Transforming Lives

Aging and Long-Term Support Administration
050 - M1 - 0U - Forecast Cost-Utilization

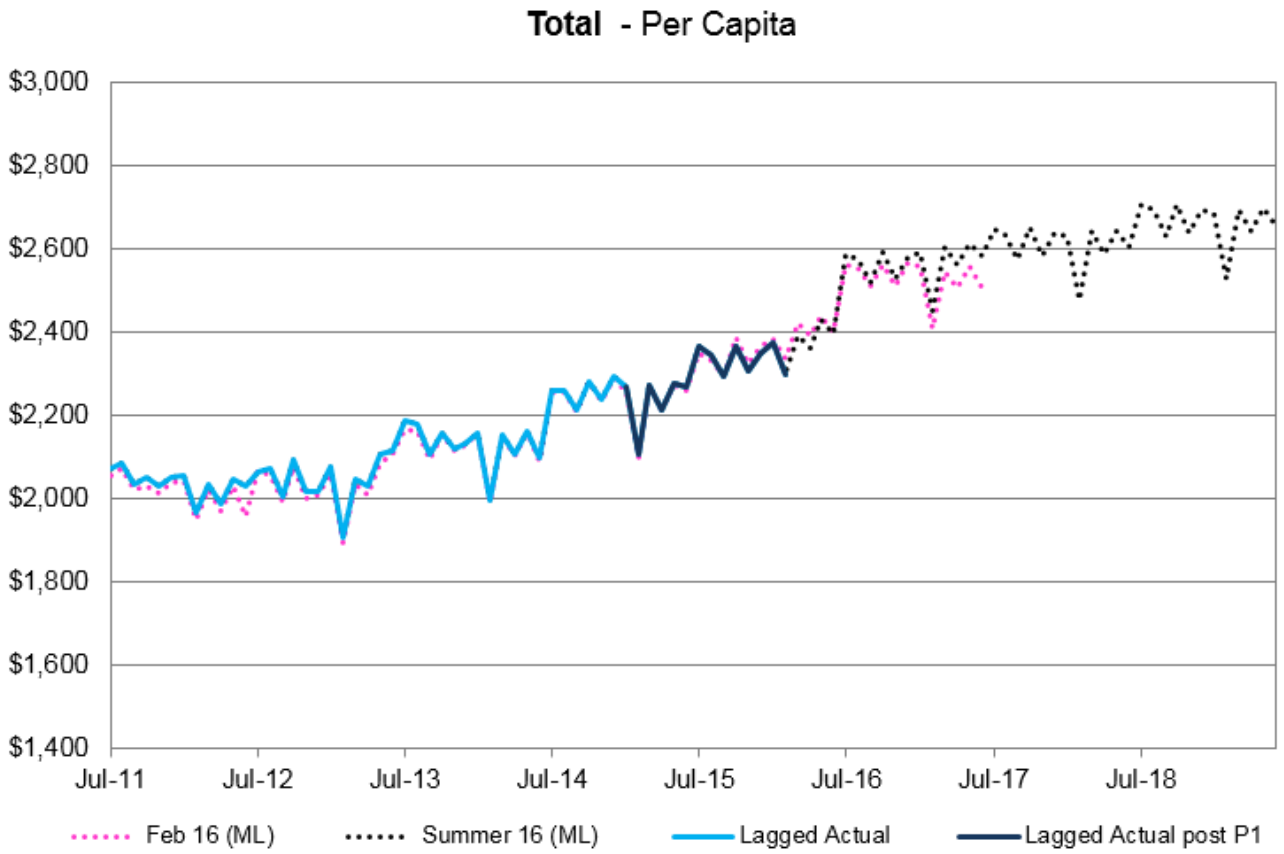
Agency Submittal: 2015-17 Final 2017 Sup **Budget Period: 2015-17**

SUMMARY

Projected changes in the service utilization of Long-Term Services and Supports (LTSS) were identified through the June 2016 caseload forecast. The primary drivers for these cost changes were in-home care (-$19,231,000) and nursing homes (-$13,668,000). ALTSA requests -$28,676,000 Total Funds, (-$14,237,000 GF-State).

PROBLEM STATEMENT

The ALTSA requests -$28,676,000 Total Funds, ($14,237,000 GF-State) for projected changes in service utilization of Long-Term Services and Supports (LTSS) that were identified through the June 2016 caseload forecast. Examples of these services and supports include but are not limited to nursing homes, Area Agencies on Aging (AAA), nursing facility discharge payments, estate recoveries, and Home and Community Based Services (HCBS). The primary drivers for these cost changes were in-home care (-$19,231,000) and nursing homes (-$13,668,000).



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PROPOSED SOLUTION

ALTSA requests funding for an adjustment to reflect the changes in the cost of services per capita that were projected in the in the June 2016 caseload forecast.

EXPECTED RESULTS

The agency expects to have sufficient funding to cover per capita cost adjustments related to the ALTSA caseload. Funding this decision package will ensure that the current array of services and supports is available for clients as service costs increase or decrease and that providers of services will experience minimal change in their method of conducting business. Forecast driven caseload changes reflect the agency's goals, including:

- Ensuring a safety net is in place for people of need;
- Clients maintain maximum independence;
- Services are of high quality;
- People participate in choices about their services; and
- Clients experience stability.

STAKEHOLDER IMPACT

There is no known opposition to this request.

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Program Contact: Eric Mandt, (360) 725-2579

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:**
   2.1: Ensure seniors and individuals with a disability who are in need of long-term services and supports are supported in their communities.

   2.2: Increase the number of individuals ALTSA is able to assist in transitioning to their homes or the community from nursing homes.

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? No.

j) Is the request related to litigation? No.

k) Is the request related to Puget Sound recovery? No.

l) Other important connections? No.

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

Funding this decision package will ensure that providers of services will experience minimal change in their method of conducting business.

Alternatives/Consequences/Other

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

Funding this decision package will ensure that providers of services will experience minimal change in their method of conducting business.

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

This request cannot be absorbed within existing resources since funding levels are driven entirely by forecast changes.

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 **050 - M1 - 0U - Forecast Cost/Utilization**

Operating Expenditures	FY 2016	FY 2017	FY 2018	FY 2019
001-1 General Fund-State	0	-14,237,000	1,872,000	22,637,000
001-C General Fund-Medicaid	0	-14,439,000	2,265,000	24,613,000
Total Cost	**0**	**-28,676,000**	**4,137,000**	**47,250,000**

Staffing	FY 2016	FY 2017	FY 2018	FY 2019
FTEs	0.0	0.0	0.0	0.0

Performance Measure Detail

Activity:		Incremental Changes FY 2016	FY 2017	FY 2018	FY 2019
Program: 050					
E053	In-Home Services	0	0	0	0
E051	Program Support for Long Term Care	0	0	0	0
E064	Nursing Home Services	0	0	0	0
E055	Residential Community Services	0	0	0	0
E049	Adult Day Health Community Services	0	0	0	0
E077	Managed Care Services	0	0	0	0
E050	Adult Family Home Community Services	0	0	0	0

No measures submitted for package

Object Detail		FY 2016	FY 2017	FY 2018	FY 2019
N	Grants, Benefits, and Client Services	0	-28,676,000	4,137,000	47,250,000
	Total Objects	**0**	**-28,676,000**	**4,137,000**	**47,250,000**

DSHS Source Detail

Overall Funding

Operating Expenditures		FY 2016	FY 2017	FY 2018	FY 2019
Fund 001-1, General Fund-State					
Sources	**Title**				
0011	General Fund State	0	-14,237,000	1,872,000	22,637,000
	Total for Fund 001-1	**0**	**-14,237,000**	**1,872,000**	**22,637,000**
Fund 001-C, General Fund-Medicaid					
Sources	**Title**				
19TA	Title XIX Assistance (FMAP)	0	-14,423,000	2,265,000	24,613,000
19UL	Title XIX Admin (50%)	0	-16,000	0	0
	Total for Fund 001-C	**0**	**-14,439,000**	**2,265,000**	**24,613,000**
	Total Overall Funding	**0**	**-28,676,000**	**4,137,000**	**47,250,000**

2017 Supplemental Budget
0U - Forecast Cost/Utilization

FY17 - June 2016 Update		Due to Cost/Utilization Changes Total	State	Federal
X01	Nursing Facilities	$ (13,668,000)	$ (6,770,000)	$ (6,898,000)
X40	Adult Day Health	(404,000)	(201,000)	(203,000)
X43	NF Discharge	(15,000)	(15,000)	-
X48	Private Duty Nurse	979,000	489,000	490,000
X49	Recoveries	(786,000)	(397,000)	(389,000)
X61	In-Home	(19,231,000)	(8,540,000)	(10,691,000)
J85	Caregiver Training	189,000	95,000	94,000
J86	Agency Health Insurance	-	-	-
E8947	Background Check	(230,000)	(120,000)	(110,000)
X62	Adult Family Homes	3,459,000	1,099,000	2,360,000
X63	Adult Residential Centers	1,887,000	799,000	1,088,000
X64	Assisted Living	(2,941,000)	(1,719,000)	(1,222,000)
X65	Managed Care	2,085,000	1,043,000	1,042,000
FY17 Subtotal		**$ (28,676,000)**	**$ (14,237,000)**	**$ (14,439,000)**

Budget Steps:			
TOTAL FY17	**$ (28,676,000)**	**$ (14,237,000)**	**$ (14,439,000)**