

**Rehabilitation Administration – Juvenile Rehabilitation  
020 - PL - BK - VENDOR RATE INCREASE**

**Agency Submittal: 11-2017-19-YR Agency Req**

**Budget Period: 2017-19**

**SUMMARY**

Vendor rate increases impact Juvenile Rehabilitation (JR) by reducing their purchasing power for services that must be provided to JR clients. Vendor rates have not had an increase since 2007 and many of the vendors are below the rates paid by other programs and the private sector. JR requests \$804,000 GF-State in the 2017-19 Biennial Budget to cover vendor rate increases to ensure youth in JR are receiving the necessary services.

**PROBLEM STATEMENT**

JR is losing the ability to retain providers for services to youth as payment rates are below industry standards. These services are critical to the continuum of care for JR residents. For example, a psychologist at Echo Glen has not received a rate increase since 1999 and the University of Washington is requesting an estimated increase from \$60 per hour to \$100 per hour, which is the standard rate. Areas where services have been impacted are psychiatry services, dental, legal representation, and treatment services. The consequences of not increasing the payment rate for providers is high turnover and the creation of a limited ability to contract for needed services. Without additional funding to address needed vendor rate increases, JR may need to contract for services at the higher rates which will result in a decrease in the number of service hours for JR youth.

**PROPOSED SOLUTION**

Provide \$804,000 GF-State to fund vendor rate increases associated with services provided to JR youth. Effective July 1, 2017, increase the rates for providers to maintain the level of services needed for JR youth. Not funding this request will decrease the JR's ability to serve its clients' needs. Either services will decrease or funding will need to be diverted from other services in order to support this expenditure.

**EXPECTED RESULTS**

JR is legally obligated to provide services to JR youth. By funding this request, JR youth will be provided needed services by qualified, skilled providers. The expected result is JR will be able to keep the contracted vendors and no longer have a high turnover rate and/or unmet services.

**STAKEHOLDER IMPACT**

There is no expected opposition to this request.

Agency Contact: Ken Brown, (360) 902-7583

Program Contact: Georgina Carleton, (360) 902-8107



**DSHS VISION**

People are healthy • People are safe • People are supported • Taxpayer resources are guarded

**DSHS MISSION**

To transform lives

**DSHS VALUES**

Honesty and Integrity • Pursuit of Excellence • Open Communication • Diversity and Inclusion • Commitment to Service

OTHER CONNECTIONS

Performance Outcomes/Important Connections

1. **Does this DP provide essential support to one or more of the Governor's Results Washington priorities?**  
Goal 4: Healthy & Safe Communities - Healthy People - Provide access to good medical care to improve people's lives.
2. **The decision package meets the following DSHS' strategic objectives:**  
1.1: Youth in JR will have increased access to a coordinated delivery of medical, behavioral health and long-term services and support to improve their health status.
3. **Identify other important connections or impacts below.** (Indicate 'Yes' or 'No'. If 'Yes' identify the connections or impacts related to the proposal.)
  - a) Regional/County impacts? No
  - b) Other local government impacts? No
  - c) Tribal government impacts? No
  - d) Other state agency impacts? No
  - e) Responds to specific task force, report, mandate or executive order? No
  - f) Does request contain a compensation change or require changes to a Collective Bargaining Agreement? No
  - g) Facility/workplace needs or impacts? No
  - h) Capital budget impacts? No
  - i) Is change required to existing statutes, rules or contracts? Yes, contracts will be amended to increase to the higher rates or for a reduction in hours of service.
  - j) Is the request related to litigation? No
  - k) Is the request related to Puget Sound recovery? No
  - l) Other important connections? None

**020 - PL - BK - Vendor Rate Increase**

**4. Please provide a detailed discussion of connections/impacts identified above.**

**Alternatives/Consequences/Other**

**5. What alternatives were explored by the agency, and why was this alternative chosen?**

This request cannot be absorbed within existing resources. JR programs operate very close to appropriated funding levels. Programs have no other way to cover increasing costs to serve clients. The facilities negotiate with providers and at times can adjust hours provided to cover increased rates but this method adversely impacts the amount of services provided to clients.

**6. How has or can the agency address the issue or need within its current appropriation level?**

Current appropriation levels are not adequate to provide enough funding to support critical services and meet our obligations for continuum of care.

**7. Does this decision package include funding for any IT-related costs (hardware, software, services, cloud-based services, contracts or IT staff)?**

- No**
- Yes (Include an IT Addendum)**

**Fiscal Detail****020 - PL - BK - Vendor Rate Increase**

<b>Operating Expenditures</b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>
001-1 General Fund-State	402,000	402,000	402,000	402,000
<b>Total Cost</b>	<b>402,000</b>	<b>402,000</b>	<b>402,000</b>	<b>402,000</b>

<b>Staffing</b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>
FTEs	0.0	0.0	0.0	0.0

**Performance Measure Detail**

<b>Activity:</b>	<b>Incremental Changes</b>			
	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>
<b>Program: 020</b>				
B045 Institutional Services for State Committed Juvenile Offender	0	0	0	0
B016 Community Facility Transitional Services for State Committe	0	0	0	0
B072 Parole Transitional Services for State Committed Juvenile O	0	0	0	0
B010 Program Support for Juvenile Rehabilitation	0	0	0	0
No measures submitted for package				

**Object Detail**

	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>
N Grants, Benefits, and Client Services	402,000	402,000	402,000	402,000
<b>Total Objects</b>	<b>402,000</b>	<b>402,000</b>	<b>402,000</b>	<b>402,000</b>

**DSHS Source Detail****Overall Funding**

<b>Operating Expenditures</b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>
<b>Fund 001-1, General Fund-State</b>				
<b>Sources Title</b>				
0011 General Fund State	402,000	402,000	402,000	402,000
<b>Total for Fund 001-1</b>	<b>402,000</b>	<b>402,000</b>	<b>402,000</b>	<b>402,000</b>
<b>Total Overall Funding</b>	<b>402,000</b>	<b>402,000</b>	<b>402,000</b>	<b>402,000</b>

**2017-19 Biennial Budget  
PL-BK Vendor Rate Increase**

**Rehabilitation Administration  
Juvenile Rehabilitation Administration**

<b>Vendor Rate Increase</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>Total</b>
Community Facilities	\$2,000	\$2,000	\$4,000
Regional Services	\$18,000	\$18,000	\$36,000
Echo Glen	\$103,000	\$103,000	\$206,000
Green Hill School	\$56,000	\$56,000	\$112,000
Naselle Youth Camp	\$16,000	\$16,000	\$32,000
Headquarter Contract	\$207,000	\$207,000	\$414,000
<b>Total</b>	<b>\$402,000</b>	<b>\$402,000</b>	<b>\$804,000</b>