

Department of Social & Health Services

Children and Family Services

A total of \$2.9 million state general fund savings are achieved through expediting the adoptions of 600 legally free children from the foster care caseload.

The budget provides funding for the Behavioral Rehabilitative Services (BRS) program in a block grant at \$133.7 million (\$76.8 million state general fund). BRS services are provided to children in foster care with severe needs. The Department and BRS contractors are directed to manage the BRS program within these amounts provided and to reduce the amount of time youth stay in BRS.

The budget reduces funding by \$12.6 million state general fund for certain administrative activities and by implementing a freeze on hiring, out-of-state travel, and personal service contracts. The reduction does not include Child Protective Services or Child Welfare Services direct service staff.

The budget reduces Family Preservation Services by approximately 15 percent, which saves \$3 million state general fund. These savings are invested in intensive family preservation services, which are proven to prevent entry into the child welfare system and provide the state with future savings.

The budget reduces funding for all vendor rates. This saves \$4.2 million state general fund and does not include Family Foster Home payments and Adoption Support payments.

The budget reduces a total of \$8.4 million state general fund for Crisis Residential Centers, HOPE beds, and the Street Youth Program. The budget provides funding for these services with the Home Security Account, rather than the state general fund.

Juvenile Rehabilitation Administration

Savings of \$12 million are assumed through the closure of a Juvenile Rehabilitation Administration (JRA) institution. The Office of Financial Management will conduct a study of the feasibility of closing either Maple Lane School or Green Hill School. A report is due to the Governor and the Legislature on November 1, 2009.

Funding for enhanced parole services for juveniles is reduced by \$5.3 million. Approximately 30 percent of JRA youth receive enhanced parole. Parole services for sex offenders and the highest risk youth are not affected by this change.

Savings of \$2.2 million is achieved through the closure of two contracted Community Facilities. JRA caseload continues to decline, and beds in these facilities are no longer required. These closures will reduce Community Facility space by 24 beds.

Funding provided to local jurisdictions through JRA for locally-operated treatment services is reduced by \$1.9 million. Funds are used for a variety of treatment and therapy programs.

JRA will offer competitive grants to community-based organizations to provide at-risk youth intervention services with \$3.7 million from the Washington Auto Theft Prevention Authority Account. Grantees must report to JRA on the number, type of youth, and services provided.

Mental Health

A total of \$1.525 billion (\$821 million state) is provided for operation of the public mental health system during the 2009-11 biennium. This is \$69 million (4 percent) less than the estimated amount needed to maintain the current level of mental health services and activities. Major reductions include:

- Funding for the community mental health services delivered through Regional Support Networks (RSNs) is reduced by a total of \$57.7 million, or about 5 percent. Of this total, the “state only” funding for people and services not eligible for the federal Medicaid program is reduced by a total of \$23.2 million, or about 9 percent. Additionally, the Department is to identify and implement efficiencies and benefit changes that will reduce expenditures on community Medicaid mental health services by a total of \$24.5 million, or about 3.5 percent.
- Staffing in the state psychiatric hospitals is reduced by approximately 40 FTEs (1.4 percent), by partially rescinding various enhancements authorized in the 2007-09 biennium. Additionally, in culmination of a three-year community investment strategy initiated in 2006, the number of civil commitment beds at Eastern and Western State Hospitals is to have been reduced by 120 (13 percent) during the year ending September 2009, for a state savings of \$29.0 million in the 2009-11 budget base.
- State funding that has been used to demonstrate and test new approaches to mental health service delivery is discontinued, for a savings of \$4.0 million. During the 2007-09 biennium, such funding supported eight different projects. These included grants for 4 of the 22 consumer-run “clubhouses” that provide work-ordered days and other support services for persons recovering from mental illness; two projects that provided consumer-focused services to minority populations; one project that supported integration of mental health and primary care services; and one program that, since 1998, has provided intensive services for mentally ill offenders following their release from jail or prison.
- Funding for six children’s “evidence-based practice” pilot projects is reduced to more accurately reflect actual service levels, for a savings of \$1.9 million. These programs currently serve 148 high intensity children (unduplicated) per year. The reduction allows services to continue to the same number of children served by these programs in fiscal year 2009.

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

The Aging and Disability Services Administration administers the Long-Term Care (LTC) and Division of Developmental Disabilities (DDD) programs. These two programs combined account for approximately \$2.1 billion in General Fund-State expenditures for the 2009-11 biennium.

The DDD and LTC programs share administration, operate several similar programs, and often utilize the same set of vendors. As a result, numerous budget items impact both programs. These “shared” budget items are described below. Budget items unique to each program are described separately.

Increased costs for health insurance benefits for individual and agency providers are funded, assuming 3 percent per year inflation. This increases the maximum state contribution from \$585 per member per month (pmpm) to \$602 pmpm in fiscal year 2010 and \$620 pmpm in fiscal year 2011. The total value of the additional funding for inflation increases is \$4.4 million General Fund-State (\$10.4 million all funds).

Initiative 1029 required additional long-term care worker background checks, training, and certification requirements. Chapter 580, Laws of 2009 (ESSB 6180), delays several components of the initiative and Chapter 478, Laws of 2009 (HB 2359), delays peer mentorship providing a cost avoidance in the 2009-11 biennium of \$16.2 million General Fund-State (\$29.8 million all funds). A net enhancement remains in the 2009-11 biennium of \$5.2 million General Fund-State (\$11.0 million all funds) for the following:

- Mandatory 75 hours of basic training is delayed one year to begin January 1, 2011. Funding is provided for:
 - Training infrastructure development (information technology, policies, procedures, rules, curriculum, and a curriculum approval process);
 - Tuition for long-term care workers to include in-home care workers, adult family home workers, boarding home workers, and developmental disability residential workers; and
 - Wages for long-term care workers while they are in training.
- Mandatory certification is delayed by one year to begin January 1, 2011. Funding is provided for:
 - Development of a Home Care Aide certification program (information technology, policies, procedures, and rules); and
 - Implementation of examinations and disciplinary procedures.

Certain long-term care workers receive their training from a specified training partnership. Pursuant to RCW 74.39A.360, the state makes contributions to fund the training. The budget funds the training partnership contribution and related agency parity at \$8.2 million General Fund-State (\$14.3 million all funds).

Savings of \$12.1 million General Fund-State (\$30.2 million all funds) are realized from the implementation of Chapter 571, Laws of 2009 (SHB 2361). Home care agencies will no longer be reimbursed under the Medicaid in-home personal care program for services provided by providers who are family members of their client, unless the family provider is older than the client receiving services. Currently, home care agencies are compensated an additional \$5 per hour for activities associated with supervision such as hiring, firing, scheduling, and reviewing and approving hours. Agency providers who are family members may continue to care for their client and be compensated for their time by becoming an individual provider. Beginning July 1, 2010, home care agencies will no longer be reimbursed under the Medicaid in-home personal care program for any agency employee whose hours have not been verified by electronic time keeping.

Daily Medicaid rates for boarding homes and adult family homes are reduced from current levels resulting in \$11.1 million General Fund-State (\$27.6 million all funds) in savings. The reduction is an approximate 4 percent reduction from maintenance levels and is applied to vendor base rates. Exceptional care rate add-ons for HIV/AIDS, dementia, and enhanced community services remain unchanged from fiscal year 2009 levels.

Savings of \$19.3 million General Fund-State (\$36.7 million all funds) are realized by funding adult day health (ADH) services only for clients receiving in-home care and by eliminating funding for transportation. Funding for ADH services provided by the Bailey Boushay House is preserved.

The personal care benefit provided to Medicaid clients is reduced by an average of 3.5 percent. Reductions are scaled according to client acuity with the largest hour reductions based on services for clients with the least care needs. The smallest reduction in hours is based on the clients with the highest acuity levels. The Department is provided with the flexibility to adjust the reduction to ensure sufficient care is maintained for all clients. The total savings associated with this item is \$32.7 million General Fund-State (\$80.9 million all funds).

Developmental Disabilities

Funding of \$4.8 million General Fund-State (\$11.5 million all funds) is provided for: 1) new clients using Medicaid community-based waivers who need residential, behavior, and/or habilitative support in addition to personal care to remain in the community instead of institutions; and 2) residential and support services for 32 new clients with developmental disabilities and community protection issues.

The sum of \$10.7 million General Fund-State (\$26.4 million all funds) is provided to fund over 2,500 waiver placements in DDD for clients currently receiving supported employment and day services. These clients currently receive services funded solely with state dollars; however, a majority are eligible for Medicaid waiver services funded partially with state dollars and partially with federal dollars. The budget assumes savings by

transitioning eligible clients to Medicaid waivers to capture allowable federal funding. This item also preserves a smaller state-only program for those individuals unable to meet waiver eligibility standards.

Savings of \$7.3 million General Fund-State (\$18.0 million all funds) are realized by reducing the daily Medicaid rate paid to supported living and group home vendors. The reduction is applied to the full rate and totals approximately 3 percent from current levels.

Long Term Care

The LTC budget includes \$3.9 million General Fund-State (\$9.8 million all funds) for community residential and support services for persons who are older adults or who have co-occurring functional and behavioral impairments and who have been discharged or diverted from a state psychiatric hospital.

Savings of \$37.7 million General Fund-State (\$93.8 million all funds) are realized by reducing the 2009-11 statewide weighted average daily Medicaid rate for nursing homes. The funded rates assume continued funding of the low-wage worker add-on; however, no certificates of capital authorization are funded for either year. The fiscal year 2010 rate (\$156.37) is a 4.6 percent reduction from the current year and the fiscal year 2011 rate (\$158.74) is a 3.0 percent reduction from the current year.

Economic Services Administration

The budget assumes \$99.1 million in federal Temporary Assistance for Needy Families (TANF) contingency funds to provide services and assistance for low-income families. A portion of the contingency funds are provided through the American Recovery and Reinvestment Act of 2009, the federal stimulus act.

Funding for the General Assistance-Unemployable (GA-U) program is reduced by \$18.6 million state general fund. Savings are assumed by assisting legal aliens in gaining citizenship to meet eligibility requirements for Supplemental Security Income; identifying eligible veterans for transfer to the Department of Veterans' Administration services; and referring GA-U clients into drug and alcohol treatment if addiction is a co-occurring condition. The savings also assume a policy change in how earned income is calculated.

The WorkFirst program is reduced by \$68.7 million state general fund through reductions in funding to state agencies participating in WorkFirst, administrative reductions, and caseload management savings.

The budget reduces funding by \$27.6 million state general fund for administrative activities, hiring, out-of-state travel, personal service contracts, and equipment purchases.

Alcohol and Substance Abuse

The Division of Alcohol and Substance Abuse (DASA) within the Department of Social and Health Services (DSHS) coordinates state efforts to reduce the impacts of substance abuse and problem gambling on individuals and their communities. DASA contracts with counties and community organizations to provide prevention, treatment, and other support services for individuals with problems related to alcohol, tobacco, drugs, and gambling. Six DASA Regional Administrators work with county coordinators and County Substance Abuse Administrative Boards to plan services and monitor contracts. DASA also manages government-to-government contracts with 29 tribes for prevention and treatment services for Native Americans.

The budget maintains funding for detoxification, treatment, and support programs, as well as recent treatment expansion programs aimed at Medicaid-eligible adults and youth. The budget also maintains funding for cash stipends and medical coverage provided under the Alcohol and Drug Addiction Treatment and Support Act, and it directs federal Byrne Grant funding towards chemical dependency treatment through the drug courts.

Savings are achieved (\$7.4 million General Fund-State, \$12.4 million all funds) by reducing funding for contracts to provide low-income treatment and detoxification services. Treatment programs are provided in both residential and outpatient settings and can vary in length.

Medical Assistance Administration

A total of \$8.8 billion in state and federal funds is provided for an average of 1,039,000 low-income children and adults per month to receive medical and dental care through Medicaid and other DSHS medical assistance programs during the 2009-11 biennium. Total expenditures on these services are budgeted to increase by \$378 million (4.5 percent) from the 2007-09 biennium, and the state share of those expenditures is projected to decrease by \$501 million (12.3 percent).

Total expenditures include \$690 million in temporary federal funding under the American Recovery and Reinvestment Act of 2009, which increases the Federal Medical Assistance Percentage by almost 13 percentage points, on average, from July 2009 through December 2010. Additional federal revenue of \$54 million is provided on an ongoing basis through provisions in the Children's Health Insurance Program Reauthorization Act of 2009, which increased the state's ability to claim enhanced federal matching funds for Medicaid-eligible children between 133 and 200 percent of the federal poverty level.

Excluding the impact of additional federal revenue, the total policy or program reductions for the 2009-11 biennium are \$737 million in total funds and \$405 million in state funds. These policy reductions, combined with a maintenance level increase of over \$1 billion in total funds and \$640 million in state funds, result in a net increase of \$334 million in total funds and \$235 million in state funds over the 2007-09 biennium. The major reductions are summarized below.

Approximately \$46 million in total savings on medical benefits are expected from a transition of GA-U clients from fee-for-service reimbursement to managed care and initiatives within the Economic Services Administration to reduce the caseload.

The budget assumes savings of approximately \$414 million in total funds through reductions in provider rates. Reductions in total state and federal funds are made in the following areas:

- Inpatient and outpatient rates are reduced by approximately \$150.6 million;
- Disproportionate Share Hospital and Graduate Medical Education payments are reduced by \$61.9 million;
- Premium payments to managed care organizations are reduced by roughly \$76.8 million;
- The 48 percent rate increase provided for pediatric office visits in the 2007 legislative session is reduced to a 15 percent increase for a savings of \$42.7 million;
- Healthy Options enhanced payments to Federally Qualified Health Centers and Rural Health Centers are reduced by an estimated \$62.4 million in response to a federal audit; and
- Rate reductions to other services including adult office visits, transportation, laboratory and x-ray services, and hospice result in an additional \$19.7 million in savings.

The budget assumes a savings of \$183.4 million in total funds will be achieved through a comprehensive package of pharmacy cost containment and efficiency-promoting initiatives. These initiatives include the use of a 90-day supply for low-risk pharmaceutical refills, reducing coverage of some over-the-counter drugs, and increasing the generic prescription drug utilization rate by 20 percentage points.

The budget includes \$82.2 million in total state and federal savings through a combination of strategies to reduce utilization in optional services and incentivize the most cost-effective use of such services. For example, Maternity Support Services are reduced in order to target high-risk pregnancies, reimbursement rates are reduced

and limits are placed on Durable Medical Equipment supplies, and the Department is directed to reduce dental expenditures by targeting services that received rate increases in the 2007-09 biennium or are showing increased utilization.

Administration and Supporting Services

The Administration and Supporting Services program houses the DSHS executive management staff, provides Department-wide leadership and administrative support to all DSHS administrations, and provides administrative and budgeting support to three autonomous entities – the Council for Children and Families (CCF), the Family Policy Council (FPC), and the Governor’s Juvenile Justice Advisory Committee (GJJAC).

The 2009-11 budget appropriates \$69.4 million General Fund-State (\$126.3 million total funds) for the Administration and Supporting Services program. This is a 15 percent decrease in state funded support from the 2007-09 biennium. The majority of the savings are assumed to result from administrative consolidations and efficiencies within the Administration and Supporting Services program. Reductions were also taken in CCF, FPC, and GJJAC. In total, support for these three entities and their programs was reduced by \$5.7 million in Near General Fund-State funds. The percentage reduction varied by entity with the CCF reduction totaling approximately 30 percent of its prior level; FPC is reduced by 50 percent; and GJJAC state funding is reduced by 20 percent.

Special Commitment Center

A total of \$107.1 million state general fund is provided for the operation of the Special Commitment Center (SCC) for the 2009-11 biennium.

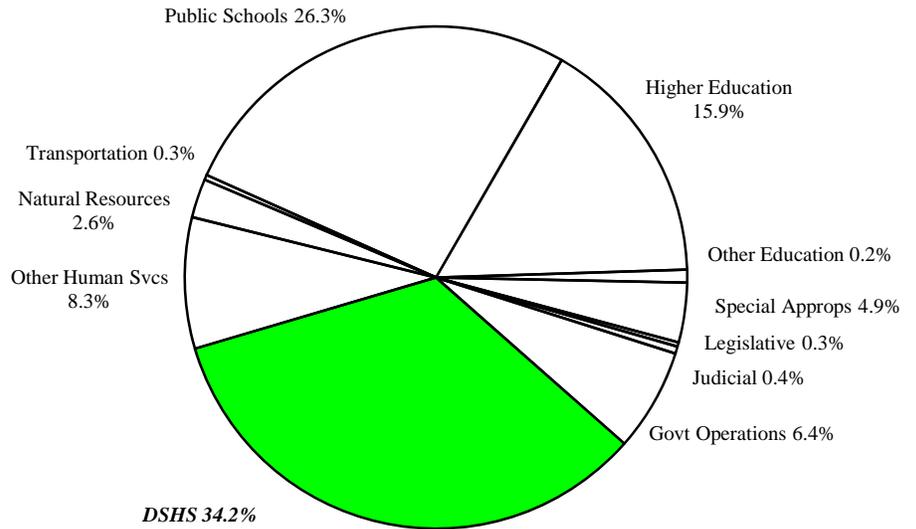
Funding for contracted education and nursing services at the SCC is reduced by \$1.8 million state general fund. Additionally, funding is reduced due to a decrease in the number of residential rehabilitation counselors assigned to lower acuity housing, which saves \$3.2 million state general fund.

2009-11 Washington State Omnibus Operating Budget

Total Budgeted Funds

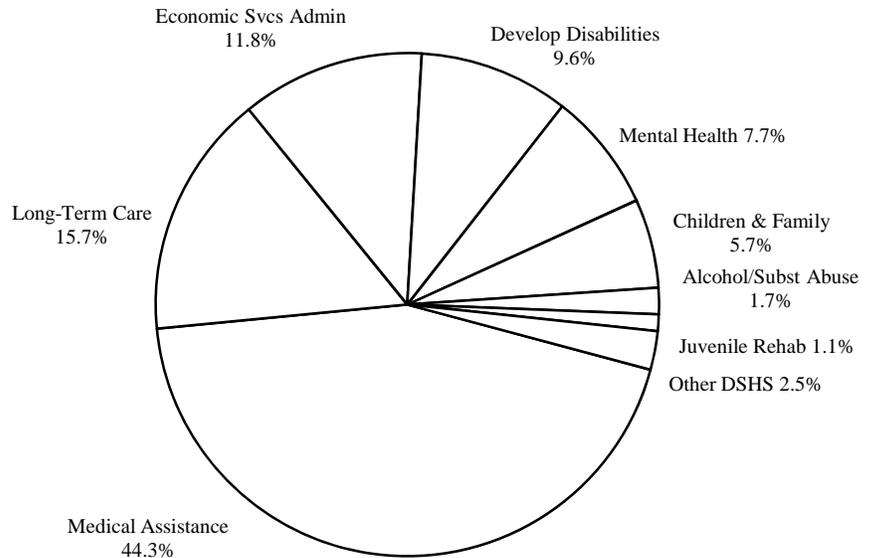
(Dollars in Thousands)

Legislative	160,456
Judicial	269,541
Governmental Operations	3,885,907
DSHS	19,916,679
Other Human Services	4,958,187
Natural Resources	1,463,500
Transportation	192,771
Public Schools	15,649,042
Higher Education	9,491,726
Other Education	476,200
Special Appropriations	2,261,860
Statewide Total	58,725,869



Washington State

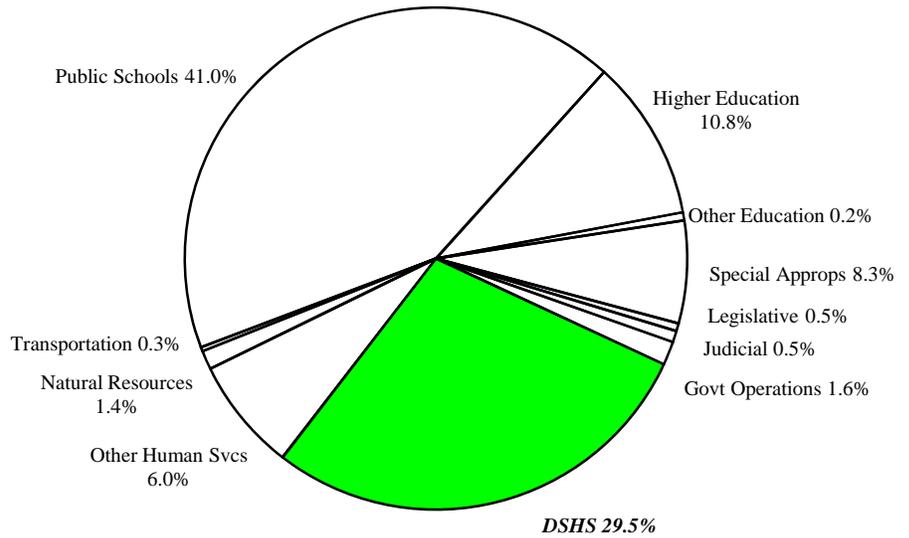
Medical Assistance	8,824,601
Long-Term Care	3,120,577
Economic Services Admin	2,343,330
Developmental Disabilities	1,918,891
Mental Health	1,525,591
Children & Family Svcs	1,140,094
Alcohol/Subst Abuse	334,485
Juvenile Rehabilitation	213,113
Other DSHS	495,997
DSHS	19,916,679



DSHS

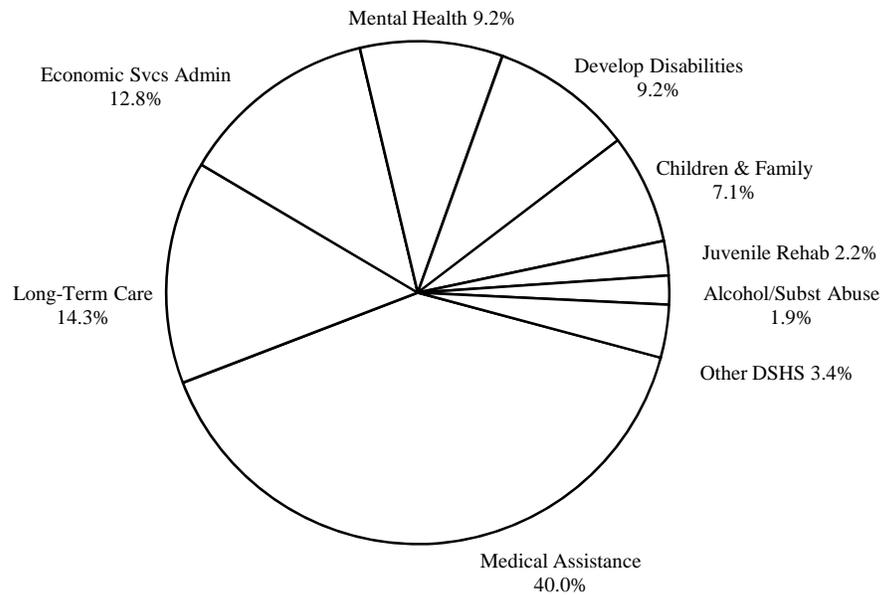
2009-11 Washington State Omnibus Operating Budget
Near General Fund-State
(Dollars in Thousands)

Legislative	156,095
Judicial	229,184
Governmental Operations	478,741
DSHS	8,955,615
Other Human Services	2,295,199
Natural Resources	379,918
Transportation	85,214
Public Schools	13,311,962
Higher Education	3,262,624
Other Education	165,778
Special Appropriations	2,068,266
Statewide Total	31,388,596



Washington State

Medical Assistance	3,582,184
Long-Term Care	1,284,289
Economic Services Admin	1,145,907
Mental Health	820,901
Developmental Disabilities	820,242
Children & Family Svcs	633,214
Juvenile Rehabilitation	197,951
Alcohol/Subst Abuse	166,889
Other DSHS	304,038
DSHS	8,955,615



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 Expenditure Authority	674,028	492,421	1,166,449
2009 Supplemental *	-2,224	11,484	9,260
Total 2007-09 Biennium	671,804	503,905	1,175,709
2009-11 Maintenance Level	716,330	490,556	1,206,886
Policy Changes - Non-Comp			
1. Supervised Visitation	647	2,583	3,230
2. Supervised Visit EBP	-44	0	-44
3. Foster Care Recruitment	-1,056	0	-1,056
4. Length of Stay Funding	1,800	0	1,800
5. Foster Care Length of Stay	-4,038	-3,436	-7,474
6. Foster Parent Child Care	-1,535	-134	-1,669
7. Family Preservation Services	-3,000	0	-3,000
8. Intensive Family Preservation Svcs	5,000	0	5,000
9. Intensive Family Preser Svcs Saving	-1,258	0	-1,258
10. Federal Stimulus Package - FMAP Inc	-22,966	22,966	0
11. Admin Operation Efficiencies	-8,416	-2,498	-10,914
12. Expedite Adoptions	-2,924	1,612	-1,312
13. Eliminate Adoption 5-Year Review	-1,105	-1,055	-2,160
14. Reduce Guardian Placements	-1,748	0	-1,748
15. Reduce Family Reconciliation Svc	-538	0	-538
16. Reduce Chem Dependency Professional	-2,476	0	-2,476
17. Eliminate Parent Education Support	-148	0	-148
18. Reduce Foster Care to 21	-1,553	0	-1,553
19. Eliminate Trauma Mitigation Pilot	-300	-129	-429
20. Eliminate Intensive Resource Homes	-2,360	-360	-2,720
21. Sex Abuse Recognition Training	-428	428	0
22. Fostering Connections	721	257	978
23. Crisis Residential Center Funding	-5,300	5,300	0
24. HOPE Bed Funding	-1,300	1,300	0
25. Education Coordinators	725	0	725
26. Behavioral Rehabilitative Services	-7,585	-5,093	-12,678
27. Street Youth Program	-1,789	1,789	0
28. Secure Crisis Residential Centers	-4,360	0	-4,360
29. Federal Funds Adjustment	0	-1,693	-1,693
30. Continuum of Care Services	-1,994	0	-1,994
31. UA Testing	-1,000	0	-1,000
32. Vendor Rate Decrease	-4,238	-2,165	-6,403
33. DIS Rate Reductions	-80	-44	-124
34. Governor-Directed Freeze	-4,292	-1,355	-5,647
Policy -- Non-Comp Total	-78,938	18,273	-60,665
Policy Changes - Comp			
35. Employee Health Insurance	1,609	744	2,353
36. Actuarial Method Changes-State	-5,787	-2,693	-8,480
Policy -- Comp Total	-4,178	-1,949	-6,127
Total 2009-11 Biennium	633,214	506,880	1,140,094
Fiscal Year 2010 Total	315,603	258,510	574,113
Fiscal Year 2011 Total	317,611	248,370	565,981

Department of Social and Health Services Children & Family Services

Comments:

1. **Supervised Visitation** - One-time funding is provided for contracted service hours for court-ordered supervised visits between parents and dependent children. (General Fund-State, General Fund-Federal)
2. **Supervised Visit EBP** - Funding is reduced to reflect savings associated with a pilot program in Whatcom and Skagit Counties. The pilot uses existing supervised visit funding within the Department's budget to provide evidence-based program (EBP) services during supervised visits to reduce foster care length of stay through more timely reunification or permanency.
3. **Foster Care Recruitment** - Funding is reduced for foster care recruitment to reflect efficiencies. The Department will recruit foster parents by focusing on community-based outreach and recruitment, including former or current foster parents and local community organizations.
4. **Length of Stay Funding** - Funding is provided for activities that reduce length of stay in the child welfare system. These activities include, but are not limited to, contracting with entities to complete parenting plans and third party custody agreements.
5. **Foster Care Length of Stay** - Funding is reduced to reflect savings from decreasing the length of time a child remains in the child welfare system. A Washington State Institute for Public Policy (WSIPP) study estimates the average length of stay in foster care is 524 days. (General Fund-State, General Fund-Federal)
6. **Foster Parent Child Care** - Funding is reduced to reflect efficiencies involving foster parent child care. The Department will use best practices and implement policies to achieve these efficiencies. (General Fund-State, General Fund-Federal)
7. **Family Preservation Services** - Funding is reduced for Family Preservation Services by approximately 15 percent. These are contracted services used to reunite families or to prevent entry into the child welfare system.
8. **Intensive Family Preservation Svcs** - Funding is provided for Intensive Family Preservation Services. Intensive Family Preservation Services are contracted services for families with children who are at imminent risk of foster care placement or are being reunified. The evidence-based Homebuilder program is funded through this program.
9. **Intensive Family Preser Svcs Saving** - Funding is reduced to reflect savings from expanding the Intensive Family Preservation Services evidence-based Homebuilders program. The reduction is based on the WSIPP model that finds the Homebuilders program reduces costs by preventing out-of-home placement.
10. **Federal Stimulus Package - FMAP Inc** - As part of the American Recovery and Reinvestment Act of 2009 (the federal stimulus act), the Federal Medical Assistance Percentages (FMAP) are adjusted to increase the federal match of certain social services in Children's Administration. Funding for General-Fund State is reduced to reflect a \$13.5 million increase in Title IV-E federal funding and a \$9.4 million increase in federal Medicaid funding. (General Fund-State, General Fund-Federal)
11. **Admin Operation Efficiencies** - Funding is reduced to reflect savings for administrative activities. This reduction does not include Child Protective Services or Child Welfare Services direct service staff. (General Fund-State, General Fund-Federal)
12. **Expedite Adoptions** - Funding is reduced to reflect savings from finalizing the adoption of 600 legally free children from the foster care caseload. The Adoption Support Program provides a monthly maintenance payment for over 12,000 adopted children. (General Fund-State, General Fund-Federal)
13. **Eliminate Adoption 5-Year Review** - Funding is reduced to reflect savings from eliminating the five-year adoption review. Children's Administration conducts an average of 1,200 five-year reviews annually. Savings reflect the difference between the costs of finalizing adoptions and adoptions support payments from the cost of foster care payments. (General Fund-State, General Fund-Federal)
14. **Reduce Guardian Placements** - Funding is reduced to reflect savings from limiting guardianship placements for which federal matching funds are not available. (General Fund-State, General Fund-Federal)
15. **Reduce Family Reconciliation Svc** - Funding is reduced for Family Reconciliation Services, which provides family focused guidance services such as counseling and problem solving to maintain families.
16. **Reduce Chem Dependency Professional** - Funding is reduced for contracts for chemical dependency professionals with the Division of Alcohol and Substance Abuse. Children's Administration will continue to contract with eight chemical dependency professionals.
17. **Eliminate Parent Education Support** - Funding is reduced for contracted parent education support services. These services include parenting instruction for parents dealing with abuse or neglect.
18. **Reduce Foster Care to 21** - The Foster Care to 21 pilot is reduced, but funding is retained to allow youth currently in the program to continue receiving services until they age out.
19. **Eliminate Trauma Mitigation Pilot** - Funding is discontinued for the Trauma Mitigation Pilot Program. The pilot program is for children found to be dependent pursuant to RCW 13.34. (General Fund-State, General Fund-Federal)

Department of Social and Health Services Children & Family Services

20. **Eliminate Intensive Resource Homes** - Funding is discontinued for the Intensive Resource Homes Pilot. In 2008, funding was provided to implement an intensive resource foster home pilot program in two geographical areas with high concentrations of high-needs children in foster care. (General Fund-State, General Fund-Federal)
21. **Sex Abuse Recognition Training** - Funding for sex abuse recognition training is provided through additional federal Byrne Grant available under the American Recovery and Reinvestment Act of 2009, the federal stimulus act. (General Fund-Federal)
22. **Fostering Connections** - Funding is provided for the implementation for Chapter 235, Laws of 2009 (E2SHB 1961). The Department is authorized to enroll youth into the Foster Care to 21 program within funds appropriated. Spending authority is provided for federal funds that are now available for relative guardianship placements. Additionally, in 2010, the Department is authorized to provide foster care, adoption, and subsidized guardianship services until the youth's 21st birthday if they: (a) are enrolled in post secondary education; (b) participate in a program or activity to promote employment; (c) engage in employment for 80 hours or more a month; or (d) are incapable of engaging in any of the activities due to a medical condition. (General Fund-State, General Fund-Federal)
23. **Crisis Residential Center Funding** - Funding is provided for Crisis Residential Centers from the Home Security Account rather than the General Fund-State. (Home Security Fund Account-State, General Fund-State)
24. **HOPE Bed Funding** - Funding is provided for HOPE Center beds from the Home Security Account rather than General Fund-State. (Home Security Fund Account-State, General Fund-State)
25. **Education Coordinators** - Funding is provided for contracted education coordinators to increase educational advocacy services for foster children. (Education Legacy Trust Account)
26. **Behavioral Rehabilitative Services** - Funding is reduced to reflect savings from changing Behavioral Rehabilitative Services (BRS) into a block grant using performance-based outcomes. The Department is to work with providers to decrease the length of stay. (General Fund-State, General Fund-Federal)
27. **Street Youth Program** - Funding for the Street Youth Program is provided by the Home Security Fund and discontinues the use of General Fund-State. The Street Youth Program provides assistance to homeless youth living on the streets. (General Fund-State, Home Security Fund Account-State)
28. **Secure Crisis Residential Centers** - Funding is reduced for secure crisis residential centers. The Department is to work with providers to find ways to decrease costs while maintaining the highest number of available beds possible. This includes examining staffing ratios, payment methods, center specific waiver options, and other rules that will potentially lead to decreased costs.
29. **Federal Funds Adjustment** - Transfers federal expenditure authority for Social Services Block Grant and the Temporary Assistance for Needy Families to Economic Services Administration as a result of administrative reductions in Children's Administration. (General Fund-Federal)
30. **Continuum of Care Services** - Funding for Continuum of Care Services is reduced to \$250,000 for the 2009-11 biennium.
31. **UA Testing** - Funding is reduced for urinalysis (UA) testing. This represents roughly a 16 percent decrease based on FY 2008 expenditures.
32. **Vendor Rate Decrease** - The Department of Social and Health Services will reduce rates for all vendors. These rate reductions exclude Family Foster Home payments and Adoption Support payments. (General Fund-State, General Fund-Federal)
33. **DIS Rate Reductions** - Funding is reduced to reflect a decrease in the Department of Information Services' (DIS) central service rates. (General Fund-State, General Fund-Federal)
34. **Governor-Directed Freeze** - Funding is reduced to reflect a similar amount of savings each fiscal year as was achieved in FY 2009 by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities. (General Fund-State, General Fund-Federal)
35. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
36. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Department of Social & Health Services Children & Family Services

WORKLOAD HISTORY By Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	Estimated		
								2009	2010	2011
Foster Care ⁽¹⁾										
Avg # Children Served Monthly	7,853	7,880	7,713	7,769	7,769	7,909	7,829	7,667	7,642	7,600
% Change from prior year		0.3%	-2.1%	0.7%	0.0%	1.8%	-1.0%	-2.1%	-0.3%	-0.5%
Relative Placements ⁽²⁾										
Avg # Children Served Monthly	3,833	3,909	3,998	4,246	4,588	4,684	4,804	4,806	4,792	4,826
% Change from prior year		2.0%	2.3%	6.2%	8.1%	2.1%	2.6%	0.0%	-0.3%	0.7%
Child Care ⁽³⁾										
Avg # Children Served Monthly	4,441	4,389	4,064	4,182	4,235	4,687	5,455	5,095	5,054	5,154
% Change from prior year		-1.2%	-7.4%	2.9%	1.3%	10.7%	16.4%	-6.6%	-0.8%	2.0%
Child Protective Services (CPS)										
Avg CPS Referrals Monthly	6,461	6,288	6,558	6,481	6,426	6,206	6,109	6,073	6,254	6,245
% Change from prior year		-2.7%	4.3%	-1.2%	-0.8%	-3.4%	-1.6%	-0.6%	3.0%	-0.2%
Adoption Support ⁽⁴⁾										
Avg # Children Served Monthly	6,603	7,392	8,387	9,208	9,964	10,632	11,254	11,996	12,830	13,434
% Change from prior year		12.0%	13.5%	9.8%	8.2%	6.7%	5.8%	6.6%	7.0%	4.7%
Caseload Ratio										
Avg Cases Per Worker ⁽⁵⁾	24:1	24:1	24:1	24:1	23:1	22:1	20:1	18:1	18:1	18:1

⁽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 an unduplicated count of children in unlicensed kinship care. These data are not comparable with prior editions of the Legislative Budget Notes, which provided a count based on point-in-time during the month and excluded children in guardianships and children in Tribal custody. The placements are now counted based on events occurring at any time during the month and include children in guardianships and children in Tribal custody, so that the population counted for relative placements mirrors the population counted for Foster Care.

⁽³⁾ 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.

⁽⁴⁾ 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.

⁽⁵⁾ 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 2008 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 2008 actuals for Caseload Ratio are from the DSHS Central Budget Office.

FY 2000 through FY 2011 data for Relative Placements is from the Caseload Forecast Council.

FY 2009 through FY 2011 estimates for Foster Care and Adoption Support represent the Caseload Forecast Council March 2009 forecast.

FY 2009 through FY 2011 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 Expenditure Authority	222,625	11,655	234,280
2009 Supplemental *	-5,997	208	-5,789
Total 2007-09 Biennium	216,628	11,863	228,491
2009-11 Maintenance Level	224,665	11,901	236,566
Policy Changes - Non-Comp			
1. Locally Committed Juveniles	-1,925	0	-1,925
2. HQ and Regional Administration	-600	0	-600
3. Eliminate Enhanced Parole	-5,332	0	-5,332
4. Federal Stimulus Package - FMAP Inc	-1,001	1,001	0
5. Close Community Facilities	-2,292	0	-2,292
6. Reinvesting in Youth Program	0	-1,428	-1,428
7. Gang Prevention/Intervention	0	3,700	3,700
8. Institution Closure	-12,000	0	-12,000
9. Governor-Directed Freeze	-488	0	-488
10. Governor-Directed 1% Cut	-1,108	0	-1,108
Policy -- Non-Comp Total	-24,746	3,273	-21,473
Policy Changes - Comp			
11. Employee Health Insurance	836	4	840
12. Actuarial Method Changes-State	-2,804	-16	-2,820
Policy -- Comp Total	-1,968	-12	-1,980
Total 2009-11 Biennium	197,951	15,162	213,113
Fiscal Year 2010 Total	104,870	7,743	112,613
Fiscal Year 2011 Total	93,081	7,419	100,500

Comments:

- Locally Committed Juveniles** - Funding provided to local communities through the Juvenile Rehabilitation Administration (JRA) is reduced. These funds are used on a statewide basis for programs, demonstrated by research, to reduce recidivism of juvenile offenders. Programs target youth with moderate to high risk of re-offending. Funds are also used for at-risk services (diversion, counseling, etc), Chemical Dependency Disposition Alternative (CCDA), and the Special Sex Offender Disposition Alternative (SSODA). (FMAP) are made based on enhancements provided in the American Recovery and Reinvestment Act of 2009, the federal stimulus act. (General Fund-Federal)
- HQ and Regional Administration** - Funding for administrative functions in the headquarters and regional offices is reduced.
- Eliminate Enhanced Parole** - Funding for parole services is reduced. Approximately 30 percent of JRA youth receive Enhanced Parole. Parole services continue treatment and rehabilitative therapy to juveniles and their families as the youth transition back into their communities from JRA custody. Parole services for sex offenders and the highest risk youth are not affected by this change.
- Federal Stimulus Package - FMAP Inc** - Funding adjustments for the Federal Medical Assistance Percentages
- Close Community Facilities** - Funding is eliminated for the Griffin Home and Touchstone community transitional facilities, resulting in 24 fewer community placements for youth. Closing these facilities is dictated by changes in the JRA caseload.
- Reinvesting in Youth Program** - Funding and expenditure authority for the Reinvesting in Youth Program are removed. This program was created in the 2005-07 biennium to award grants to counties for implementing research-based early intervention services that target juvenile justice involved youth and reduce crime. (Reinvesting in Youth Account-State)
- Gang Prevention/Intervention** - Funding is provided for JRA to offer competitive grants to community-based organizations to provide at-risk youth intervention services. Grantees must report to JRA on the number, type of youth, and services provided. (Washington Auto Theft Prevention Authority Account-State)

Department of Social and Health Services Juvenile Rehabilitation

8. **Institution Closure** - Savings are taken to reflect anticipated institution closure as a result of the study of the feasibility of closing state institutional facilities and plan on eliminating beds in the state institutional facility inventory. The study is funded in the Office of Financial Management.
9. **Governor-Directed Freeze** - Funding is reduced by assuming savings through a freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
10. **Governor-Directed 1% Cut** - Funding is reduced by assuming savings through a 1 percent cut.
11. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
12. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

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

WORKLOAD HISTORY
By Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	<u>Estimated</u>		
								2009	2010	2011
Community Residential ⁽¹⁾										
Avg Daily Population/Month	173	172	144	123	99	92	102	78	78	78
% Change from prior year		-0.5%	-16.6%	-14.7%	-19.2%	-7.1%	10.9%	-23.5%	0.0%	0.0%
Institutions										
Avg Daily Population/Month	937	797	781	782	728	736	676	624	594	553
% Change from prior year		-14.9%	-2.1%	0.1%	-6.8%	1.1%	-8.2%	-7.7%	-4.8%	-6.9%
Parole ⁽²⁾										
Avg Daily Population/Month	1,006	847	802	728	751	692	708	662	447	447
% Change from prior year		-15.8%	-5.3%	-9.2%	3.1%	-7.9%	2.3%	-6.5%	-32.5%	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 2002 through FY 2006 from the Department of Social and Health Services (DSHS) Juvenile Rehabilitation Administration (JRA).

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

FY 2010 through FY 2011 data are from the DSHS JRA and legislative fiscal staff.

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

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	925,855	620,926	1,546,781
2009 Supplemental *	-23,467	37,820	14,353
Total 2007-09 Biennium	902,388	658,746	1,561,134
2009-11 Maintenance Level	952,678	642,343	1,595,021
Policy Changes - Non-Comp			
1. Behavior Intervention Staffing	-508	0	-508
2. CIAP Caseload Growth	336	0	336
3. Upgrade PYXIS System	1,010	406	1,416
4. Reduce Children's EBPs	-1,868	-942	-2,810
5. Cost Shift to Block Grant	-1,100	0	-1,100
6. Federal Stimulus Package - FMAP Inc	-77,470	77,470	0
7. Stimulus DSH Increase	-1,495	1,495	0
8. Eliminate Telesage Contract	-600	0	-600
9. Reduce TA & Surveys	-150	0	-150
10. Innovative Services Grants	-3,051	0	-3,051
11. Reduce Fuel, Travel, and Equipment	-670	0	-670
12. Reduce Staffing	-4,285	-502	-4,787
13. Long-Term Outcomes Study	-297	-50	-347
14. Reduce Non-Medicaid Funding	-23,212	0	-23,212
15. Reduce Medicaid Rates	-9,897	-14,639	-24,536
16. SHB 1300 Accessing MH Information	155	34	189
17. Return to Work Program	-1,672	0	-1,672
18. Eliminate MIO Project	-902	0	-902
Policy -- Non-Comp Total	-125,676	63,272	-62,404
Policy Changes - Comp			
19. Employee Health Insurance	2,411	364	2,775
20. Actuarial Method Changes-State	-8,512	-1,289	-9,801
Policy -- Comp Total	-6,101	-925	-7,026
Total 2009-11 Biennium	820,901	704,690	1,525,591
Fiscal Year 2010 Total	393,298	361,125	754,423
Fiscal Year 2011 Total	427,603	343,565	771,168

Comments:

- Behavior Intervention Staffing** - Funding is reduced for 3.0 FTEs that were added in the 2007-09 biennial budget for the purpose of providing training and coordination on behavior intervention techniques and for investigating concerns related to staff responses to patient behavior at the state psychiatric hospitals.
- CIAP Caseload Growth** - The Community Integration Assistance Program (CIAP) provides community mental health treatment and support for mentally ill offenders following their release from the Department of Corrections. Funds are provided to serve an average of 20 additional persons in the program in 2009-11, a 9 percent increase over current levels.
- Upgrade PYXIS System** - PYXIS is the centralized, automated system used to dispense and track medications to

individual patients on the 42 wards at the state psychiatric hospitals. Software for the current system is no longer supported by the vendor, and replacement dispensing stations can no longer be purchased. Funding is provided to lease the new version of the system in order to maintain accurate medication dispensing, billing, and patient records. (General Fund-State, General Fund-Private/Local)

- Reduce Children's EBPs** - Funding for children's mental health evidence-based practices (EBP) is reduced to more accurately reflect the actual amounts spent and the number of children being served. These programs currently serve 148 high-needs children per year. The reduction allows services to continue to the same number of children being served by these programs in FY 2009.

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5. **Cost Shift to Block Grant** - Federal funds will be used to cover core program expenditures, rather than for discretionary and demonstration projects.
6. **Federal Stimulus Package - FMAP Inc** - Under the recently-enacted American Recovery and Reinvestment Act of 2009 (the federal stimulus act), the Federal Medical Assistance Percentage (FMAP) at which the federal government matches state Medicaid expenditures will temporarily increase to 63 percent in FY 2010 and to 56.5 percent in FY 2011, resulting in reduced state expenditures. (General Fund-State, General Fund-Federal)
7. **Stimulus DSH Increase** - The American Recovery and Reinvestment Act of 2009 (the federal stimulus act) provides for a temporary increase in disproportionate share hospital (DSH) payments. These will reduce state fund expenditures at the state psychiatric hospitals. (General Fund-State, General Fund-Federal)
8. **Eliminate Telesage Contract** - Funding is eliminated for a system that tracks changes in recipients' perception of symptoms, functioning, and quality of life. The information is self reported upon entry to services and updated at regular intervals during treatment to measure perceived progress toward goals and outcomes.
9. **Reduce TA & Surveys** - The state psychiatric hospitals will find efficiencies elsewhere in their operations in order to purchase staff consultation, technical assistance (TA), and consumer satisfaction surveys that are required for state hospital accreditation. These activities were previously funded with federal block grants. The block grant funding will instead be used for other operating needs.
10. **Innovative Services Grants** - Funding grants to promote innovations in service delivery are suspended for the 2009-11 biennium. During the 2007-09 biennium, the funds were provided on a time-limited basis for seven projects. Four of those projects are among the 22 consumer-run "clubhouses" that provide work-ordered days and other support services for persons recovering from mental illness; two provide consumer-focused services to minority populations; and one supports integration of mental health and primary care services.
11. **Reduce Fuel, Travel, and Equipment** - Funding is reduced for fuel, travel, and equipment purchases in the state psychiatric hospitals.
12. **Reduce Staffing** - Staffing in the state psychiatric hospitals is reduced by a cumulative total of 41.5 FTE staff, or approximately 1.4 percent, from the previously budgeted level. Staffing in Department headquarters is reduced by 5 FTEs, or approximately 6 percent.
13. **Long-Term Outcomes Study** - For the 2009-11 biennium, funding is suspended for a statutory project under which the Washington State Institute for Public Policy has been tracking long-term use of mental health, criminal justice, medical, and other services by a cohort of users of community mental health services. The Institute is encouraged to continue this effort during the 2009-11 biennium with foundation or other funds, to the extent possible.
14. **Reduce Non-Medicaid Funding** - The "state-only" funding provided to Regional Support Networks (RSN) for services and individuals not eligible for the federal Medicaid program is reduced by a total of approximately 9 percent. The reduction is to be distributed among RSNs proportional to total state population.
15. **Reduce Medicaid Rates** - The managed care rates paid to local RSNs for delivery of community mental health services under the state and federal Medicaid program are reduced by 3.5 percent below the higher rates that would otherwise be paid in 2009-11. The Department is directed to devise rate adjustment methods that will insure the reduction is distributed uniformly and equitably across all RSNs statewide. Such actions may include, but are not limited to, adjusting care access standards; improved utilization management of ongoing, recurring, and high-cost services; and increased uniformity in provider payment rates. The Department is directed to report to the relevant legislative fiscal and policy committees at least 30 days prior to implementing its recommended adjustments. (General Fund-State, General Fund-Federal)
16. **SHB 1300 Accessing MH Information** - Funding is provided for Chapter 320, Laws of 2009 (SHB 1300), which expands the scope of mental health (MH) information that may be accessed by jail personnel, sentencing boards, attorneys, and others and the purposes for which this information can be requested.
17. **Return to Work Program** - Funding is reduced by 17 FTEs that were added in the 2007-09 biennial budget for the return to work program at Western State Hospital (WSH). This program allows persons who are injured on the job to return to light duty while they are recovering. This program was expected to offset costs to workers compensation premiums within three years of implementation. The first year of the program would not have been included in WSH claim costs until calendar year 2010. Savings would not likely have been known until three full years of claims data are available, which would have been in calendar year 2012.
18. **Eliminate MIO Project** - Funding is eliminated for a pilot project in King County, which, since 1998, has received additional funding to provide intensive services for mentally ill offenders (MIO) following their release from jail or prison. The project served as the pilot for the larger Community Integration Assistance Program, funded above, which has served a more challenging clientele on a statewide basis since 2001.
19. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable

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collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)

20. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

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

WORKLOAD HISTORY
By Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	Estimated		
								2009	2010	2011
State Hospitals ⁽¹⁾										
Avg Daily Census/Month	1,328	1,231	1,192	1,207	1,262	1,292	1,251	1,182	1,194	1,189
% Change from prior year		-7.3%	-3.1%	1.2%	4.6%	2.4%	-3.1%	-5.6%	1.1%	-0.4%
Community Outpatient Services										
Avg Persons Served per Month	51,206	53,141	55,252	53,918	51,779	49,874	49,203	50,300	50,100	51,400
% Change from prior year		3.8%	4.0%	-2.4%	-4.0%	-3.7%	-1.3%	2.2%	-0.4%	2.6%
Adults	36,938	38,091	39,402	38,340	36,979	35,738	35,278	35,600	34,900	35,700
% Change from prior year		3.1%	3.4%	-2.7%	-3.5%	-3.4%	-1.3%	0.9%	-2.0%	2.3%
Children	14,268	15,050	15,849	15,578	14,800	14,136	13,925	14,700	15,200	15,700
% Change from prior year		5.5%	5.3%	-1.7%	-5.0%	-4.5%	-1.5%	5.6%	3.4%	3.3%
People on Medicaid	37,750	40,782	45,174	46,752	45,219	42,802	42,322	44,000	45,200	46,500
% Change from prior year		8.0%	10.8%	3.5%	-3.3%	-5.3%	-1.1%	4.0%	2.7%	2.9%
People not on Medicaid	13,456	12,358	10,078	7,166	6,560	7,072	6,881	6,300	4,900	4,900
% Change from prior year		-8.2%	-18.5%	-28.9%	-8.4%	7.8%	-2.7%	-8.4%	-22.2%	0.0%

⁽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 2002 through FY 2008 actuals are from DSHS Division of Research and Data Analysis reports.

FY 2009 through FY 2011 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 Expenditure Authority	901,415	850,751	1,752,166
2009 Supplemental *	-34,138	73,062	38,924
Total 2007-09 Biennium	867,277	923,813	1,791,090
2009-11 Maintenance Level	1,034,659	947,030	1,981,689
Policy Changes - Non-Comp			
1. Admin Consolidations & Efficiencies	-3,108	-3,482	-6,590
2. Contract Reductions	-400	-594	-994
3. Close Swimming Pools	-524	-776	-1,300
4. Professional Provider Subsidies	-200	0	-200
5. Expanded Community Services	2,847	3,964	6,811
6. Public Safety Placements	1,956	2,741	4,697
7. Federal Stimulus Package - FMAP Inc	-163,889	163,889	0
8. Employment & Day to Waiver	-14,052	15,692	1,640
9. State-Only to Waiver	-4,937	7,323	2,386
10. Home Care Training	-6,613	-6,930	-13,543
11. Peer Mentoring/Home Care Workers	-952	0	-952
12. Agency Provider Qualifications	-2,235	-3,374	-5,609
13. Agency Parity	236	193	429
14. Training Trust Contributions	2,333	1,678	4,011
15. Adult Day Health Services	-1,328	-520	-1,848
16. IP Provider Health Care	1,133	1,592	2,725
17. Family Support Program	-380	0	-380
18. AP Provider Health Care	164	124	288
19. Boarding Home Rates	-126	-186	-312
20. Adult Family Home Rates	-1,537	-2,275	-3,812
21. Supported Living Rates	-6,734	-9,990	-16,724
22. Group Home Rates	-519	-770	-1,289
23. DDD County Contracts	-2,107	-2,815	-4,922
24. Federal Stimulus	0	4,224	4,224
25. In-Home Hours Reduction	-7,832	-11,596	-19,428
26. Delay CIIBS Waiver	-515	-874	-1,389
27. Hold Vacancies in Community Residen	-2,132	-2,968	-5,100
Policy -- Non-Comp Total	-211,451	154,270	-57,181
Policy Changes - Comp			
28. Employee Health Insurance	1,453	1,294	2,747
29. Actuarial Method Changes-State	-4,419	-3,945	-8,364
Policy -- Comp Total	-2,966	-2,651	-5,617
Total 2009-11 Biennium	820,242	1,098,649	1,918,891
Fiscal Year 2010 Total	376,105	571,010	947,115
Fiscal Year 2011 Total	444,137	527,639	971,776

Comments:

- Admin Consolidations & Efficiencies** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases. (General Fund-State, General Fund-Federal)
- Contract Reductions** - Savings are achieved by eliminating grants to counties for publications and support for coalitions of

families of developmentally disabled people. (General Fund-State, General Fund-Federal)

- Close Swimming Pools** - Funding is eliminated for the operation of therapy pools at two residential habilitation centers. Two pools at Fircrest and one pool at Rainier will be closed. The pools are currently utilized for client therapies and by the local community. (General Fund-State, General Fund-Federal)

Department of Social and Health Services Developmental Disabilities

4. **Professional Provider Subsidies** - Funding is eliminated for subsidies and state paid services to developmentally disabled clients who have difficulty finding providers in the community for dentistry and other health care services.
5. **Expanded Community Services** - Funding is provided for 60 new clients using Medicaid community-based waivers who need residential, behavior, and/or habilitative support in addition to personal care to remain in the community instead of institutions. Services provided include specialized therapies and employment services for the following categories of clients: community-based waiver clients assessed as having an immediate need for increased services; youth aging out of Children's Administration or Juvenile Rehabilitation Administration services; clients without residential services who are in crisis and at immediate risk of needing institutional placement; and clients who are residents of Residential Habilitation Centers who chose to be and can be cared for and choose to live in community settings. (General Fund-State, General Fund-Federal)
6. **Public Safety Placements** - Funding is provided for residential and support services for 32 new clients with developmental disabilities and community protection issues. New placements will serve clients being diverted or discharged from state psychiatric hospitals; participants in the Dangerous Mentally Ill Offender program; participants in the Community Protection program; or mental health crisis diversion outplacements. (General Fund-State, General Fund-Federal)
7. **Federal Stimulus Package - FMAP Inc** - The American Recovery and Reinvestment Act of 2009, the federal stimulus act, provides a one-time enhancement to the state's Federal Medical Assistance Percentage (FMAP). This reduces the state-funded portion of FMAP programs. The average federal FMAP share for FY 2010 is forecasted to grow from 50.33 percent to 62.94 percent and from 50.12 percent to 56.53 percent for FY 2011. (General Fund-State, General Fund-Federal)
8. **Employment & Day to Waiver** - The Department of Social and Health Services (DSHS) Division of Developmental Disabilities (DDD) currently provides employment and day support services to approximately 2,500 individuals using state-only funding. A majority of these individuals are eligible for Medicaid waiver services funded partially with state dollars and partially with federal dollars. This item transitions eligible state-only employment and day clients to Medicaid waivers to capture allowable federal funding. This item also preserves a smaller state-only program for those individuals unable to meet waiver eligibility standards. (General Fund-State, General Fund-Federal)
9. **State-Only to Waiver** - DDD currently provides community residential support and services to a variety of individuals using state-only funding. Approximately 75 percent of these individuals are eligible for Medicaid waiver services funded partially with state dollars and partially with federal dollars. This item transitions currently eligible state-only residential clients to the Core waiver to capture allowable federal funding. (General Fund-State, General Fund-Federal)
10. **Home Care Training** - Initiative 1029, passed by voters in November 2008, adds additional basic training, continuing education, advanced training, and background check requirements for home care workers. Funding for the cost of training requirements is reduced since several components of the initiative are delayed, pursuant to Chapter 580, Laws of 2009 (ESSB 6180). Funding is provided for the development of the training infrastructure (rules, procedures, information technology systems, staffing, and curriculum development) and basic training beginning January 1, 2011. Federal background checks, continuing education, and advanced training are delayed beyond the 2009-11 biennium. (General Fund-State, General Fund-Federal)
11. **Peer Mentoring/Home Care Workers** - Chapter 361, Laws of 2007 (E2SHB 2284), requires that long-term care workers be offered peer mentorship beginning January 1, 2010, as part of their overall training. Peer mentoring is suspended for the 2009-11 biennium pursuant to Chapter 478, Laws of 2009 (HB 2359).
12. **Agency Provider Qualifications** - Pursuant to Chapter 571, Laws of 2009 (SHB 2361), home care agencies will no longer be reimbursed under the Medicaid in-home personal care program for services provided by providers who are family members of their client, unless the family provider is older than the client receiving services. Currently, home care agencies are compensated an additional \$5 per hour for activities associated with supervision such as hiring, firing, scheduling, and reviewing and approving hours. Agency providers who are family members may continue to care for their client and be compensated for their time by becoming an individual provider. Beginning July 1, 2010, home care agencies will no longer be reimbursed under the Medicaid in-home personal care program for any agency employee whose hours have not been verified by electronic time keeping. (General Fund-State, General Fund-Federal)
13. **Agency Parity** - Funding is provided for home care agency provider parity training trust contributions pursuant with RCW 74.39A.310. (General Fund-State, General Fund-Federal)
14. **Training Trust Contributions** - Funding is provided for the state's contribution to the training partnership, as provided in RCW 74.39A.360, pursuant to a collective bargaining agreement negotiated with the exclusive bargaining representative of individual providers established under RCW 74.39A.270. Federal amounts are contingent upon federal approval. (General Fund-State, General Fund-Federal)
15. **Adult Day Health Services** - Savings are achieved by supporting Adult Day Health (ADH) services for about 920 long-term care and developmental disabled clients who are in nonresidential settings. ADH is a structured daytime program

Department of Social and Health Services Developmental Disabilities

- providing some skilled nursing and rehabilitative therapy. Participants may also receive psychological/counseling services, personal care, general therapeutic and recreational activities, and a nutritious meal. (General Fund-State, General Fund-Federal)
16. **IP Provider Health Care** - DSHS contracts with approximately 16,600 individuals who provide home care services to adults and children with long-term care needs or developmental disabilities. Funding is provided to increase health care benefits for individual providers (IP) by 3 percent per year. (General Fund-State, General Fund-Federal)
 17. **Family Support Program** - Funding is provided to maintain the current Family and Individual Support Program, including respite services. However, savings are achieved by funding approximately 97 percent of the FY 2009 amount. The Department shall manage this reduction, to the greatest extent possible, by reducing those administrative costs that do not affect direct client services or direct service delivery or programs. (General Fund-State)
 18. **AP Provider Health Care** - DSHS contracts with agencies to provide home care services to approximately 13,900 adults and children with long-term care needs or developmental disabilities. Funding is provided in accordance with RCW 74.39A.310 to increase health care benefits for agency providers (AP) to commensurate with the health benefit increase for individual providers. (General Fund-State, General Fund-Federal)
 19. **Boarding Home Rates** - DSHS contracts with boarding homes and adult family homes to provide care for elderly and disabled Medicaid clients. In some instances, DSHS provides a base program rate and an enhanced rate. Savings are achieved by reducing the base rate by approximately 4 percent. The enhanced rates remain unchanged. (General Fund-State, General Fund-Federal)
 20. **Adult Family Home Rates** - DSHS contracts with boarding homes and adult family homes to provide care for elderly and disabled Medicaid clients. In some instances, DSHS provides a base program rate and an enhanced rate. Savings are achieved by reducing the base rate by approximately 4 percent. The enhanced rates remain unchanged. (General Fund-State, General Fund-Federal)
 21. **Supported Living Rates** - DSHS contracts with supported living vendors to provide care for elderly and disabled Medicaid clients. Savings are achieved by reducing the base rate provided to all vendors by approximately 3 percent. (General Fund-State, General Fund-Federal)
 22. **Group Home Rates** - DSHS contracts with group homes to provide care for elderly and disabled Medicaid clients. Savings are achieved by reducing the base rate provided to all home by approximately 3 percent. (General Fund-State, General Fund-Federal)
 23. **DDD County Contracts** - DSHS provides a variety of services to disabled clients through contracts with counties. The counties in turn often contract with direct care providers. Savings are achieved by reducing the amount available for contracting by approximately 3 percent. DSHS shall negotiate with counties and vendors so that this reduction, to the greatest extent possible, is achieved by reducing vendor rates and allowable contract administrative charges (overhead) and not through reductions to direct client services or direct service delivery or programs. (General Fund-State, General Fund-Federal)
 24. **Federal Stimulus** - The recently enacted American Recovery and Reinvestment Act of 2009, the federal stimulus act, provides additional one-time Individuals with Disabilities Education Act (IDEA) part C funding for the state's birth to three programs. (General Fund-Federal)
 25. **In-Home Hours Reduction** - DSHS provides in-home care for over 30,500 clients. Savings are achieved by reducing in-home care hours. On average, each in-home care worker provides about 100 hours per month in services. DSHS is directed to scale the reductions according to client acuity with the largest hour reductions based on services for clients with the least care needs. The smallest reduction in hours will be based on the clients with the highest acuity levels. DSHS is required to comply with all maintenance of effort requirements contained in the American Recovery and Reinvestment Act of 2009, the federal stimulus act. (General Fund-State, General Fund-Federal)
 26. **Delay CIIBS Waiver** - Federal approval of the state's Children Intensive In-Home Behavioral Support (CIIBS) waiver was delayed until April 2009. As a result, the CIIBS waiver caseload for FY 2010 is less than originally anticipated. Some of the FY 2010 funding is reduced because it is not needed as a result of the delayed approval and implementation. (General Fund-State, General Fund-Federal)
 27. **Hold Vacancies in Community Residen** - DDD currently provides community residential support and services in a variety of settings. As individuals transition out of residential slots, DDD will hold slots vacant when savings can be achieved. (General Fund-State, General Fund-Federal)
 28. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
 29. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of

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

the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

Department of Social & Health Services Developmental Disabilities

WORKLOAD HISTORY

By Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	Estimated		
								2009	2010	2011
Institutions⁽¹⁾										
Avg Monthly Population	1,093	1,044	1,035	1,101	982	944	997	984	990	990
% Change from prior year		-4.5%	-0.9%	6.4%	-10.8%	-3.9%	5.6%	-1.3%	0.6%	0.0%
Community Residential Programs⁽²⁾										
Avg Month End Contracted Beds	4,010	4,005	4,469	4,903	4,723	4,637	4,493	4,637	4,781	4,925
% Change from prior year		-0.1%	11.6%	9.7%	-3.7%	-1.8%	-3.1%	3.2%	3.1%	3.0%
Employment & Day Programs⁽³⁾										
Avg Monthly Number Served	10,186	10,693	8,731	8,636	9,021	9,454	9,853	10,267	10,681	11,095
% Change from prior year		5.0%	-18.3%	-1.1%	4.5%	4.8%	4.2%	4.2%	4.0%	3.9%
Individual and Family Services⁽⁴⁾										
Number of Clients Served	3,307	2,368	3,710	3,655	4,089	4,493	2,770	2,724	2,937	3,118
% Change from prior year		-28.4%	56.7%	-1.5%	11.9%	9.9%	-38.3%	-1.7%	7.8%	6.2%
Waiver Respite⁽⁵⁾										
Number of Clients Served						136	2,122	2,130	2,230	2,330
% Change from prior year							1460.3%	0.4%	4.7%	4.5%
Personal Care⁽⁶⁾										
Number of Clients Served	6,350	6,757	8,934	8,871	9,225	9,487	9,764	10,046	10,337	10,628
% Change from prior year		6.4%	32.2%	-0.7%	4.0%	2.8%	2.9%	2.9%	2.9%	2.8%

⁽¹⁾ Caseload counts include long-term and short-term stays.

⁽²⁾ Includes Alternate Living, Group Homes, Companion Homes, Supported Living, Community Protection, and Community Intermediate Council. Prior to FY 1990, Developmental Disabilities' clients enrolled in these programs were counted in the Long-Term Care program totals.

⁽³⁾ Employment and day programs include Supported Employment, Group Supported Employment, Person to Person, Child Development Services, Sheltered Industries, and Community Access.

⁽⁴⁾ Individual and Family Services (IFS) cover state only respite, therapies, equipment and supplies, modifications for disability access, recreation and nursing. Respite in the waivers was included in this caseload through 2006. At that time, the respite waiver services was moved to another budget unit. Individual and Family Services now contains state only respite.

⁽⁵⁾ Waiver respite was moved from Family Support to other community services. It is no longer part of IFS.

⁽⁶⁾ Personal Care services includes children and adults receiving individual provider and agency provider in-home services and personal care adult family home and adult residential care in both the Medicaid personal care and Waiver programs.

Data Sources :

For Personal Care, FY 2009 forward is from the Caseload Forecast Council.

Except as noted above, FY 2010 and FY 2011 are estimates from the allotment process.

Other data is from the Department of Social and Health Services Executive Management Information System and the Aging and Disability Services Administration Comprehensive Assessment Reporting Evaluation 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 Expenditure Authority	1,459,710	1,554,074	3,013,784
2009 Supplemental *	-98,018	94,826	-3,192
Total 2007-09 Biennium	1,361,692	1,648,900	3,010,592
2009-11 Maintenance Level	1,660,804	1,697,493	3,358,297
Policy Changes - Non-Comp			
1. Admin Consolidations & Efficiencies	-1,781	-2,285	-4,066
2. Adult Family Home License Fees	-782	782	0
3. Roads to Community Living	-2,292	-3,737	-6,029
4. Economic Trends and Conditions	23,070	35,930	59,000
5. NH Vendor Rate Methodology	-23,070	-35,930	-59,000
6. Federal Stimulus Package - FMAP Inc	-274,759	274,759	0
7. Home Care Training	-7,525	-6,664	-14,189
8. Peer Mentoring/Home Care Workers	-1,120	0	-1,120
9. Sr. Citizen Service Act Admn Reduct	-284	0	-284
10. Senior Companion & Foster Grndparen	-256	0	-256
11. Nursing Home Survey Efficiencies	-258	-258	-516
12. Nursing Home Rate Reduction	-37,749	-56,080	-93,829
13. Agency Provider Qualifications	-9,837	-14,798	-24,635
14. Offender Medical Placement	1,303	1,696	2,999
15. Agency Parity	1,513	1,238	2,751
16. ProviderOne Implementation	17	26	43
17. Training Trust Contributions	4,146	2,982	7,128
18. Adult Day Health Services	-17,977	-16,919	-34,896
19. IP Provider Health Care	2,013	2,830	4,843
20. AP Provider Health Care	1,050	1,541	2,591
21. Boarding Home Rates	-5,089	-7,546	-12,635
22. Adult Family Home Rates	-4,365	-6,455	-10,820
23. In-Home Hours Reduction	-24,825	-36,687	-61,512
24. Enhanced Community Services	3,939	5,843	9,782
Policy -- Non-Comp Total	-374,918	140,268	-234,650
Policy Changes - Comp			
25. Employee Health Insurance	515	462	977
26. Actuarial Method Changes-State	-2,112	-1,935	-4,047
Policy -- Comp Total	-1,597	-1,473	-3,070
Total 2009-11 Biennium	1,284,289	1,836,288	3,120,577
Fiscal Year 2010 Total	585,667	941,732	1,527,399
Fiscal Year 2011 Total	698,622	894,556	1,593,178

Comments:

- Admin Consolidations & Efficiencies** - Funding is reduced by an assumed continuation of savings from the FY 2009 freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities. (General Fund-State, General Fund-Federal)
- Adult Family Home License Fees** - Funding is provided to implement Chapter 530, Laws of 2009 (E2SHB 1935). Adult Family Homes (AFHs) are licensed facilities that provide residential care and treatment for up to six individuals. Aging

and Disability Services Administration (ADSA) is responsible for the licensing and oversight of AFHs. ADSA expenditures for licensing AFHs are about \$2.7 million per year. The FY 2009 licensing fee of \$50 generated about \$166,000 in revenue. The initial processing fee to license an AFH is raised to \$800 per home. The processing fee will be applied toward the \$100 license renewal in the subsequent three years. A \$500 rebate will be provided to any AFH that renews their license after four years in operation. Ongoing license fees are raised to \$100 per home per year. (General Fund-State, General Fund-Local)

Department of Social and Health Services Long-Term Care

3. **Roads to Community Living** - Savings are achieved by amending the home- and community-based services waiver in conjunction with a federal grant. Clients with complex needs are transitioned from nursing homes to community-based settings with intensive supports to prevent them from returning to the nursing home. These actions will produce a net savings but still provide appropriate services. (General Fund-State, General Fund-Federal)
4. **Economic Trends and Conditions** - In *Life Care Center of America v. Department of Social and Health Services (DSHS)*, the Thurston County Superior Court ordered DSHS to change the method it had used to apply the economic trends and conditions factor, or vendor rate increase, to the Medicaid rates of the Life Care nursing facilities. The Court ruled that in calculating Medicaid rates, the economic trends and conditions factor provided in the biennial appropriations act must be compounded with similar factors from earlier budget periods. This methodology has since been applied to the rate calculation of all nursing homes (NHs) in Washington State paid by the Medicaid payment system. (General Fund-State, General Fund-Federal)
5. **NH Vendor Rate Methodology** - Pursuant to Chapter 570, Laws of 2009 (EHB 2357), the economic trends and conditions factors specified in the biennial appropriations act is not compounded. Further, the 2009-11 biennial appropriations act does not provide an adjustment for economic trends and conditions in FY 2010 and FY 2011. (General Fund-State, General Fund-Federal)
6. **Federal Stimulus Package - FMAP Inc** - The American Recovery and Reinvestment Act of 2009, the federal stimulus act, provides a one-time enhancement to the state's Federal Medical Assistance Percentage (FMAP). This reduces the state-funded portion of FMAP programs. The average federal FMAP share for FY 2010 is forecasted to grow from 50.33 percent to 62.94 percent and from 50.12 percent to 56.53 percent for FY 2011. (General Fund-State, General Fund-Federal)
7. **Home Care Training** - Initiative 1029, passed by voters in November 2008, adds additional basic training, continuing education, advanced training, and background check requirements for home care workers. Funding for the cost of training requirements is reduced since several components of the initiative are delayed, pursuant to Chapter 580, Laws of 2009 (ESSB 6180). Funding is provided for the development of the training infrastructure (rules, procedures, information technology systems, staffing, and curriculum development) and basic training beginning January 1, 2011. Federal background checks, continuing education, and advanced training are delayed beyond the 2009-11 biennium. (General Fund-State, General Fund-Federal)
8. **Peer Mentoring/Home Care Workers** - Chapter 361, Laws of 2007 (E2SHB 2284), requires that long-term care workers be offered peer mentorship beginning January 1, 2010, as part of their overall training. Pursuant to Chapter 478, Laws of 2009 (HB 2359), peer mentoring is suspended for the 2009-11 biennium.
9. **Sr. Citizen Service Act Admn Reduct** - Home-based services are funded through the Area Agencies on Aging with state funds and federal funds received from the Senior Citizens Services Act. Savings are achieved through a reduction in General Fund-State provided for administration costs. Services which are not reduced include: contracted case management; nutrition; health promotion; information services; transportation; home visits; and general assistance.
10. **Senior Companion & Foster Grandparen** - The Senior Companion Program and Foster Grandparent Program are federal programs in which the state has chosen to participate. Savings are achieved by eliminating the state contribution, but the programs will continue to receive federal funding. The Foster Grandparent Program provides opportunities for low-income seniors to contribute to their community by engaging with children at risk on a one-to-one basis in school and nonprofit settings. The Senior Companion Program provides opportunities for seniors to become companions to frail persons who may need assistance with daily living or companionship.
11. **Nursing Home Survey Efficiencies** - Skilled nursing facilities are required to be in compliance with federal requirements in order to receive payment under the Medicare or Medicaid programs. In order to provide a record of compliance to the Centers for Medicaid and Medicare Services, surveys to evaluate nursing home compliance and quality of care are conducted on a regular basis. Savings are achieved by using long-term care surveyors to complete some nursing home survey tasks. Nurses will continue to gather and analyze data on the complex medical issues that impact nursing home residents. (General Fund-State, General Fund-Federal)
12. **Nursing Home Rate Reduction** - Savings are achieved by reducing nursing home Medicaid rates in FY 2010 and FY 2011. Funding for the low-wage worker add-on is maintained, but no funding is provided for certificates of capital authorization. The 2009-11 biennial rebasing added approximately 2.5 percent to the funding base. The net reduction from the FY 2009 funded level is approximately 4 percent. (General Fund-State, General Fund-Federal)
13. **Agency Provider Qualifications** - Pursuant to Chapter 571, Laws of 2009 (SHB 2361), home care agencies will no longer be reimbursed under the Medicaid in-home personal care program for services provided by providers who are family members of their client, unless the family provider is older than the client receiving services. Currently, home care agencies are compensated an additional \$5 per hour for activities associated with supervision such as hiring, firing, scheduling, and reviewing and approving hours. Agency providers who are family members may continue to care for their client and be compensated for their time by becoming an individual provider. Beginning July 1, 2010, home care agencies will no longer be

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reimbursed under the Medicaid in-home personal care program for any agency employee whose hours have not been verified by electronic time keeping. (General Fund-State, General Fund-Federal)

14. **Offender Medical Placement** - Funding is provided to implement Chapter 441, Laws of 2009 (EHB 2194). The Department of Corrections (DOC) will implement a policy of early release for offenders who are chronically or terminally ill. Offenders serving time on violent or sex offense charges are not eligible for release. DOC expects to release 44 inmates during the 2009-11 biennium to an Extraordinary Medical Placement in the community. Savings for no longer serving these individuals in DOC is used to pay for long-term care placements and medical services in the community. (General Fund-State, General Fund-Federal)
15. **Agency Parity** - Funding is provided for home care agency provider parity training trust contributions pursuant with 74.39A.310. (General Fund-State, General Fund-Federal)
16. **ProviderOne Implementation** - Funding is provided for largely one-time activities in specific programs essential to the successful implementation of ProviderOne. These costs are in addition to and not duplicative of the core ProviderOne Phase 2 request by Health and Recovery Services Administration. (General Fund-State, General Fund-Federal)
17. **Training Trust Contributions** - Funding is provided for the state's contribution to the training partnership, as provided in RCW 74.39A.360, pursuant to a collective bargaining agreement negotiated with the exclusive bargaining representative of individual providers established under RCW 74.39A.270. Federal amounts are contingent upon federal approval. (General Fund-State, General Fund-Federal)
18. **Adult Day Health Services** - Funding is provided to support Adult Day Health (ADH) services for about 920 long-term care and developmental disabled clients who are in nonresidential settings. ADH is a structured daytime program providing some skilled nursing and rehabilitative therapy. Participants may also receive psychological/counseling services, personal care, general therapeutic and recreational activities, and a nutritious meal. (General Fund-State, General Fund-Federal)
19. **IP Provider Health Care** - DSHS contracts with approximately 16,600 individuals who provide home care services to adults and children with long-term care needs or developmental disabilities. Funding is provided to increase health care benefits for individual providers (IP) by 3 percent per year. (General Fund-State, General Fund-Federal)
20. **AP Provider Health Care** - DSHS contracts with agencies to provide home care services to approximately 13,900 adults and children with long-term care needs or developmental disabilities. Funding is provided in accordance with RCW 74.39A.310 to increase health care benefits for agency providers (AP) commensurate with the health benefit increase for individual providers. (General Fund-State, General Fund-Federal)
21. **Boarding Home Rates** - DSHS contracts with boarding homes and adult family homes to provide care for elderly and disabled Medicaid clients. In some instances, DSHS provides a base program rate and an enhanced rate. Savings are achieved by reducing the base rate by approximately 4 percent. The enhanced rates remain unchanged. (General Fund-State, General Fund-Federal)
22. **Adult Family Home Rates** - DSHS contracts with boarding homes and adult family homes to provide care for elderly and disabled Medicaid clients. In some instances, DSHS provides a base program rate and an enhanced rate. Savings are achieved by reducing the base rate by approximately 4 percent. The enhanced rates remain unchanged. (General Fund-State, General Fund-Federal)
23. **In-Home Hours Reduction** - DSHS provides in-home care for over 30,500 clients. Savings are achieved by reducing in-home care hours. On average, each in-home care worker provides about 100 hours per month in services. DSHS is directed to scale the reductions according to client acuity with the largest hour reductions based on services for clients with the least care needs. The smallest reduction in hours will be based on the clients with the highest acuity levels. DSHS is required to comply with all maintenance of effort requirements contained in the American Recovery and Reinvestment Act of 2009, the federal stimulus act. (General Fund-State, General Fund-Federal)
24. **Enhanced Community Services** - Funding is provided to move individuals with co-occurring dementia and behavioral disorders who no longer require active treatment in state psychiatric hospitals into long-term care community residential settings. Capacity is created for more community placements to prevent more individuals with dementia who do not require active treatment from entering state hospitals. (General Fund-State, General Fund-Federal)
25. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
26. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

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

**WORKLOAD HISTORY
By Fiscal Year**

	2002	2003	2004	2005	2006	2007	2008	Estimated		
								2009	2010	2011
Nursing Homes										
Avg # Served per Day	13,154	12,943	12,446	12,088	11,928	11,546	11,057	10,688	10,325	9,967
% Change from prior year		-1.6%	-3.8%	-2.9%	-1.3%	-3.2%	-4.2%	-3.3%	-3.4%	-3.5%
Community Care ⁽¹⁾										
Avg # Served per Month	32,213	33,727	34,635	35,514	37,041	38,094	39,506	41,829	43,996	46,279
% Change from prior year		4.7%	2.7%	2.5%	4.3%	2.8%	3.7%	5.9%	5.2%	5.2%
Combined Total										
Avg Persons Served	45,367	46,670	47,080	47,602	48,969	49,611	50,400	51,226	50,400	51,226
% Change from prior year		2.9%	0.9%	1.1%	2.9%	1.3%	1.6%	1.6%	-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 Expenditure Authority	1,210,027	1,067,871	2,277,898
2009 Supplemental *	-151,259	185,199	33,940
Total 2007-09 Biennium	1,058,768	1,253,070	2,311,838
2009-11 Maintenance Level	1,315,999	1,070,772	2,386,771
Policy Changes - Non-Comp			
1. TANF Contingency Funds	0	99,138	99,138
2. Food Stamp Employment and Training	0	9,160	9,160
3. Chemical Dependency Professionals	-3,000	0	-3,000
4. Refugee Employment Services	-3,000	0	-3,000
5. WorkFirst Accountability	-68,653	0	-68,653
6. Increase SSI Facilitators	-6,238	0	-6,238
7. GA-U Intensive Eval & Service Coord	-18,600	0	-18,600
8. Child Support Stimulus Match	-10,200	11,500	1,300
9. Federal Funds Adjustment	0	1,693	1,693
10. IP Provider Health Care	389	0	389
11. State Food Assistance Program	2,516	0	2,516
12. Basic Food Stimulus Funds	-1,712	3,424	1,712
13. Enhanced Toddler Rate Fam Homes	214	0	214
14. WorkFirst Employment and Training	-29,136	29,136	0
15. DIS Rate Reductions	-284	-148	-432
16. Governor-Directed Freeze	-11,804	-10,146	-21,950
17. Governor-Directed 1% Cut	-15,776	-13,564	-29,340
Policy -- Non-Comp Total	-165,284	130,193	-35,091
Policy Changes - Comp			
18. Employee Health Insurance	2,038	1,483	3,521
19. Actuarial Method Changes-State	-6,846	-5,025	-11,871
Policy -- Comp Total	-4,808	-3,542	-8,350
Total 2009-11 Biennium	1,145,907	1,197,423	2,343,330
Fiscal Year 2010 Total	557,621	642,709	1,200,330
Fiscal Year 2011 Total	588,286	554,714	1,143,000

Comments:

- TANF Contingency Funds** - Washington State qualifies for Temporary Assistance for Needy Families (TANF) contingency funds. Receipt of these funds is based on the state's high utilization of the Supplemental Nutrition Assistance Program (also known as Food Stamps) and increased TANF caseload. A portion of the contingency funds are provided through the American Recovery and Reinvestment Act of 2009, the federal stimulus act. (General Fund-Federal)
- Food Stamp Employment and Training** - Federal expenditure authority is provided for the continued implementation of food stamp employment and training programs. (General Fund-Federal)
- Chemical Dependency Professionals** - Contracts between the Economic Services Administration and the Division of Alcohol and Substance Abuse for Chemical Dependency Professionals to be stationed at Community Service Offices (CSOs) are discontinued. Client referrals to agencies for treatment and assessment will be handled by existing CSO staff.
- Refugee Employment Services** - Funding for refugee employment services is reduced. Refugee employment services is one of several services provided for refugees and has been under expended by approximately \$1.5 million dollars per year in recent biennia.
- WorkFirst Accountability** - Funding for the WorkFirst program is reduced to reflect savings from reducing partner agency contracts, accounting for under expenditures, and other case management savings.
- Increase SSI Facilitators** - Savings are achieved from the Department hiring ten Supplemental Security Income (SSI) facilitators. The SSI facilitators expediate the transition process

Department of Social and Health Services Economic Services Administration

- from the General Assistance-Expedited (GA-X) program to the federal SSI program. Savings are based on an increase in federal reimbursement of the GA-X cash grant.
7. **GA-U Intensive Eval & Service Coord** - Savings are achieved from facilitating a faster transfer of General Assistance-Unemployable (GA-U) clients to the federal SSI program, referring eligible veterans to the Department of Veterans' Affairs, expediting referrals to mental health and chemical services, and evaluating clients who have been receiving GA-U services for 12 months or more as of July 1, 2009, or thereafter to see if the recipients continue to qualify. The savings also assume the Department will change earned income policy to align with the TANF program for additional savings.
 8. **Child Support Stimulus Match** - The Deficit Reduction Act of 2005 removed competitively-awarded incentives to states for efficiently operating a child support system. Under the American Recovery and Reinvestment Act of 2009 (the federal stimulus act), the federal government temporarily reinstated this program. Federal expenditure authority is increased and General Fund-State is decreased. (General Fund-State, General Fund-Federal)
 9. **Federal Funds Adjustment** - Transfers federal expenditure authority from Children's Administration for the Social Services Block Grant and TANF to Economic Services as a result of administrative reductions in Children's Administration. (General Fund-Federal)
 10. **IP Provider Health Care** - Funding is provided for the health care benefits portion of the collective bargaining agreement between family child care individual providers (IPs) and the state. The health care funding growth rate increases 3 percent in FY 2010 and 3 percent in FY 2011.
 11. **State Food Assistance Program** - Funding is provided to increase state Food Assistance Program benefits and maintain alignment with the federal Supplemental Nutrition Assistance Program (SNAP) benefit increases (formerly food stamps). Washington is anticipated to receive \$311 million in added SNAP benefits as a result of the American Recovery and Reinvestment Act of 2009, the federal stimulus act.
 12. **Basic Food Stimulus Funds** - As part of the American Recovery and Reinvestment Act of 2009 (the federal stimulus act), the state is anticipated to receive \$3.424 million in additional food stamp administration funding in FY 2010. Funding increases the federal share for basic food administrative expenses and creates short-term General Fund-State savings. (General Fund-State, General Fund-Federal)
 13. **Enhanced Toddler Rate Fam Homes** - Funding is provided for the enhanced toddler subsidy rate for licensed family child care providers included in the collective bargaining agreement between family child care providers and the state. The enhanced rate is 115 percent of the regular toddler rate.
 14. **WorkFirst Employment and Training** - Funding is provided for WorkFirst employment and training programs to increase employability of unemployed TANF and low-income individuals and families. Expenditure authority from the Administrative Contingency Account is transferred from the Employment Security Department to Economic Services for the 2009-11 biennium. (General Fund-State, Administrative Contingency Account-State)
 15. **DIS Rate Reductions** - This item reflects a decrease in the Department of Information Services' (DIS) central service rates. (General Fund-State, General Fund-Federal)
 16. **Governor-Directed Freeze** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009 by the freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities. (General Fund-State, General Fund-Federal)
 17. **Governor-Directed 1% Cut** - Funding is reduced by assuming a similar amount of savings each fiscal year as was achieved in FY 2009.
 18. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
 19. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)
- * Please see the 2009 Supplemental Operating Budget Section for additional information.

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

WORKLOAD HISTORY
By Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	Estimated		
								2009	2010	2011
General Assistance										
Avg Monthly Caseload	19,933	19,483	22,028	25,578	27,676	29,239	30,726	34,247	36,288	38,591
% Change from prior year		-2.3%	13.1%	16.1%	8.2%	5.6%	5.1%	11.5%	6.0%	6.3%
TANF Cases										
Avg Monthly Caseload	55,043	54,641	55,609	56,949	55,520	51,936	50,119	56,681	63,151	62,752
% Change from prior year		-0.7%	1.8%	2.4%	-2.5%	-6.5%	-3.5%	13.1%	11.4%	-0.6%
Working Connections Child Care										
Avg # Children Served/Month	71,890	70,709	62,189	61,606	60,860	59,646	60,620	61,310	62,274	63,229
% Change from prior year		-1.6%	-12.0%	-0.9%	-1.2%	-2.0%	1.6%	1.1%	1.6%	1.5%

Data Sources :

FY 2002 and 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 2008 General Assistance actuals provided by the Caseload Forecast Council.

FY 2009 through FY 2011 General Assistance estimates are from Caseload Forecast Council.

FY 2002 through FY 2007 Temporary Assistance to Needy Families (TANF) case actuals are from the Office of Financial Management (OFM).

FY 2009 through FY 2011 TANF case estimates are from the OFM February 2009 TANF forecast.

FY 2002 through FY 2006 Child Care actuals are from DSHS Division of Research and Data Analysis reports.

FY 2007 and FY 2008 Child Care actuals are from OFM.

FY 2009 through FY 2011 Child Care estimates are from the OFM Working Connections Child Care February 2009 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 Expenditure Authority	195,028	175,298	370,326
2009 Supplemental *	-19,143	28,118	8,975
Total 2007-09 Biennium	175,885	203,416	379,301
2009-11 Maintenance Level	192,455	158,145	350,600
Policy Changes - Non-Comp			
1. Reduce Low-Income Treatment/Detox	-12,382	0	-12,382
2. Federal Stimulus Package - FMAP Inc	-7,499	7,499	0
3. Drug Court Funding	-2,087	2,087	0
4. Governor-Directed Freeze	-1,074	0	-1,074
5. Governor-Directed 1% Cut	-2,376	0	-2,376
Policy -- Non-Comp Total	-25,418	9,586	-15,832
Policy Changes - Comp			
6. Employee Health Insurance	48	45	93
7. Actuarial Method Changes-State	-196	-180	-376
Policy -- Comp Total	-148	-135	-283
Total 2009-11 Biennium	166,889	167,596	334,485
Fiscal Year 2010 Total	82,117	89,551	171,668
Fiscal Year 2011 Total	84,772	78,045	162,817

Comments:

- Reduce Low-Income Treatment/Detox** - Funding is reduced for low-income adult outpatient, residential, and detoxification services statewide.
 - Federal Stimulus Package - FMAP Inc** - Under the American Recovery and Reinvestment Act of 2009 (the federal stimulus act), the Federal Medical Assistance Percentage (FMAP), which is the share of Medicaid costs that the federal government provides, will increase to 62.94 percent from the average of 50.33 percent in FY 2010 and 56.53 percent from 50.12 percent in FY 2011. This results in reduced state expenditures. (General Fund-State, General Fund-Federal)
 - Drug Court Funding** - Federal Byrne Grant funding is provided for chemical dependency treatment through drug courts. (General Fund-State, General Fund-Federal)
 - Governor-Directed Freeze** - Funding is reduced to reflect continued savings from the FY 2009 freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities. (General Fund-State, General Fund-Federal)
 - Governor-Directed 1% Cut** - Funding is reduced to continue the 1 percent program reduction that started in FY 2009.
 - Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011.
- Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
- Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)
- * Please see the 2009 Supplemental Operating Budget Section for additional information.

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

WORKLOAD HISTORY
By Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	Estimated		
								2009	2010	2011
ADATSA - Assessment										
Avg Monthly Assessments	1,164	1,104	1,202	1,226	1,140	1,029	1,047	971	971	971
% Change from prior year		-5.2%	8.9%	2.0%	-7.0%	-9.7%	1.7%	-7.3%	0.0%	0.0%
ADATSA - Outpatient Treatment										
Avg Monthly Admissions	408	392	402	429	466	446	490	480	480	480
% Change from prior year		-3.9%	2.6%	6.7%	8.6%	-4.3%	9.9%	-2.0%	0.0%	0.0%
ADATSA - Residential										
Avg Monthly Admissions	590	574	579	647	589	556	562	528	528	528
% Change from prior year		-2.7%	0.9%	11.7%	-9.0%	-5.6%	1.1%	-6.0%	0.0%	0.0%

Data Sources :

FY 2002 through FY 2008 workload data updated by DSHS Division of Alcohol and Substance Abuse.

FY 2009 through FY 2011 workload 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 Expenditure Authority	4,083,328	4,363,282	8,446,610
2009 Supplemental *	-272,806	325,058	52,252
Total 2007-09 Biennium	3,810,522	4,688,340	8,498,862
2009-11 Maintenance Level	4,787,155	4,831,161	9,618,316
Policy Changes - Non-Comp			
1. Reduce Alien Emergency Medical	-13,868	0	-13,868
2. Eliminate GA-U Mental Health Pilot	-3,378	0	-3,378
3. Eliminate Foster Care Pilot	-574	-594	-1,168
4. Reduce Maternity Support Services	-8,208	-8,538	-16,746
5. Reduce Funding for DME	-14,924	-20,219	-35,143
6. Eliminate Medicare Part C Premiums	-1,232	0	-1,232
7. Enhanced Match for Pregnancy Svcs	-317	317	0
8. Children's Mental Health	19	-169	-150
9. Reduce CPE Baseline	-5,600	0	-5,600
10. DSH Program Reductions	-24,607	-11,068	-35,675
11. Health Navigator Pilot	-1,308	-1,390	-2,698
12. Adult Office Visit Rate Reduction	-4,053	-4,305	-8,358
13. Apple Health Outreach	850	1,580	2,430
14. Enhanced Match for Interpreters	-3,382	3,382	0
15. Federal Stimulus Package - FMAP Inc	-746,359	690,131	-56,228
16. Administrative Reductions	-20,086	-20,086	-40,172
17. 90-Day Supplies For Low-Risk Drugs	-6,106	-7,232	-13,338
18. Reduce Costs For Hemophilia Drugs	-8,299	-9,831	-18,130
19. Emphasize Use of Generic Drugs	-40,534	-47,604	-88,138
20. Drug Purchasing Initiatives	-7,358	-8,696	-16,054
21. Reduce Proton Pump Inhibitors	-5,992	-7,097	-13,089
22. Reduce Over-the-Counter Drugs	-15,851	-18,775	-34,626
23. Prorated Inpatient Payment Policy	-7,030	-9,321	-16,351
24. Claim FMAP For Transportation Admin	-44	44	0
25. Higher FMAP For 133-200% FPL Kids	-46,515	46,515	0
26. Move All Hospitals to OPPS	-3,627	-5,381	-9,008
27. Equalize Rates Paid For Childbirth	-1,744	-2,312	-4,056
28. Reduce Enhancement For FQHCs	-25,000	-37,380	-62,380
29. Pediatric Rate Decrease	-17,881	-24,838	-42,719
30. Offender Medical Placement	646	864	1,510
31. Medical Support Obligations	55	53	108
32. IGT for Tribal CD Services	0	10,900	10,900
33. ProviderOne Implementation	17,663	20,371	38,034
34. Dental Reduction	-7,304	-9,187	-16,491
35. Eliminate Small Rural DSH	-3,000	-3,000	-6,000
36. Graduate Medical Education Payments	-19,600	0	-19,600
37. Reduce GA-U Medical	-36,742	-5,789	-42,531
38. Healthy Options Premium Rates	-32,604	-44,193	-76,797
39. Cost Control in Other Services	-3,943	-5,485	-9,428
40. Medicaid Match for Legal Immigrants	-3,919	3,919	0
41. Increase DSH Payments	2,500	2,500	5,000
42. Hospice Rate Adjustment	-796	-1,128	-1,924
43. Inpatient & Outpatient Reductions	-64,309	-56,836	-121,145
44. GA-U Outpatient DSH Program	-10,892	10,892	0
45. Washington Health Partnership	93	93	186
46. Governor-Directed Freeze	-8,092	-8,092	-16,184
47. Governor-Directed 1% Cut	-934	-310	-1,244
Policy -- Non-Comp Total	-1,204,186	412,705	-791,481

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

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
Policy Changes - Comp			
48. Employee Health Insurance	303	579	882
49. Actuarial Method Changes-State	-1,088	-2,028	-3,116
Policy -- Comp Total	-785	-1,449	-2,234
Total 2009-11 Biennium	3,582,184	5,242,417	8,824,601
Fiscal Year 2010 Total	1,597,387	2,690,757	4,288,144
Fiscal Year 2011 Total	1,984,797	2,551,660	4,536,457

Comments:

- Reduce Alien Emergency Medical** - Funding is reduced for non-emergent services provided to individuals otherwise eligible for Medicaid but for their citizenship status. Services are retained for renal dialysis, cancer-related treatment, and other services that are approved under federal Medicaid definitions for emergency services.
- Eliminate GA-U Mental Health Pilot** - Funding is eliminated for a pilot project that added a mental health service component to the General Assistance-Unemployable (GA-U) medical care services care management pilot project in King and Pierce Counties.
- Eliminate Foster Care Pilot** - Funding is eliminated for the implementation of the Center for Foster Care Health Services pilot project, which sought to provide care coordination services and maintain individual health histories for approximately 2,000 children in foster care. (General Fund-State, General Fund-Federal)
- Reduce Maternity Support Services** - Maternity Support Services (MSS) provide preventive health care services for pregnant and postpartum women that include professional observation, assessment, education, intervention, and counseling as provided by interdisciplinary teams comprised of community health nurses, nutritionists, and behavioral health specialists. Funding for MSS services is reduced by 20 percent and the Health and Recovery Services Administration (HRSA) is directed to prioritize funding for women with high-risk pregnancies. (General Fund-State, General Fund-Federal)
- Reduce Funding for DME** - Funding for durable medical equipment (DME) is reduced by approximately 12 percent of total expenditures. Coverage for bath support equipment is eliminated and supplies of non-sterile gloves, incontinence supplies, diabetic supplies, and enteral nutrition are reduced. (General Fund-State, General Fund-Federal)
- Eliminate Medicare Part C Premiums** - Funding is eliminated for premium co-payments for dual-eligible (Medicaid and Medicare) clients enrolled in Medicare Part C Advantage Plans.
- Enhanced Match for Pregnancy Svcs** - Approximately 200 pregnant women on the Medicaid caseload who cannot verify citizenship will be transferred to the non-citizen pregnant program which receives enhanced federal match. (General Fund-State, General Fund-Federal)
- Children's Mental Health** - Funding is provided to maintain the expansion of mental health visits for children from 12 to 20 visits pursuant to Chapter 388, Laws of 2009 (2SHB 1373), which removes the July 1, 2010, expiration date for the expansion that was authorized in the 2007-09 biennium. (General Fund-State, General Fund-Federal)
- Reduce CPE Baseline** - Under the Certified Public Expenditure (CPE) Program, if payments are less than a baseline amount based on the total payment for claims for services rendered during the year as calculated according to the methodology and Disproportionate Share Hospital (DSH) amounts paid to hospitals and retained in 2005, then hospitals receive a state grant equal to the difference between payments during the year and the related baseline amount. HRSA will remove non-existent Intergovernmental Transfer programs from the CPE baseline, which will reduce these "hold harmless" payments.
- DSH Program Reductions** - Funding for Indigent Assistance DSH payments and Indigent Assistance state grants are suspended for FY 2010, and all but the state grants are restored for FY 2011. CPE hospitals are held harmless to half of the amount of their Indigent Assistance DSH payments made in 2005 in the CPE baseline calculation. (General Fund-State, General Fund-Federal)
- Health Navigator Pilot** - Funding is eliminated for the Health Navigator pilot project, which sought to improve service coordination and evidence-based care for approximately 1,000 children at disproportionate risk of receiving poor health care due to language and cultural barriers. (General Fund-State, General Fund-Federal)
- Adult Office Visit Rate Reduction** - The 12 percent rate increase provided during the 2007-09 biennium for adult office visits is discontinued. Savings are calculated effective July

Department of Social and Health Services Medical Assistance Payments

2009 for fee-for-service providers and January 2010 for managed care providers. (General Fund-State, General Fund-Federal)

13. **Apple Health Outreach** - Funding is provided to continue outreach activities to increase the enrollment of eligible children in the Apple Health for Kids program. (General Fund-State, General Fund-Federal)
14. **Enhanced Match for Interpreters** - The federal Children's Health Insurance Program Reauthorization Act (CHIPRA) of 2009 provides an enhanced matching rate of 75 percent in Medicaid and the Children's Health Insurance Program for translation and interpretation services for families for whom English is not the primary language. (General Fund-State, General Fund-Federal)
15. **Federal Stimulus Package - FMAP Inc** - Under the American Recovery and Reinvestment Act of 2009 (the federal stimulus act), the Federal Medical Assistance Percentage (FMAP), which is the share of Medicaid costs that the federal government provides, will increase to 62.94 percent from the average of 50.33 percent originally budgeted for FY 2010 and to 56.53 percent from the average of 50.12 percent originally budgeted for FY 2011. This results in reduced state expenditures. (General Fund-State, General Fund-Federal)
16. **Administrative Reductions** - Efficiencies are achieved through administrative reductions that were initiated during FY 2009. Reductions include travel, hiring, contracts, and other administrative changes. (General Fund-State, General Fund-Federal)
17. **90-Day Supplies For Low-Risk Drugs** - Savings will be achieved by requiring pharmacy providers to dispense a 90-day supply of drugs for patients who require maintenance prescriptions of low-risk pharmaceuticals, which will reduce pharmacy dispensing charges. (General Fund-State, General Fund-Federal)
18. **Reduce Costs For Hemophilia Drugs** - HRSA will pursue a competitive procurement process for the purchase of Antihemophilic Factor products, emphasizing evidence-based medicine and protection of patient access. (General Fund-State, General Fund-Federal).
19. **Emphasize Use of Generic Drugs** - HRSA will achieve savings by emphasizing the use of generic drugs through multiple strategies, including evaluating the reimbursement amount based on Average Wholesale Price (AWP). Other strategies include limiting off-label usage and promoting generic drugs as the first course of treatment. The budget assumes a gradual phase-in to a 20 percentage point increase in generic utilization by FY 2011, and funds are provided for the additional staff required to achieve these savings. (General Fund-State, General Fund-Federal)
20. **Drug Purchasing Initiatives** - HRSA will pursue drug purchasing initiatives aimed at achieving greater cost effectiveness, including establishing medical necessity criteria for long-acting opioid drugs for clients with multiple prescribers, establishing medical necessity criteria for off-label prescriptions, implementing step therapy for appropriate use of certain drugs, making a maximum daily dose limit for Acetaminophen of four grams, and stopping coverage of products that are not approved by the Centers for Medicare and Medicaid Services (CMS). (General Fund-State, General Fund-Federal)
21. **Reduce Proton Pump Inhibitors** - Savings will be achieved by requiring prior authorization when a prescription for a Proton Pump Inhibitor, which reduces gastric acid production, has been continued for more than 90 consecutive days. (General Fund-State, General Fund-Federal)
22. **Reduce Over-the-Counter Drugs** - Savings will be achieved by eliminating reimbursement for selected over-the-counter (OTC) drugs. HRSA will continue reimbursement for those OTC medications that can replace more costly prescription medications. (General Fund-State, General Fund-Federal)
23. **Prorated Inpatient Payment Policy** - HRSA will implement a prorated inpatient payment policy for hospitals. Savings will be achieved by conducting reviews of facility-based billings to identify when hospitals inappropriately bill for inpatient services on days when patients are transferred to other facilities with lower costs. In determining the level of reductions needed, HRSA will include services paid under fee-for-service, managed care, and certified public expenditure payment methods in its calculations. (General Fund-State, General Fund-Federal)
24. **Claim FMAP For Transportation Admin** - Reimbursement for contracted administration of transportation services will be at the standard FMAP instead of the lower administrative FMAP. Additional savings from this change are reflected under the item "Federal Stimulus Package - FMAP Inc." (General Fund-State, General Fund-Federal)
25. **Higher FMAP For 133-200% FPL Kids** - The federal CHIPRA provides enhanced federal matching funds of two dollars for every one dollar of state spending for Medicaid-eligible children in families with incomes between 133 and 200 percent of the federal poverty level (FPL). Savings are achieved because the enhanced match applies to claims that were previously matched at the Medicaid matching rate. Before the enactment of CHIPRA, Washington State received enhanced federal matching funds for children between 150 and 200 percent of the federal poverty level but only up to 20 percent of the Washington's State Children's Health Insurance Program (SCHIP) allotment. (General Fund-State, General Fund-Federal)
26. **Move All Hospitals to OPDS** - Savings will be achieved by shifting all hospitals except critical access hospitals to the Outpatient Prospective Payment System (OPPS) methodology for the reimbursement of outpatient hospital services. Currently

Department of Social and Health Services Medical Assistance Payments

- in-state children's and specialty hospitals are reimbursed using a ratio of cost-to-charges methodology that is more costly than OPPS overall. (General Fund-State, General Fund-Federal)
27. **Equalize Rates Paid For Childbirth** - Savings will be achieved by adjusting hospital reimbursement rates for childbirth so that the rate paid for C-section procedures without complications will be lower than the rate paid for natural deliveries with complicating diagnoses. (General Fund-State, General Fund-Federal)
 28. **Reduce Enhancement For FQHCs** - Adjustments to Healthy Options enhanced payments for Federally Qualified Health Centers (FQHCs) and Rural Health Clinics in response to a 2006 federal audit will result in lower payments. (General Fund-State, General Fund-Federal)
 29. **Pediatric Rate Decrease** - In the 2007 legislative session, pediatric office visit rates were increased by 48 percent or to 90 percent of the Uniform Medical Plan (UMP) rate. This rate increase is reduced from a 48 percent increase to a 15 percent increase, and savings are calculated effective July 2009 for fee-for-service providers and January 2010 for managed care providers. (General Fund-State, General Fund-Federal)
 30. **Offender Medical Placement** - The Department of Corrections (DOC) will implement a policy of early release for offenders who are chronically or terminally ill, pursuant to Chapter 441, Laws of 2009 (EHB 2194). Offenders serving time on violent or sex offense charges are not eligible for release. DOC expects to release 44 inmates during the 2009-11 biennium to an Extraordinary Medical Placement in the community. Savings for no longer serving these individuals in DOC are used to pay for long-term care placements and medical services in the community. (General Fund-State, General Fund-Federal)
 31. **Medical Support Obligations** - Funding is provided pursuant to Chapter 476, Laws of 2009 (SHB 1845), which enacts federal regulations allowing courts to obligate parents to pay medical support equal to the obligated parent's proportionate share of the health insurance premium paid by the other parent or the state. The medical support payments shall not exceed 25 percent of the basic child support obligation. Savings are assumed beginning in FY 2011. (General Fund-State, General Fund-Federal)
 32. **IGT for Tribal CD Services** - In March 2008, CMS directed the state to discontinue using certified public expenditures for the tribal expenditures eligible for Medicaid funding for chemical dependency (CD) services. Tribes are required to use an intergovernmental transfer (IGT) to shift revenue to the state for use in claiming federal match. This IGT, along with the federal funds, will be transferred back to the tribes. Local expenditure authority is provided to recognize the transfer of revenue from the tribes to the state for use in claiming federal match. (General Fund-Private/Local)
 33. **ProviderOne Implementation** - Funding is provided for the continued implementation of ProviderOne, the system scheduled to replace the Medicaid Management Information System (MMIS) as the Department's primary payment system. When fully operational, the system will pay more than 100,000 providers, support the delivery of services to more than one million clients, and manage roughly \$4 billion per year in Medicaid and other payments. (General Fund-State, General Fund-Federal)
 34. **Dental Reduction** - HRSA is directed to reduce dental expenditures by approximately 4 percent of total expenditures during the 2009-11 biennium. These reductions will prioritize rolling back some of the dental rate increases provided during the 2007 legislative session and measures to control utilization rather than terminating any dental services. (General Fund-State, General Fund-Federal)
 35. **Eliminate Small Rural DSH** - The Small Rural DSH program, which was established before small rural hospitals attained federal Critical Access Hospital status, is eliminated. (General Fund-State, General Fund-Federal)
 36. **Graduate Medical Education Payments** - Funding is discontinued for supplemental Graduate Medical Education (GME) payments to Harborview Medical Center and the University of Washington Medical Center. GME is a component in the fee-for-service and managed care inpatient rates these facilities receive. Eliminating this supplemental payment also reduces state-funded hold-harmless grants under the CPE program.
 37. **Reduce GA-U Medical** - Savings in the GA-U medical program are expected from transitioning clients from fee-for-service reimbursement to managed care and initiatives within the Economic Services Administration to reduce the GA-U caseload. These initiatives include emphasizing facilitation of GA-U clients to the federal Supplemental Security Income program, referring eligible veterans to the Department of Veterans' Affairs, expediting referrals to mental health and chemical services, changing the earned income policy to align with the Temporary Assistance to Needy Families program, and evaluating clients who have been receiving GA-U services for 12 months or more to verify eligibility. (General Fund-State, General Fund-Federal)
 38. **Healthy Options Premium Rates** - HRSA will reduce premiums for Healthy Options managed care by 1 percent in calendar year 2009, and premiums will not be increased for the 2009-11 biennium. The maintenance level forecast assumed no growth in these premiums in calendar year 2009 and a 2.5 percent annual growth rate for calendar years 2010 and 2011. (General Fund-State, General Fund-Federal)
 39. **Cost Control in Other Services** - Funding is reduced for transportation, laboratory, and X-ray services by approximately 4 percent of total expenditures for the 2009-11 biennium. HRSA may reduce rates or take measures to control utilization

Department of Social and Health Services Medical Assistance Payments

or a combination of both in order to achieve these savings. HRSA will prioritize controlling costs and utilization of advanced imaging services. (General Fund-State, General Fund-Federal)

for improving access to dental care for seniors and providing in-home care for asthmatic children. (General Fund-State, General Fund-Federal)

40. **Medicaid Match for Legal Immigrants** - The federal CHIPRA of 2009 allows for federal Medicaid matching funds for legal immigrants who would otherwise be eligible for Medicaid but have resided in the country for less than five years. Washington will receive federal matching funds for approximately 3,600 legal immigrants in the Children's Health Program, which is currently approximately 90 percent state-funded. (General Fund-State, General Fund-Federal)
41. **Increase DSH Payments** - In order to mitigate the transition to OPPS, a one-time increase in funding is provided for the Low-Income DSH program. (General Fund-State, General Fund-Federal)
42. **Hospice Rate Adjustment** - Hospice rates that are tied to nursing home rates are reduced to reflect nursing home rate reductions for the 2009-11 biennium. (General Fund-State, General Fund-Federal)
43. **Inpatient & Outpatient Reductions** - Inpatient and outpatient hospital expenditures are reduced by approximately 4 percent of total expenditures for the 2009-11 biennium, and HRSA will adjust rates in order to meet this target. HRSA will include services paid under fee-for-service, managed care, and certified public expenditure payment methods in its calculations. These reductions will not apply to payments for psychiatric inpatient services or payments to critical access hospitals. (General Fund-State, General Fund-Federal)
44. **GA-U Outpatient DSH Program** - During FY 2010, HRSA will provide DSH payments to hospitals for providing outpatient services to low-income patients who are eligible for medical assistance under the GA-U program. (General Fund-State, General Fund-Federal)
45. **Washington Health Partnership** - Funding is provided for HRSA to pursue a federal Medicaid waiver pursuant Chapter 545, Laws of 2009, Partial Veto (2SSB 5945). (General Fund-State, General Fund-Federal)
46. **Governor-Directed Freeze** - In response to rising energy prices and other economic conditions, in August 2008, the Governor directed state agencies to cut gasoline consumption and freeze new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities. These savings are continued into the 2009-11 biennium. (General Fund-State, General Fund-Federal)
47. **Governor-Directed 1% Cut** - In October 2008, the Governor directed agencies to find an additional \$240 million in savings. These savings are continued into the 2009-11 biennium. This reduction includes the elimination of a foster care nurse hotline, chronic care management contracts, and pilot projects
48. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
49. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

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

WORKLOAD HISTORY
By Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	Estimated		
								2009	2010	2011
Categorically Needy	788,931	823,343	815,257	810,363	840,971	843,188	878,383	926,668	967,945	1,000,498
AFDC/TANF	272,388	275,716	283,973	293,185	283,290	267,492	251,827	258,678	267,403	274,673
Elderly	53,091	53,819	54,573	55,544	56,467	57,037	57,620	58,646	59,816	61,024
Disabled	114,587	118,466	123,248	126,868	129,667	132,358	135,894	140,093	144,297	148,361
Non-AFDC Children	319,793	343,521	319,772	298,548	329,580	332,430	363,363	392,506	416,535	430,696
Non-AFDC Pregnant Women	23,937	25,707	26,366	27,121	27,589	28,488	29,176	29,482	30,126	30,820
Undocumented Children	0	0	0	0	2,528	10,126	23,564	28,970	30,085	33,897
Medicare Beneficiaries	5,036	5,850	7,066	8,563	10,689	13,781	15,214	16,318	17,533	18,722
Breast & Cervical Cancer	69	121	0	56	375	495	566	645	719	780
Medicaid Buy-In	30	143	261	479	787	981	1,158	1,328	1,433	1,526
Medically Needy	14,528	15,949	16,972	17,849	16,536	13,593	13,574	13,073	13,061	13,078
Elderly	6,005	6,382	6,510	6,592	6,150	5,233	5,165	5,038	5,052	5,069
Disabled	8,523	9,567	10,462	11,257	10,385	8,360	8,409	8,035	8,009	8,009
Childrens Health Insurance Program	6,049	7,320	9,516	13,303	11,786	11,409	11,957	14,540	17,691	18,974
General Assistance/ADATSA										
# Persons/Month	11,671	10,169	11,651	14,109	15,982	17,147	17,948	20,133	21,767	23,062
State Medically Indigent										
# Persons/Month	3,331	3,997	0	0	0	0	0	0	0	0
Refugees										
# Persons/Month	933	677	684	685	754	739	674	704	688	688
Total Eligibles per Month	825,443	861,455	854,080	856,310	886,028	886,076	922,536	975,118	1,021,152	1,056,300
% Change from prior year		4.4%	-0.9%	0.3%	3.5%	0.0%	4.1%	5.7%	4.7%	3.4%

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 Expenditure Authority	23,982	94,950	118,932
2009 Supplemental *	-4,153	7,546	3,393
Total 2007-09 Biennium	19,829	102,496	122,325
2009-11 Maintenance Level	26,404	95,035	121,439
Policy Changes - Non-Comp			
1. Leveraging Federal Revenue	-4,240	-10,000	-14,240
2. Grant Levels & Match Requirement	-267	-4,060	-4,327
3. Federal Stimulus	0	4,559	4,559
4. Governor-Directed Freeze	-268	0	-268
5. Governor-Directed 1% Cut	-348	0	-348
Policy -- Non-Comp Total	-5,123	-9,501	-14,624
Policy Changes - Comp			
6. Employee Health Insurance	286	2	288
7. Actuarial Method Changes-State	-988	-4	-992
Policy -- Comp Total	-702	-2	-704
Total 2009-11 Biennium	20,579	85,532	106,111
Fiscal Year 2010 Total	10,452	44,976	55,428
Fiscal Year 2011 Total	10,127	40,556	50,683

Comments:

- | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Leveraging Federal Revenue - Unspent federal Basic Support Grant funds for vocational rehabilitation services will be used to offset state spending in the 2009-11 biennium. In addition, excess federal funding authority is removed to align appropriation levels with previous actual expenditures. (General Fund-State, General Fund-Federal)</p> | <p>Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)</p> |
| <p>2. Grant Levels & Match Requirement - Federal expenditure authority for the Division of Vocational Rehabilitation is reduced. This reduces state expenditures required to match federal funds. (General Fund-State, General Fund-Federal)</p> | <p>7. Actuarial Method Changes-State - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)</p> |
| <p>3. Federal Stimulus - The American Recovery and Reinvestment Act of 2009, the federal stimulus act, provided additional one-time funding for Vocational Rehabilitation and Independent Living state grants. (General Fund-Federal)</p> | |
| <p>4. Governor-Directed Freeze - Funding is reduced to reflect continued savings from the FY 2009 freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities. (General Fund-State, General Fund-Federal)</p> | <p>* Please see the 2009 Supplemental Operating Budget Section for additional information.</p> |
| <p>5. Governor-Directed 1% Cut - Funding is reduced to continue the 1 percent program reduction that started in FY 2009.</p> | |
| <p>6. Employee Health Insurance - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011.</p> | |

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

(Dollars in Thousands)

	<u>NGF-S</u>	<u>Other</u>	<u>Total</u>
2007-09 Expenditure Authority	106,972	0	106,972
2009 Supplemental *	-2,988	0	-2,988
Total 2007-09 Biennium	103,984	0	103,984
2009-11 Maintenance Level	113,445	0	113,445
Policy Changes - Non-Comp			
1. Residential Staffing Reductions	-3,204	0	-3,204
2. Reduce SCC Contracts	-1,824	0	-1,824
3. Governor-Directed Freeze	-268	0	-268
4. Governor-Directed 1% Cut	-154	0	-154
Policy -- Non-Comp Total	-5,450	0	-5,450
Policy Changes - Comp			
5. Employee Health Insurance	399	0	399
6. Actuarial Method Changes-State	-1,230	0	-1,230
Policy -- Comp Total	-831	0	-831
Total 2009-11 Biennium	107,164	0	107,164
Fiscal Year 2010 Total	54,027	0	54,027
Fiscal Year 2011 Total	53,137	0	53,137

Comments:

- 1. Residential Staffing Reductions** - Funding is reduced to reflect a decrease in the number of residential rehabilitation counselors assigned to lower acuity housing units.
- 2. Reduce SCC Contracts** - Funding is eliminated for select Special Commitment Center (SCC) contracts for education and nursing services.
- 3. Governor-Directed Freeze** - Funding is reduced by assuming savings through a freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities.
- 4. Governor-Directed 1% Cut** - Funding is reduced by assuming savings through a 1 percent cut.
- 5. Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
- 6. Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed

information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

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

WORKLOAD HISTORY
By Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	Estimated		
								2009	2010	2011
Special Commitment Center - Main Facility										
Avg Daily Population/Month	151	167	189	211	232	251	271	279	291	303
% Change from prior year		10.6%	13.2%	11.6%	10.0%	8.2%	8.0%	3.0%	4.3%	4.1%
Special Commitment Center - Less Restrictive Alternatives ⁽¹⁾										
Avg Daily Population/Month	7	9	10	11	11	12	14	15	17	17
% Change from prior year		28.6%	11.1%	10.0%	0.0%	9.1%	16.7%	7.1%	13.3%	0.0%

⁽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 2002 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 2011 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 Expenditure Authority	87,268	66,331	153,599
2009 Supplemental *	-3,203	-2,068	-5,271
Total 2007-09 Biennium	84,065	64,263	148,328
2009-11 Maintenance Level	87,129	65,765	152,894
Policy Changes - Non-Comp			
1. Admin Consolidations & Efficiencies	-11,458	-8,902	-20,360
2. Family Policy Council Reduction	-3,847	0	-3,847
3. Council Child & Family Reduction	-1,492	0	-1,492
4. Juvenile Justice Advisory Cmte	-314	0	-314
5. ProviderOne Implementation	980	611	1,591
6. Washington State Mentors Pgm	300	0	300
7. I-1029 Costs (Training)	-79	-79	-158
8. DIS Rate Reductions	-4	-4	-8
Policy -- Non-Comp Total	-15,914	-8,374	-24,288
Policy Changes - Comp			
9. Employee Health Insurance	580	147	727
10. Actuarial Method Changes-State	-2,403	-605	-3,008
Policy -- Comp Total	-1,823	-458	-2,281
Total 2009-11 Biennium	69,392	56,933	126,325
Fiscal Year 2010 Total	34,549	28,412	62,961
Fiscal Year 2011 Total	34,843	28,521	63,364

Comments:

- Admin Consolidations & Efficiencies** - Overall administrative funding is reduced. All spending reductions will be targeted at administrative staffing and expenses. (General Fund-State, General Fund-Family Support, General Fund-Medicaid, General Fund-Federal)
- Family Policy Council Reduction** - Funding for the Family Policy Council and its associated grant programs is reduced. To the extent possible, the Council shall strive to achieve savings through administrative reductions and efficiencies and limit the impact on client services and the Community Public Health and Safety Networks. (General Fund-State, Violence Reduction and Drug Enforcement Account, Public Safety and Education Account)
- Council Child & Family Reduction** - Funding for the Council on Children and Families is reduced. To the extent possible, the Council shall strive to achieve savings through administrative reductions and efficiencies and limit the impact on client services and supports. (General Fund-State)
- Juvenile Justice Advisory Cmte** - Administrative funding for the Governor's Juvenile Justice Advisory Committee is reduced.
- ProviderOne Implementation** - Funding is provided for activities in specific programs to implement ProviderOne. Of this amount, \$1,591,000 (\$980,000 General Fund-State) is funded through Administration and Supporting Services. These costs are in addition to, and not duplicative of, the core ProviderOne Phase 2 request by Health and Recovery Services Administration. (General Fund-State, General Fund-Family Support, General Fund-Medicaid)
- Washington State Mentors Pgm** - Funding is provided for an expansion of the Washington State Mentors program that provides technical assistance and training to mentoring programs that serve at-risk youth. This funding will help secure private matching funds.
- I-1029 Costs (Training)** - Initiative 1029, passed by voters in November 2008, adds additional continuing education, advanced training, and background check requirements for home care workers. Funding for the cost of training requirements is reduced since several components of the initiative are delayed, pursuant to Chapter 580, Laws of 2009 (SSB 6180). Funding is provided for the development of the training infrastructure and basic training beginning January 1, 2011. Federal background checks, continuing education, and advanced training are delayed beyond the 2009-11 biennium. (General Fund-State, General Fund-Federal)

Department of Social and Health Services Administration & Supporting Services

8. **DIS Rate Reductions** - Funding is reduced due to the Department of Information Services (DIS) rate reduction for certain data processing services. (General Fund-State, General Fund-Federal)
9. **Employee Health Insurance** - Funding for employee health benefits is increased by 3 percent each year, to \$745 per employee per month in FY 2010 and \$768 in FY 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point of service payments, or plan design in order to provide benefits within available funding. (General Fund-State, various other funds)
10. **Actuarial Method Changes-State** - Funding for employer contributions to state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for many of the Washington State retirement systems. More detailed information about this item is provided in Agency 713 - State Employee Compensation Adjustments. (various funds)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

**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 Expenditure Authority	119,206	57,438	176,644
2009 Supplemental *	-6,501	-3,574	-10,075
Total 2007-09 Biennium	112,705	53,864	166,569
2009-11 Maintenance Level	128,195	60,890	189,085
Policy Changes - Non-Comp			
1. Admin Consolidations & Efficiencies	-22,306	-11,726	-34,032
2. ProviderOne Implementation	1,014	330	1,344
Policy -- Non-Comp Total	-21,292	-11,396	-32,688
Total 2009-11 Biennium	106,903	49,494	156,397
Fiscal Year 2010 Total	53,431	24,739	78,170
Fiscal Year 2011 Total	53,472	24,755	78,227

Comments:

- Admin Consolidations & Efficiencies** - Funding is reduced for services provided to the Department of Social and Health Services by other state agencies. In addition, funding is reduced by assumed continuation of savings from the FY 2009 freeze on new hiring, out-of-state travel, personal service contracts, and equipment purchases not related to public safety or other essential activities. (General Fund-State, General Fund-Federal)
- ProviderOne Implementation** - Funding is provided for activities in specific programs essential to the implementation of ProviderOne. Of this amount, \$1,344,000 (\$1,014,000 General Fund-State) is included in Payments to Other Agencies. These costs are in addition to, and not duplicative of, the core ProviderOne Phase 2 request by Health and Recovery Services Administration. (General Fund-State, General Fund-Federal)

* Please see the 2009 Supplemental Operating Budget Section for additional information.

