

**Behavioral Health Administration – Mental Health  
030 - M2 - RK - HOSPITAL TRANSITIONAL FUNDING**

**Agency Submittal: 2015-17 Final 2017 Sup**

**Budget Period: 2015-17**

**SUMMARY**

Many of Washington's most vulnerable citizens are at risk of not being able to receive critical services at the state psychiatric hospitals. Cuts made during the recession led to serious safety issues resulting from not having enough staff or training. Further, while resources were at a low point, demand for hospital beds continued to grow. People in need of services at the state psychiatric hospitals are managing severe psychiatric and physical illness, along with behavioral health needs such as co-occurring substance use disorder, dementia and developmental disabilities. This has been an on-going issue for the last several years and continues to grow. This request is to address the financial need regardless of the System Improvement Agreement (SIA) recommendations entered into by Western State Hospital with the Centers for Medicare and Medicaid Services (CMS). The Behavioral Health Administration requests \$35,255,000 GF-State.

**PROBLEM STATEMENT**

For the last several years, the state psychiatric hospitals have struggled to find and keep essential staff at the hospitals partly due to nationwide shortfalls in nursing and psychiatrists, and due to the inability to pay competitive wages and compensation packages while remaining within appropriated budget levels. Despite additional expenditures to attempt to maintain minimum standards of care, the hospitals have also struggled to meet minimum standards for certification by CMS. Most recently, CMS issued a series of Immediate Jeopardies (IJs) which if not fixed would result in immediate revocation of the hospitals' CMS certification. While the IJs have been addressed to CMS satisfaction for short term compliance, the underlying Conditions of Participation (CoPs) remain out of compliance. Western State Hospital (WSH) entered into a Systems Improvement Agreement (SIA) with CMS to provide additional time and oversight for WSH to meet the CoPs and provide safe, quality care. If WSH is unable to fulfill the SIA it will lose its certification. In order to maintain CMS certification and the resulting federal funding, safe, quality care for patients and to implement recommendations from the SIA consultant in accordance with the requirements in the SIA, the state psychiatric hospitals are in need of additional resources. This request is not addressing the SIA but addressing continued shortfalls before the SIA impacts.

Additionally, the court is imposing sanctions on the department for each class member waiting in jail beyond seven days for in-hospital competency evaluations or for competency restoration services. For each class member who has waited more than seven but fewer than fourteen days for either of these services, the fine shall be \$500 per day. For each class member who has waited fourteen days or more, the fine shall be \$1,000 per day. The fines will be deposited into the Registry of the Court. Funds deposited shall be held for the benefit of the class members and the development of diversion program to reduce dependence on the state hospitals.



**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

**030 - M2 - RK - Hospital Transitional Funding**

**PROPOSED SOLUTION**

Provide funding to address continued shortfall needs to maintain CMS certification, and resulting federal funding, in order to ensure safe, quality care for patients, and to implement recommendations. SIA Consultant recommendations will be addressed in a separate decision package.

**EXPECTED RESULTS**

If this request is not adopted, clients will not have access to critical state psychiatric hospital services that could result in further decompensation and result in harm to themselves or others. Further, it will likely increase the waitlist for these critical services resulting in further court orders and sanctions on the state for not providing appropriate services to our mentally ill population.

Clients eligible for these services are some of the most vulnerable in our society. Funding this request will remove many barriers to serving our most vulnerable clients.

**STAKEHOLDER IMPACT**

This proposal is expected to have support from counties, jails, advocacy groups such as Disability Rights Washington and Northwest Justice, prosecutors and defense counsel.

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Program Contact: Melissa Clarey, (360) 725-1675

**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: State psychiatric hospitals will be safer for staff and patients.

**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? Yes, if not properly funded the state hospitals will not be able to care for clients needing this level of service and local communities will be impacted.
- b) Other local government impacts? Yes, possibly courts and jails.
- c) Tribal government impacts? Yes, the need for state psychiatric hospital services affects all populations.
- d) Other state agency impacts? No
- e) Responds to specific task force, report, mandate or executive order? Yes, this is in response to SB 6656 and court decisions (Trueblood and DW v. DSHS, and Ross v. Inslee settlement).
- f) Does request contain a compensation change or require changes to a Collective Bargaining Agreement? Yes, in order to obtain and retain qualified staff bargaining will be necessary.
- g) Facility/workplace needs or impacts? Yes, likely necessary facility improvements to address COPs which includes environment of care.
- h) Capital budget impacts? Yes, may have a capital impact in the next biennium.
- i) Is change required to existing statutes, rules or contracts? Yes, possibly depending on recommendations.
- j) Is the request related to litigation? Yes, court decisions (Trueblood and DW v. DSHS, and Ross v. Inslee settlement).
- k) Is the request related to Puget Sound recovery? No

**030 - M2 - RK - Hospital Transitional Funding**

l) Other important connections? No

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

This proposal is expected to address the shortfall in resources for the state psychiatric hospitals needed within the mental health system continuum of care. This request does not include funding for the SIA subsequent CMS approved Corrective Action Plans. If this request is not adopted, clients will not have access to critical state psychiatric hospital services that could result in further patient decompensation and result in harm to themselves or others. Further, it will likely increase the waitlist for these critical services resulting in further court orders and sanctions on the state for not providing appropriate services to our mentally ill population. Under current conditions there is not enough capacity at the state hospitals to provide timely and safe care to people who need the services to maintain their health and for themselves and their communities.

**Alternatives/Consequences/Other**

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

This request is for the continued necessary funding to cover the shortfall for the state psychiatric hospitals regardless of the SIA recommendations.

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

The department does not have the ability to address the shortfall without additional resources and funding.

**7. Does this decision package include funding for any IT-related costs (hardware, software, services, cloud-based services, contracts or IT staff)? No**

No

Yes (Include an IT Addendum)

**Fiscal Detail****030 - M2 - RK - Hospital Transitional Funding**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>
001-1 General Fund-State	0	35,255,000	0	0
<b>Total Cost</b>	<b>0</b>	<b>35,255,000</b>	<b>0</b>	<b>0</b>

<b>Staffing</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>
FTEs	0.0	0.0	0.0	0.0

**Performance Measure Detail**

<b>Activity:</b>	<b>Incremental Changes</b>			
	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>
<b>Program: 030</b>				
C063 Mental Health Facilities Services	0	0	0	0
No measures submitted for package				

**Object Detail**

	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>
A Salaries and Wages	0	8,225,000	0	0
B Employee Benefits	0	6,171,000	0	0
E Goods and Other Services	0	16,156,000	0	0
G Travel	0	129,000	0	0
J Capital Outlays	0	11,000	0	0
N Grants, Benefits, and Client Services	0	3,104,000	0	0
P Debt Service	0	48,000	0	0
TZ Intra-agency Reimbursements	0	499,000	0	0
S Interagency Reimbursements	0	63,000	0	0
T Intra-agency Reimbursements	0	849,000	0	0
<b>Total Objects</b>	<b>0</b>	<b>35,255,000</b>	<b>0</b>	<b>0</b>

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

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>
<b>Fund 001-1, General Fund-State</b>				
<b><u>Sources Title</u></b>				
0011 General Fund State	0	35,255,000	0	0
<b>Total for Fund 001-1</b>	<b>0</b>	<b>35,255,000</b>	<b>0</b>	<b>0</b>
<b>Total Overall Funding</b>	<b>0</b>	<b>35,255,000</b>	<b>0</b>	<b>0</b>