuity level of clients served and the region of the state. (General Fund-State, General Fund-Federal)

- Fair Rental Cost Study** - As recommended by the Joint Task Force on LTC Residential Facility Payment Systems, funding is provided for DSHS to contract for a study on the costs and benefits of moving to a fair rental system for determining capital payments to nursing homes. The study is due to the fiscal committees of the Legislature and the Office of Financial Management not later than July 1, 2009.

Department of Social and Health Services Long-Term Care

4. **Shared Living Lawsuit** - Funding is provided for two interacting items. First, the 2007 Washington State Supreme Court decision in *Jenkins v. Washington State Department of Social and Health Services* invalidated the "Shared Living Rule" and required that all Medicaid Personal Care clients be treated comparably regardless of whether their paid providers of home care lived with them in a "shared living" situation or lived elsewhere. This decision requires additional funding for service hours that had previously been denied for laundry, meal preparation, shopping, and other services. Second, the combination of this court decision with the existing contract language of the 2006 Binding Arbitration Collective Bargaining Agreement between SEIU 775NW and the state results in additional service hours being authorized for items that were not covered by funding provided in the 2007-09 budget. (General Fund-State, General-Fund Federal)
5. **Traumatic Brain Injury** - Funding is provided to implement Chapter 356, Laws of 2007 (2SHB 2055), which created the Washington Traumatic Brain Injury Strategic Partnership Advisory Council. Council activities are funded by revenues from an additional \$2 fee on traffic infractions deposited into a dedicated account. The funding will cover public awareness campaigns to promote awareness of traumatic brain injuries (TBIs), contracts to support groups to individuals with TBIs and their families, and DSHS support to the Council. (Traumatic Brain Injury Account-State)
6. **Long-Term Care Worker Training** - ESHB 2693 (Long-Term Care Workers) establishes required registration with the Department of Health for certain long-term care workers beginning January 1, 2010. After that date, long-term care workers who are not registered within 120 days of employment may not receive payment for Medicaid services from DSHS. The legislation also provides for a voluntary certification program. Funding is provided to DSHS for rules development and information technology costs for restricting payment to registered providers. This item was vetoed because the bill did not pass (please see Governor Veto item below). (General Fund-State, General Fund-Federal)
7. **Nursing Home Worker Wages** - Funding is provided to increase low-wage worker wages or benefits or to enrich staffing levels that affect patient care. DSHS will determine the level of payment to individual nursing homes by calculating the dollar amount available per Medicaid patient day and multiplying it by each facility's total number of Medicaid patient days reported in 2006 cost report data, not to exceed \$1.57 per patient day. Rules and policy will be developed by DSHS to include a settlement process and reports on how the funding is used. (General Fund-State, General Fund-Federal)
8. **Nurse Delegation for Insulin** - One-time funding is provided pursuant to Chapter 146, Laws of 2008, Partial Veto (E2SHB 2668), authorizing nurse delegation for insulin injection. DSHS staff will develop and implement a training curriculum for nursing assistants to provide insulin injections for community-based Medicaid clients who are not able to do so themselves. Subject to certain supervision requirements, nursing assistants are given legal authority to provide insulin injections when trained and delegated to do so by a nurse. By allowing nurse delegates to provide insulin injection, some clients will be able to avoid placement in long-term care facilities such as nursing homes, and some nursing home clients may be able to move into less restrictive settings in the community. Also, private pay long-term care clients may realize savings when they can employ nursing assistants rather than registered nurses for injections. (General Fund-State, General Fund-Federal)
9. **Farmer's Market Nutrition Program** - Pursuant to Chapter 215, Laws of 2008 (2SSB 6483), funding is provided for additional Farmer's Market Nutrition Program vouchers for seniors. The program provides participants with vouchers for fresh fruits and vegetables. This level of funding is in addition to \$254,000 provided in the 2007-09 enacted budget.
10. **Kinship Navigation and Support** - Funding is provided for Area Agencies on Aging (AAA), or entities with which AAAs contract, for 1.5 additional Kinship Navigators. Services are provided to grandparents and other kinship caregivers and include connecting families with community resources and assisting them in navigating the system of services for children in out-of-home care, thus diverting children from entering foster care.
11. **Governor Veto** - The Governor vetoed Section 206(21) of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which would have established required registration for certain long-term care workers with the Department of Health and a voluntary certification program, however the bill did not pass.
12. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

**Department of Social & Health Services
Long-Term Care Services**

WORKLOAD HISTORY
By Fiscal Year

	2000	2001	2002	2003	2004	2005	2006	2007	Estimated	
									2008	2009
Nursing Homes										
Avg # Served per Day	13,783	13,529	13,154	12,943	12,446	12,088	11,928	11,517	11,067	10,735
% Change from prior year		-1.8%	-2.8%	-1.6%	-3.8%	-2.9%	-1.3%	-3.4%	-3.9%	-3.0%
Community Care ⁽¹⁾										
Avg # Served per Month	29,319	30,919	32,213	33,727	34,635	35,514	37,041	38,094	39,334	40,491
% Change from prior year		5.5%	4.2%	4.7%	2.7%	2.5%	4.3%	2.8%	3.3%	2.9%
Combined Total										
Avg Persons Served	43,101	44,448	45,367	46,670	47,080	47,602	48,969	49,611	50,400	51,226
% Change from prior year		3.1%	2.1%	2.9%	0.9%	1.1%	2.9%	1.3%	1.6%	1.6%

⁽¹⁾ Includes Chore Services, Community Options Program Entry Services (COPES), Medically Needy, Adult Residential, and Medicaid Personal Care

Data Sources:

Caseload Forecast Council and legislative fiscal staff.

**Department of Social and Health Services
Economic Services Administration**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	1,224,514	1,081,184	2,305,698
Total Maintenance Changes	-13,254	-14,179	-27,433
Policy Changes - Non-Comp			
1. Transfer Program Funding to DEL	-2,272	0	-2,272
2. IRS Collections Distribution Change	2,739	2,861	5,600
3. Federal Audit Requirements	926	924	1,850
4. Add Five SSI Facilitators	462	0	462
5. Immigration and Naturalization	656	0	656
6. Food Stamp Gross Income Limits	1,100	850	1,950
7. Local Farms and Healthy Kids	50	0	50
Policy -- Non-Comp Total	3,661	4,635	8,296
Policy Changes - Comp			
8. PEBB Rate Reduction	-4,894	-3,769	-8,663
Policy -- Comp Total	-4,894	-3,769	-8,663
2007-09 Revised Appropriations	1,210,027	1,067,871	2,277,898
Fiscal Year 2008 Total	416	414	830
Fiscal Year 2009 Total	-1,649	452	-1,197

Comments:

- 1. Transfer Program Funding to DEL** - The Department of Early Learning (DEL) currently staffs and administers the following programs: Head Start Collaboration Office; Homeless Child Care Subsidy Program; Seasonal Child Care Subsidy Program; and the Tiered Reimbursement Program for Child Care Providers. When DEL was established, the funds remained at the Department of Social and Health Services. The following amounts are transferred to DEL to align funding with the programs: Head Start Collaboration State Match (\$46,250); Homeless Child Care Subsidy Program (\$690,000); Seasonal Child Care Subsidy Program (\$1,035,265); and the Tiered Reimbursement Program (\$500,000).
- 2. IRS Collections Distribution Change** - Funding is provided for child support as a result a clarification in federal law regarding the distribution of child support. Beginning October 1, 2008, any Internal Revenue Service (IRS) tax refunds intercepted by the Division of Child Support will be distributed first to cover any debts owed families. Currently, tax refund intercepts are first applied to offset costs to the state for welfare and Medicaid costs, if applicable, and then distributed to families. (General Fund-State, General Fund-Federal)
- 3. Federal Audit Requirements** - Funding is provided for additional audits required by the Center for Medicaid and Medicare Services related to eligibility accuracy. (General Fund-State, General Fund-Federal)
- 4. Add Five SSI Facilitators** - Funding is provided to hire five additional Supplemental Security Income (SSI) disability facilitators to assist disabled General Assistance clients who meet federal disability standards with application and enrollment onto the federal disability program. Assistance from facilitators results in reduced length of stay for clients on General Assistance.
- 5. Immigration and Naturalization** - Funding is provided for increased costs and requirements associated with immigration and naturalization programs. The programs' services include assistance with completing the citizenship application, English language and civics classes, assistance with federal Immigration and Naturalization Service's fee waiver requests, and help applying for test exemptions for disabled clients.
- 6. Food Stamp Gross Income Limits** - Funding is provided to increase the gross income limits for eligibility for the Basic Food Program (food stamps) to 200 percent of the federal poverty limit, as allowed by the U.S. Department of Agriculture. It estimated an additional 23,300 families will receive benefits due to the change. The benefits for basic food are funded solely by federal dollars; the state and federal government share the administrative costs. Funding is also provided for the estimated increase of 233 families that will receive funding through the state's Basic Food for Legal Immigrants Program, which is solely state funded and is required to have the same eligibility requirements as the basic food program. The Department shall adjust its rules and information technology systems to make the eligibility change effective October 1, 2008. (General Fund-State, General Fund-Federal)
- 7. Local Farms and Healthy Kids** - One-time funding is provided to implement the Farmers' Market Technology Improvement Pilot Program as specified by Chapter 215, Laws

Department of Social and Health Services
Economic Services Administration

of 2008 (2SSB 6483). The pilot program will be used to assist farmers' markets and Washington farmers to develop the capability to accept electronic payment cards, including food stamp electronic benefits transfers and expires July 1, 2010.

8. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

**Department of Social & Health Services
Economic Services Administration**

WORKLOAD HISTORY
By Fiscal Year

	2000	2001	2002	2003	2004	2005	2006	2007	Estimated	
									2008	2009
General Assistance ⁽¹⁾										
Avg Monthly Caseload	16,416	17,857	19,933	19,483	22,028	25,578	27,676	29,239	30,726	32,281
% Change from prior year		8.8%	11.6%	-2.3%	13.1%	16.1%	8.2%	5.6%	5.1%	5.1%
TANF Cases ⁽¹⁾										
Avg Monthly Caseload	58,796	54,578	55,043	54,641	55,609	56,949	55,520	51,936	49,619	49,317
% Change from prior year		-7.2%	0.9%	-0.7%	1.8%	2.4%	-2.5%	-6.5%	-4.5%	-0.6%
Working Connections Child Care										
Avg # Children Served/Month	58,511	67,425	71,890	70,709	62,189	61,606	60,860	59,646	60,620	61,564
% Change from prior year		15.2%	6.6%	-1.6%	-12.0%	-0.9%	-1.2%	-2.0%	1.6%	1.6%

⁽¹⁾ FY 2000 caseload includes General Assistance-Unemployable (GA-U), General Assistance-Unemployable with expedited medical (GA-X), and General Assistance for children living with legal guardians (GA-H). Starting in FY 2001, GA-H cases are covered by Temporary Assistance to Needy Families (TANF) funding and are included in the TANF case estimate rather than the General Assistance case estimate.

Data Sources:

FY 2000 through FY 2003 General Assistance actuals are from the Department of Social and Health Services (DSHS) Division of Research and Data Analysis reports.

FY 2004 through FY 2007 General Assistance actuals provided by the Caseload Forecast Council.

FY 2008 through FY 2009 General Assistance estimates are from Caseload Forecast Council February 2008 forecast.

FY 2000 through FY 2007 TANF case actuals are from the Office of Financial Management (OFM).

FY 2008 through FY 2009 TANF case estimates are from the OFM February 2008 TANF forecast.

FY 2000 through FY 2006 Child Care actuals are from DSHS Division of Research and Data Analysis reports.

FY 2007 Child Care actuals are from OFM.

FY 2008 through FY 2009 Child Care estimates are from the OFM Working Connections Child Care February 2008 forecast.

**Department of Social and Health Services
Alcohol & Substance Abuse**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	190,417	158,893	349,310
Total Maintenance Changes	129	-506	-377
Policy Changes - Non-Comp			
1. Youth Residential Treatment	362	0	362
2. Extend ICR & ICM Pilot Programs	4,299	1,000	5,299
3. Prometa Treatment Services	-105	0	-105
4. Fetal Alcohol Syndrome Screenings	100	0	100
5. Federal Funding Authority	0	10,500	10,500
6. Grants and Tribal Funding	0	5,451	5,451
Policy -- Non-Comp Total	4,656	16,951	21,607
Policy Changes - Comp			
7. PEBB Rate Reduction	-174	-40	-214
Policy -- Comp Total	-174	-40	-214
2007-09 Revised Appropriations	195,028	175,298	370,326
Fiscal Year 2008 Total	-150	6,439	6,289
Fiscal Year 2009 Total	4,632	10,472	15,104

Comments:

- Youth Residential Treatment** - Funding is provided for the Division of Alcohol and Substance Abuse (DASA) to reach its targeted goal of 111 additional youths receiving treatment. The 2007-09 budget assumed a higher proportion of youth would receive less expensive outpatient treatment. The assumption is adjusted to allow for intensive inpatient treatment.
- Extend ICR & ICM Pilot Programs** - One-time funding is provided pursuant to Chapter 320, Laws of 2008, Partial Veto (ESSB 6665), to extend funding for two integrated crisis response/secure detoxification (ICR) and two intensive case management (ICM) pilot programs. The current pilot programs were originally authorized by Chapter 504, Laws of 2005, and are set to expire June 30, 2008.

ESSB 6665 removed the expiration date for the pilot programs, made them subject to specific funding appropriated, and requires an interim report by Washington State Institute for Public Policy (WSIPP) by June 30, 2008, and changed the date of the final report to June 30, 2010. The evaluation will determine whether the ICR pilot programs reduce costs to taxpayers by reducing utilization of other crisis services (such as emergency rooms, psychiatric hospitals, and jails). In addition, \$546,000 of the total funding was provided for start-up costs for a new ICR pilot program in Spokane; however, the ability in ESSB 6665 to expand the ICR programs to new counties was vetoed by the Governor, so these funds will be placed in reserve and not spent. (General Fund-State, Criminal Justice Treatment Account-State)
- Prometa Treatment Services** - State funding of \$500,000 that was provided in the 2007-09 enacted budget to Pierce County for a pilot program of family therapeutic court services using the Prometa treatment protocol is reduced by \$105,000. Remaining funding will cover individuals already authorized for services and a study currently contracted at the University of Washington (UW). To the extent that the UW cannot evaluate the Pierce County pilot program, the UW may summarize other research on the efficacy of the Prometa protocol.
- Fetal Alcohol Syndrome Screenings** - Funding is provided for DASA to contract with providers to do screenings to detect Fetal Alcohol Spectrum Disorder. An estimated 50 children will be seen at clinics in Spokane, Everett, and Yakima.
- Federal Funding Authority** - DASA is given appropriation authority to spend anticipated federal grants in FY 2008 and FY 2009, including the Access to Recovery grant and the Strategic Prevention Framework-State Incentive Grant. FY 2008 funds include the Washington Screening, Brief Intervention, Referral, and Treatment grant and the Adolescent Treatment Coordination grant. (General Fund-Federal)
- Grants and Tribal Funding** - DASA is given appropriation authority to spend grants from the National Institute on Drug Abuse. Appropriation authority is also provided for tribal funds. By receiving an intergovernmental transfer of tribal funds, the Division is able to assist tribes that provide chemical dependency services to non-natives in receiving federal matching funds. (General Fund-Private/Local)
- PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs

Department of Social and Health Services
Alcohol & Substance Abuse

will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

**Department of Social & Health Services
Alcohol & Substance Abuse**

**WORKLOAD HISTORY
By Fiscal Year**

	2000	2001	2002	2003	2004	2005	2006	2007	Estimated	
									2008	2009
ADATSA - Assessment										
Avg Monthly Assessments	1,167	1,112	1,176	1,126	1,213	1,232	1,139	1,024	1,009	1,009
% Change from prior year		-4.7%	5.8%	-4.3%	7.7%	1.6%	-7.6%	-10.1%	-1.5%	0.0%
ADATSA - Outpatient Treatment										
Avg Monthly Admissions	351	357	386	381	388	411	448	425	455	455
% Change from prior year		1.7%	8.1%	-1.3%	1.7%	6.0%	9.0%	-5.1%	7.1%	0.0%
ADATSA - Residential										
Avg Monthly Admissions	574	596	575	569	573	639	575	538	560	560
% Change from prior year		3.8%	-3.5%	-1.0%	0.7%	11.6%	-10.1%	-6.4%	4.1%	0.0%

Data Sources :

FY 2000 through FY 2004 actuals provided by the Department of Social and Health Services (DSHS) Budget Division.

FY 2005 through FY 2007 actuals are from DSHS Division of Research and Data Analysis reports.

FY 2008 and FY 2009 estimates provided by DSHS Division of Alcohol and Substance Abuse.

**Department of Social and Health Services
Medical Assistance Payments**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	3,990,690	4,322,273	8,312,963
Total Maintenance Changes	80,761	15,387	96,148
Policy Changes - Non-Comp			
1. Nurse Hotline for Foster Parents	44	44	88
2. Smoking Cessation Benefits	0	3,625	3,625
3. LTC Task Force Initiatives	50	50	100
4. Healthy Options Premium Growth	-6,352	-6,733	-13,085
5. Federal Audit Requirements	-467	-467	-934
6. Continuity of Medical Asst - Study	100	0	100
7. Lead Blood Level Testing	434	425	859
8. Medical Homes	50	50	100
9. ProviderOne Schedule Adjustment	-2,000	7,800	5,800
10. Special Education Medicaid Change	21,219	22,801	44,020
11. Governor Veto	-434	-425	-859
Policy -- Non-Comp Total	12,644	27,170	39,814
Policy Changes - Comp			
12. PEBB Rate Reduction	-767	-1,548	-2,315
Policy -- Comp Total	-767	-1,548	-2,315
2007-09 Revised Appropriations	4,083,328	4,363,282	8,446,610
Fiscal Year 2008 Total	5,737	4,012	9,749
Fiscal Year 2009 Total	6,140	21,610	27,750

Comments:

- Nurse Hotline for Foster Parents** - A 24-hour nurse hotline is established to provide access for foster parents to medical consultation and advice to assist them with emerging medical issues for children in their care. (General Fund-State, General Fund-Federal)
- Smoking Cessation Benefits** - Funding is provided for smoking cessation counseling, nicotine replacement therapy, and related prescription drugs for adults enrolled in Medicaid programs, pursuant to Chapter 245, Laws of 2008 (SB 6421). (Tobacco Prevention and Control Account-State, General Fund-Federal)
- LTC Task Force Initiatives** - Funding is provided to begin implementation of a dental access project for senior citizens, pursuant to Chapter 146, Laws of 2008, Partial Veto (E2SHB 2668). The project is consistent with the chronic care management goal of the joint legislative and executive task force on long-term care (LTC). This pilot project will begin in southeast Washington and Clark Counties, and \$100,000 is provided for the Department of Social and Health Services (DSHS) to contract with the University of Washington School of Dentistry to develop training, begin contracting with local coordinators, and begin the evaluation design. It is anticipated that the Washington Dental Services Foundation will provide additional funding for local program coordination, outreach, and case management. (General Fund-State, General Fund-Medicaid)
- Healthy Options Premium Growth** - The appropriation level for FY 2009 is adjusted to reflect a reduction in the premium growth rate from 5.0 percent to 2.35 percent for calendar year 2009 in the Healthy Options program, the medical assistance managed care program. The reduction in the growth rate is consistent with recent trends in Healthy Options premiums and in costs under the Basic Health and the Public Employee Benefit Board programs. (General Fund-State, Health Services Account-State, General Fund-Federal)
- Federal Audit Requirements** - Funding is provided for additional staff to improve audit coordination within the Medicaid portfolio. The change is necessary to accommodate new audit initiatives by the Centers of Medicare and Medicaid Services (CMS). A net savings results from an expected increase in audit recoveries. (General Fund-State, General Fund-Federal)
- Continuity of Medical Asst - Study** - Funding is provided to study how to expedite medical assistance eligibility for potentially-eligible persons who have been released from confinement in a corrections facility or an institute for mental diseases.

Department of Social and Health Services Medical Assistance Payments

7. **Lead Blood Level Testing** - Funding is provided to comply with federal guidelines that require lead blood level assessments for all age-appropriate and risk factor-appropriate Medicaid-eligible children under 21. This item was vetoed (please see Governor Veto item below). (General Fund-State, General Fund-Federal, Health Services Account-State)
8. **Medical Homes** - Under Chapter 259, Laws of 2007, Partial Veto (E2SSB 5930), DSHS and the Health Care Authority are required to develop a five-year plan to modify provider reimbursement mechanisms. The law requires the plan to include a proposal to change primary care reimbursement so as to support adoption of medical homes. Funding is provided in the 2008 supplemental budget to allow the agencies to expand their assessment to include Medicare and other government or third-party health care payers. (General Fund-State, General Fund-Federal)
9. **ProviderOne Schedule Adjustment** - Modifications are made in the funding for ProviderOne to accommodate further delays in the implementation schedule. The new system is currently expected to be put into operation in late calendar year 2008. (General Fund-State, General Fund-Federal)
10. **Special Education Medicaid Change** - State funding is provided to match federal funds for school district-based medical services. Prior to September 1, 2007, these services were reimbursed using solely the federal Medicaid appropriation. Funding was transferred to the Office of the Superintendent of Public Instruction (OSPI), which served as the reimbursing agent. In 2007 the CMS required that, as a condition of receiving federal funding for these services, DSHS must serve as the reimbursing agent and that providers submit claims directly to DSHS. Claims must be reimbursed using the appropriate state matching funds participation rate. (General Fund-State, General Fund-Federal, Health Services Account-State)
11. **Governor Veto** - The Governor vetoed Section 209(29) of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided funding to comply with federal guidelines that require lead blood level assessments for all age-appropriate and risk factor-appropriate Medicaid-eligible children under 21.
12. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

Department of Social & Health Services
Medical Assistance Payments

WORKLOAD HISTORY
By Fiscal Year

	2000	2001	2002	2003	2004	2005	2006	2007	Estimated	
									2008	2009
Categorically Needy	718,286	766,349	788,931	823,343	825,073	820,998	854,714	855,381	875,700	894,804
AFDC/TANF	249,938	268,785	272,388	275,716	283,973	293,185	283,292	267,709	250,684	236,563
Elderly	50,408	51,757	53,091	53,819	54,573	55,551	56,482	57,049	57,832	58,756
Disabled	100,187	106,870	114,587	118,466	123,248	126,872	129,630	132,500	135,172	137,712
Non-AFDC Children	276,272	293,904	319,793	343,521	329,404	308,920	340,787	344,339	362,959	384,833
Non-AFDC Pregnant Women	21,702	22,353	23,937	25,707	26,366	27,121	27,588	28,438	28,850	29,330
Undocumented Children	15,328	18,100	0	0	0	0	5,055	10,124	23,687	29,834
Medicare Beneficiaries	4,451	4,580	5,036	5,850	7,066	8,564	10,717	13,744	14,844	15,944
Breast & Cervical Cancer			69	121	182	306	376	496	569	625
Medicaid Buy-In			30	143	261	479	787	982	1,103	1,208
Medically Needy	12,566	13,465	14,528	15,949	16,972	17,850	16,549	13,565	13,461	13,483
Elderly	5,158	5,642	6,005	6,382	6,510	6,593	6,156	5,221	5,095	5,085
Disabled	7,299	7,752	8,523	9,567	10,462	11,257	10,393	8,344	8,366	8,397
All Others	109	71	0	0	0	0	0	0	0	0
Childrens Health Insurance Program	355	3,378	6,049	7,320	9,516	13,303	11,786	11,426	12,330	19,457
General Assistance/ADATSA										
# Persons/Month	11,716	11,987	11,671	10,169	11,651	14,110	16,006	17,171	18,106	18,934
State Medically Indigent										
# Persons/Month	2,457	2,690	3,331	3,997	0	0	0	0	0	0
Refugees										
# Persons/Month	1,004	1,135	933	677	684	685	754	743	728	747
Total Eligibles per Month	746,384	799,004	825,443	861,455	863,896	866,946	899,809	898,286	920,326	947,424
% Change from prior year		7.0%	3.3%	4.4%	0.3%	0.4%	3.8%	-0.2%	2.5%	2.9%

Data Sources :

Caseload Forecast Council and legislative fiscal committees.

**Department of Social and Health Services
 Vocational Rehabilitation**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	27,438	92,679	120,117
Total Maintenance Changes	-2,703	2,271	-432
Policy Changes - Comp			
1. PEBB Rate Reduction	-753	0	-753
Policy -- Comp Total	-753	0	-753
<hr/>			
2007-09 Revised Appropriations	23,982	94,950	118,932
Fiscal Year 2009 Total	-753	0	-753

Comments:

- PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

**Department of Social and Health Services
 Special Commitment Center**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	105,322	0	105,322
Total Maintenance Changes	2,805	0	2,805
Policy Changes - Non-Comp			
1. Commitment Center Call Log	83	0	83
2. Governor Veto	-83	0	-83
Policy Changes - Comp			
3. PEBB Rate Reduction	-1,155	0	-1,155
Policy -- Comp Total	-1,155	0	-1,155
<hr/>			
2007-09 Revised Appropriations	106,972	0	106,972
Fiscal Year 2009 Total	-1,155	0	-1,155

Comments:

1. **Commitment Center Call Log** - Funding is provided to maintain a log of phone calls made by residents of the Special Commitment Center pursuant to SHB 2756 (Commitment Center Calls). This policy bill did not pass the Legislature and the item was vetoed (please see Governor Veto item below).
2. **Governor Veto** - The Governor vetoed lines 30-35 of Section 211 of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided funding to maintain a log of phone calls made by residents of the Special Commitment Center pursuant to SHB 2756 (Commitment Center Calls). This policy bill did not pass the Legislature.
3. **PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

**Department of Social & Health Services
Special Commitment Center**

WORKLOAD HISTORY
By Fiscal Year

	2000	2001	2002	2003	2004	2005	2006	2007	<u>Estimated</u>	
									2008	2009
Special Commitment Center - Main Facility										
Avg Daily Population/Month	105	130	151	167	189	211	232	251	271	282
% Change from prior year		23.8%	16.2%	10.6%	13.2%	11.6%	10.0%	8.2%	8.0%	4.1%
Special Commitment Center - Less Restrictive Alternatives ⁽¹⁾										
Avg Daily Population/Month	5	5	7	9	10	11	11	12	14	18
% Change from prior year		0.0%	40.0%	28.6%	11.1%	10.0%	0.0%	9.1%	16.7%	28.6%

⁽¹⁾ *Includes persons in less restrictive alternative placements on McNeil Island and other locations.
Beginning in FY 2002, funding for County Commitment program beds was eliminated.*

Data Sources :

FY 2000 through FY 2007 from the Department of Social and Health Services Juvenile Rehabilitation Administration Division of Research and Data Analysis reports.

FY 2008 through FY 2009 data are by legislative fiscal staff.

**Department of Social and Health Services
Administration & Supporting Services**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	77,641	65,540	143,181
Total Maintenance Changes	9,421	-68	9,353
Policy Changes - Non-Comp			
1. Family Policy Council	49	0	49
2. Braam Oversight Panel	450	0	450
3. Local Grant Authority	0	716	716
4. IT Pool Project Funding-Tech. Adj.	0	91	91
5. Payment System for Providers	1,000	581	1,581
6. Governor Veto	-49	0	-49
Policy -- Non-Comp Total	1,450	1,388	2,838
Policy Changes - Comp			
7. PEBB Rate Reduction	-1,244	-529	-1,773
Policy -- Comp Total	-1,244	-529	-1,773
2007-09 Revised Appropriations	87,268	66,331	153,599
Fiscal Year 2008 Total	346	562	908
Fiscal Year 2009 Total	-140	297	157

Comments:

- 1. Family Policy Council** - Funding is provided for the Family Policy Council to establish a new network in Skagit County. This item was vetoed (please see Governor Veto item below).
- 2. Braam Oversight Panel** - The resolution of the Braam lawsuit regarding foster children requires an oversight panel to monitor Department of Social and Health Services' compliance with the terms of the settlement agreement. Previously this panel was funded by grants from the Casey Foundation. However, as of January 1, 2008, that funding has ended, and DSHS will have to pay for the panel's operating expenses.
- 3. Local Grant Authority** - A number of Annie E. Casey and Braam Panel grants have been renewed over the course of several years. The increased local expenditure authority is now anticipated and included in the Department's budget rather than treated as unanticipated receipts when the grants are received. (General Fund-Private/Local)
- 4. IT Pool Project Funding-Tech. Adj.** - A technical correction is made to properly fund projects assumed in the Information Technology pool that are included in the 2007-09 biennial budget. (General Fund-Federal)
- 5. Payment System for Providers** - The Department contracted for a feasibility study on the implementation of a more flexible payment system for independent home care providers and others who collectively bargain for wages and benefits. Funding was requested to purchase services from a commercial payroll service vendor to include hosted payroll applications and additional payroll services. The system would continue to rely on the current Social Service Payment System until it is replaced by ProviderOne. The current projected timeline

assumes that the system will not be implemented until FY 2010. It is anticipated in the feasibility study that once the ProviderOne system is implemented, an additional interface will be required. Funding is provided for a project management team and one information technology FTE to develop a project plan, timeline, and budget plan. The Legislature finds the amounts provided are sufficient to fund the following related to a timely and expeditious transition to a more flexible provider payroll system: (1) an appropriate request for proposal; and (2) collection of the information necessary to develop the budget proposal needed to seek budget authority for the system. Strong consideration should be given to the current progress on the ProviderOne payment system. (General Fund-State, General Fund-Federal)

- 6. Governor Veto** - The Governor vetoed Section 212(10) of Chapter 329, Laws of 2008, Partial Veto (ESHB 2687), which provided funding to establish a new family policy council network in Skagit County.
- 7. PEBB Rate Reduction** - Funding is changed to reflect a reduction of the state employer health insurance contribution rate to the Public Employees Benefit Board (PEBB) for FY 2009 from \$732 per month to \$561 per month. Employee costs will remain at 12 percent of the cost paid by PEBB to purchase medical benefits. Additional detail is available in the comments for Agency 713, State Employee Compensation Adjustments.

**Department of Social and Health Services
 Payments to Other Agencies**

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Original Appropriations	118,957	57,255	176,212
Total Maintenance Changes	-1,192	-402	-1,594
Policy Changes - Non-Comp			
1. Child Long-Term Well-Being	235	111	346
2. Civil Commitment Workload	732	0	732
3. Attorney General Funding	474	474	948
Policy -- Non-Comp Total	1,441	585	2,026
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2007-09 Revised Appropriations	119,206	57,438	176,644
Fiscal Year 2008 Total	224	143	367
Fiscal Year 2009 Total	1,217	442	1,659

Comments:

- 1. Child Long-Term Well-Being** - Chapter 152, Laws of 2008 (E2SHB 3205), requires the court to direct the filing of a petition to terminate parental rights when a child has been in foster care for 15 of the past 22 months. Funding is provided to the Department of Social and Health Services (DSHS) to reimburse the Office of the Attorney General (AGO) for the increased workload due to the requirements of E2SHB 3205. (General Fund-State, General Fund-Federal)
- 2. Civil Commitment Workload** - Successful prosecution of sexually violent predators (SVP) is fundamental to creating safer communities. Additional resources are provided to support AGO in this critical endeavor. Although workload related to new prosecutions is expected to eventually decline, the number of new SVP civil commitment cases in the near term is expected to remain high. Casework associated with the SVP population includes annual review hearings, release trials, and conditional release placements. These matters are proportional to the total number of civil commitments and require additional resources with the growth of the civilly-committed resident population.
- 3. Attorney General Funding** - Funding is provided for increased services by AGO, including additional legal staff for provider overpayment appeals within the Health and Recovery Services and Aging and Disability Services administrations, and to support cost containment strategies such as Patient Review and Restriction. Funding for legal services is also provided for increased workload from commitments at Eastern State Hospital and to defend DSHS against appeals from employees of Adult Family homes or Boarding Homes who are charged with allegations of abuse and neglect. (General Fund-State, General Fund-Federal)