March 24, 2016

**Notice Concerning the Safety Net Assessment**

The Department of Social and Health Services hereby informs you that there will***not*** be a change concerning the Safety Net Assessment (SNA) on April 1, 2016.

The Department has continued to closely monitor the SNA funding levels since the notice sent on January 26, 2016 and has determined that the fund will be sufficient before June 30, 2016 without a SNA increase. The Legislature has directed the Department to ensure the SNA generates $66.7 million in SFY 2016. Factors such as fluctuation in the number of residents and the closing of facilities make absolute precision impossible. With the additional data gathered in the last two months, the Department is confident that a raise is not currently needed, even when taking into account such factors.

If there is an excess in the SNA fund at the end of the fiscal year, it will be used to reduce the level of the SNA payments in the following fiscal year. As stated in RCW 74.48.040:

(1)(C) Any positive balance remaining in the fund at the end of the fiscal year shall be applied to reduce the assessment amount for the subsequent year.

Please note it is possible that, due to results experienced as the year progresses, the level of the SNA may need to be adjusted again in compliance with RCW 74.48.040. If that is necessary, the Department will issue another notice.

If you have any questions, please contact Tiffany Hills at tiffany.hills@dshs.wa.gov or 360-725-2472, or Katy Hartman at katy.hartman@dshs.wa.gov or 360-725-2475.

Sincerely,

Ken Callaghan, Chief

Office of Rates Management

cc: Bill Moss, Assistant Secretary

 Chanh Ly, Director