

**Department of Social and Health Services
2012 Reduction Options and Supplemental Budget Request
Developmental Disabilities**

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Recommendation Summary

Version: D2 - 040 - 2012 Sup Agency Request

Budget Period:2011-13
Budget Level Criteria: ALL

Dollars in Thousands	Agency Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds	
CB - Current Biennium						
00	Current Biennium Base	0	3,414.9	1,012,678	914,045	1,926,723
	SubTotal CB		3,414.9	1,012,678	914,045	1,926,723
	Cumulative Total Thru CB		3,414.9	1,012,678	914,045	1,926,723
M1 - Mandatory Caseload and Enrollment Changes						
0U	Forecast Cost/Utilization	0	0.0	6,883	9,737	16,620
93	Mandatory Caseload Adjustments	0	0.0	94	86	180
94	Mandatory Workload Adjustments	0	4.4	466	310	776
	SubTotal M1		4.4	7,443	10,133	17,576
	Cumulative Total Thru M1		3,419.3	1,020,121	924,178	1,944,299
M2 - Inflation and Other Rate Changes						
9T	Transfers	0	(182.3)	1,738	1,656	3,394
DA	Utilization of Residential Services	0	0.0	844	2,662	3,506
DD	Transition High School Clients	0	0.0	376	376	752
WB	Federal Funds Technical Adjustment	0	0.0	0	0	0
WW	Technical Corrections	0	0.0	(12,100)	(2,100)	(14,200)
ZZ	Unemployment	0	0.0	438	395	833
	SubTotal M2		(182.3)	(8,704)	2,989	(5,715)
	Cumulative Total Thru M2		3,237.0	1,011,417	927,167	1,938,584
PL - Performance Level						
PF	State Data Center Equipment	0	0.0	21	6	27
Q2	Suspend Individual and Fam Services	0	0.0	(8,425)	0	(8,425)
Q7	AFH Oversight-Full Costs	0	0.0	0	315	315
WD	Major Eligibility/ Prgm Reductions	0	(2.8)	(79,525)	(79,525)	(159,050)
WP	Crisis Stabilization Costs	0	44.2	3,360	2,240	5,600
WU	Supp Living Investigators and Fee	0	0.0	0	722	722
	SubTotal PL		41.4	(84,569)	(76,242)	(160,811)
	Cumulative Total Thru PL		3,278.4	926,848	850,925	1,777,773
Total Proposed Budget			3,278.4	926,848	850,925	1,777,773

Recommendation Summary Text

0U - Forecast Cost/Utilization

Program: 040

(M1) The Department of Social and Health Services (DSHS), Division of Developmental Disabilities (DDD), requests \$16,620,000 (\$6,883,000 GF-State) in the 2012 Supplemental Budget to reflect changes in the utilization of personal care services.

93 - Mandatory Caseload Adjustments

Program: 040

(M1) The Department of Social and Health Services (DSHS), Division of Developmental Disabilities (DDD), requests \$180,000 (\$94,000 GF-State) in the 2012 Supplemental Budget to adjust funding for personal care. Personal care services help people with developmental disabilities live in community settings, and whenever possible, to remain in a family environment.

94 - Mandatory Workload Adjustments

Recommendation Summary

Budget Period: 2011-13
Budget Level Criteria: ALL

Version: D2 - 040 - 2012 Sup Agency Request

Dollars in Thousands	Agency Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
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94 - Mandatory Workload Adjustments

Program: 040

(M1) The Department of Social and Health Services (DSHS), Division of Developmental Disabilities (DDD), requests \$776,000 (\$466,000 GF-State) and 4.4 FTEs in the 2012 Supplemental Budget to maintain historical case resource manager (CRM) to client ratios required to manage the DDD caseload.

9T - Transfers

Program: 040

(M2) The Department of Social and Health Services (DSHS) requests to shift FTEs and funding among programs in the 2012 Supplemental Budget. This transfer will align FTEs and funds within the programs where the costs are incurred. The net impact is zero.

DA - Utilization of Residential Services

Program: 040

(M2) The Department of Social and Health Services (DSHS), Division of Developmental Disabilities (DDD) requests \$3,506,000 (\$844,000 GF-State) in the 2012 Supplemental Budget to provide out-of-home community residential placements for individuals with developmental disabilities in crisis.

DD - Transition High School Clients

Program: 040

(M2) The Department of Social and Health Services (DSHS), Division of Developmental Disabilities (DDD), requests \$752,000 (\$376,000 GF State) in the 2012 Supplemental Budget for employment programs for high school graduates who will be turning 21 years-of-age and leaving school in the second fiscal year.

PF - State Data Center Equipment

Program: 040

(PL) The Department of Social and Health Services (DSHS), Information System Services Division (ISSD), requests \$512,000 (\$291,000 GF-State) in the 2012 Supplemental Budget for startup equipment required to migrate systems from the Office Building 2 (OB2) to the new State Data Center (SDC) located in the 1500 Jefferson Building.

Q2 - Suspend Individual and Fam Services

Program: 040

(PL) The Department of Social and Health Services (DSHS), Division of Developmental Disabilities (DDD), reduces (\$8,425,000) GF-State in the 2012 Supplemental Budget by suspending participation to families enrolled in the Individual and Family Services (IFS) program beginning in January 2012.

Q7 - AFH Oversight-Full Costs

Program: 040

(PL) The Department of Social and Health Services (DSHS), Aging and Disability Services Administration (ADSA), requests \$2,845,000 (a reduction of (\$1,310,000) GF-State) for the Adult Family Home (AFH) license fee adjustment in order to fully cover the costs of AFH oversight, thereby, eliminating the GF-State subsidy for licensing activities.

WB - Federal Funds Technical Adjustment

Program: 040

(M2) The Department of Social and Health Services (DSHS) requests adjustments between types of federal funds, within the current GF-Federal spending authority, to accurately reflect expected types of federal earnings in the 2012 Supplemental Budget.

WD - Major Eligibility/ Prgm Reductions

Program: 040

(PL) The Department of Social and Health Services (DSHS), Aging and Disability Services Administration (ADSA) eliminates and reduces services for more than 80,000 people, (\$532,524,000) ((\$273,886,000) GF-State) in the 2012 Supplemental by a

Recommendation Summary

Version: D2 - 040 - 2012 Sup Agency Request

Budget Period:2011-13
Budget Level Criteria: ALL

Dollars in Thousands	Agency Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
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WD - Major Eligibility/ Prgm Reductions

increases in the eligibility thresholds for core Medicaid programs that support people with needs related to developmental disabilities and/or long-term care, and b) limits on the type and scope of Medicaid-funded community supports for people with needs related to mental health. These changes will eliminate or reduce core services for people with less needs, while continuing service to person with greater needs, and are necessary to reduce ADSA's 2011-13 Biennial Appropriation by (\$273,886,000) GF-State.

WP - Crisis Stabilization Costs

Program: 040

(PL) The Department of Social and Health Services (DSHS), Division of Developmental Disabilities (DDD), requests \$5,600,000 (\$3,360,000 GF State) in the 2012 Supplemental Budget to provide Community Crisis Stabilization Services (CCSS) for people with developmental disabilities who are living in the community.

WU - Supp Living Investigators and Fee

Program: 040

(PL) The Department of Social and Health Services (DSHS), Aging and Disability Services Administration (ADSA), requests 5.0 FTEs and \$1,398,000 in the 2012 Supplemental Budget to allow Residential Care Services (RCS) to do additional investigations of abuse and neglect complaints in Certified Community Residential Supports and Services (CCRSS) settings for clients with developmental disabilities.

WW - Technical Corrections

Program: 040

(M2) The Department of Social and Health Services (DSHS) requests a reduction of (\$24,050,000) ((\$18,494,000) GF-State) and 0.6 FTEs in the 2012 Supplemental Budget to make technical corrections throughout the department.

ZZ - Unemployment

Program: 040

(M2) The Department of Social and Health Services (DSHS) requests \$2,893,000 (\$2,245,000 GF-State) in the 2012 Supplemental Budget to offset increased Unemployment Insurance reimbursement to the Employment Security Department (ESD).

Department of Social and Health Services

DP Code/Title: M1-0U Forecast Cost/Utilization
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

Recommendation Summary Text:

The Department of Social and Health Services (DSHS), Division of Developmental Disabilities (DDD), requests \$16,620,000 (\$6,883,000 GF-State) in the 2012 Supplemental Budget to reflect changes in the utilization of personal care services.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040			
001-1 General Fund - Basic Account-State	3,607,000	3,276,000	6,883,000
001-C General Fund - Basic Account-Medicaid Federal	5,784,000	3,953,000	9,737,000
Total Cost	9,391,000	7,229,000	16,620,000

Staffing

Package Description:

DSHS, DDD, requests \$16,620,000 (\$6,883,000 GF-State) in the 2012 Supplemental Budget to reflect changes in the utilization of personal care services. Personal care services help people with developmental disabilities live in community settings, and whenever possible, to remain in a family environment. Personal care refers to assistance with activities of daily living (bathing, eating, personal hygiene, etc.), and is considered an entitlement. Funding has been adjusted based on the June 2011 per capita expenditure forecast by the Aging and Disability Services Administration (ADSA). There has been some fluctuation in per capita costs for the various segments that comprise the personal care forecast for DDD. The driver, however, is the health care component of the individual provider and agency provider forecast segments. Regarding health care, the 2011-13 Biennial Budget included the significant change of moving from a monthly cost reimbursement methodology to a per hour cost methodology. After further review, the assumption splitting the impact of this methodology change between DDD and the Long Term Care (LTC) program needs to be updated - DDD should have had a net add and LTC should have had a larger reduction in the 2011-13 Biennial Budget. The June 2011 forecast, therefore, corrects this assumption by adding funding to DDD, and taking away funding in LTC.

Program Contact: James Kettel (360) 725-2586
Agency Contact: Bryce Andersen (360) 902-8284

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

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.

Performance Measure Detail

Program: 040

Activity: D074 Personal Care

No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Department of Social and Health Services

DP Code/Title: M1-0U Forecast Cost/Utilization
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes, this decision package falls within ADSA's 2011-13 Strategic Plan:

Objective: Offer a variety of home and community options to improve the balance between home and community and institutional care.

Strategy: Adjust payment systems where necessary to provide incentives to meet client needs in home and community settings.

Does this decision package provide essential support to one of the Governor's priorities?

Yes, by providing In Home services and Community Residential services to vulnerable adults in Washington.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

Yes, providing In Home services, Personal Care, Community Residential, and AFH community services to vulnerable adults in Washington State all ranked in first place in the 2009-11 Priorities of Government Final Report.

What are the other important connections or impacts related to this proposal?

Funding this decision package will ensure that providers of DDD services will see little change in their method of conducting business with ADSA.

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

None

What are the consequences of not funding this package?

This request addresses the forecasted growth of per capita costs for Medicaid clients in DDD.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

See attachment: DDD M2 OU Forecast Cost Utilization.xlsx

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

All costs are ongoing. Future funding will be adjusted based on future forecasts.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040 Objects			
N Grants, Benefits & Client Services	9,391,000	7,229,000	16,620,000

Department of Social and Health Services

DP Code/Title: M1-0U Forecast Cost/Utilization
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

DSHS Source Code Detail

Program 040		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	3,607,000	3,276,000	6,883,000
<i>Total for Fund 001-1</i>		3,607,000	3,276,000	6,883,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	5,784,000	3,953,000	9,737,000
<i>Total for Fund 001-C</i>		5,784,000	3,953,000	9,737,000
Total Program 040		9,391,000	7,229,000	16,620,000

**2012 Supplemental Budget
M1 - 0U Forecast Cost/ Utilization**

Change in:

	Caseload	Expenditures		Per Capitas		Caseload	Due to Caseload		Expenditures		Due to Cost/Utilization Changes		
		Total	State	Total	State		Total	State	Total	State	Total	State	Federal
2011-13 Biennium													
<i>Funding Available</i>													
FY12 - Through Policy Level													
H52 Personal Care	13,607	\$ 258,111,000	\$ 129,344,000	\$ 1,581	\$ 792								
FY13 - Through Policy Level													
H52 Personal Care	13,875	\$ 266,199,000	\$ 132,631,000	\$ 1,599	\$ 797								
<i>Funding Needed</i>													
FY12 - June 2011 Update													
H52 Personal Care	13,681	\$ 268,900,000	\$ 133,652,000	\$ 1,638	\$ 814	74	\$ 1,398,000	\$ 701,000	\$ 697,000	\$ 9,391,000	\$ 3,607,000	\$ 5,784,000	
FY13 - June 2011 Update													
H52 Personal Care	13,811	\$ 272,210,000	\$ 135,300,000	\$ 1,642	\$ 816	(64)	\$ (1,218,000)	\$ (607,000)	\$ (611,000)	\$ 7,229,000	\$ 3,276,000	\$ 3,953,000	
TOTAL - 2011-13 Biennium													
H52 Personal Care	13,746	\$ 541,110,000	\$ 268,952,000	\$ 3,280	\$ 1,630		\$ 180,000	\$ 94,000	\$ 86,000	\$ 16,620,000	\$ 6,883,000	\$ 9,737,000	

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

Recommendation Summary Text:

The Department of Social and Health Services (DSHS), Division of Developmental Disabilities (DDD), requests \$180,000 (\$94,000 GF-State) in the 2012 Supplemental Budget to adjust funding for personal care. Personal care services help people with developmental disabilities live in community settings, and whenever possible, to remain in a family environment.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040			
001-1 General Fund - Basic Account-State	701,000	(607,000)	94,000
001-C General Fund - Basic Account-Medicaid Federal	697,000	(611,000)	86,000
Total Cost	1,398,000	(1,218,000)	180,000

Staffing

Package Description:

DSHS requests \$180,000 (\$94,000 GF-State) to adjust funding for personal care in DDD. Personal care services help people with developmental disabilities live in community settings, and whenever possible, to remain in a family environment. Personal care refers to assistance with activities of daily living (bathing, eating, personal hygiene, etc.), and is considered an entitlement. Funding has been adjusted based on the June 2011 forecasts by the Caseload Forecast Council (CFC) and the Aging and Disability Services Administration (ADSA). There has been some fluctuation in the various caseload segments that comprise the personal care forecast for DDD. Overall, however, the variance rose to a level justifying a minor change from the February 2011 forecast, which established the 2011-13 Biennial appropriation.

Program Contact: James Kettel (360) 725-2586
Agency Contact: Bryce Andersen (360) 902-8284

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

This and other forecast driven caseload changes reflect several agency goals, including:

- 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.

Performance Measure Detail

Program: 040

Activity: D074 Personal Care

No measures linked to package

<u>Incremental Changes</u>	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Personal care helps people with developmental disabilities remain in community settings, and whenever possible, to live

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

within a family environment, by providing assistance with shopping, eating, hygiene, and other day-to-day needs.

Does this decision package provide essential support to one of the Governor's priorities?

Yes, this decision package matches the Governor's goals of: protecting, and providing for, the most vulnerable citizens in the state of Washington; supporting individuals with developmental disabilities and their families; finding ways to make all Washingtonians as healthy as possible; ensuring quality healthcare providers; and creating a healthcare system that works.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

Yes, this decision package falls within the Priorities of Government (POG) statewide result to improve the security of Washington's vulnerable children and adults. The purchase strategy is to improve health, well being, and quality of life by providing in-home and community residential services. Providing in-home and community residential services was identified as a high-level purchase strategy during the POG process. This would rank high in the POG process.

What are the other important connections or impacts related to this proposal?

Failure to adjust personal care, based on the CFC and ADSA forecasts, could increase out-of-home residential services provided by DDD.

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

Personal care services are considered an entitlement. No other alternatives were considered.

What are the consequences of not funding this package?

Funding would remain at February 2011 forecasted level.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

See attachment: DDD M1-93 Mandatory Caseload Adjustments.xlsx

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

All costs are ongoing. Future biennia costs will be adjusted by future forecasts.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040 Objects			
N Grants, Benefits & Client Services	1,398,000	(1,218,000)	180,000

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

DSHS Source Code Detail

		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040				
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u> <u>Title</u>				
0011	General Fund State	701,000	(607,000)	94,000
<i>Total for Fund 001-1</i>		<u>701,000</u>	<u>(607,000)</u>	<u>94,000</u>
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u> <u>Title</u>				
19TA	Title XIX Assistance (FMAP)	697,000	(611,000)	86,000
<i>Total for Fund 001-C</i>		<u>697,000</u>	<u>(611,000)</u>	<u>86,000</u>
Total Program 040		<u>1,398,000</u>	<u>(1,218,000)</u>	<u>180,000</u>

**2012 Supplemental Budget
M1 - 93 Mandatory Caseload Adjustments**

Change in:

	Caseload	Expenditures		Per Capitas		Caseload	Expenditures		Federal
		Total	State	Total	State		Total	State	
2011-13 Biennium									
<i>Funding Available</i>									
FY12 - Through Policy Level									
H52 Personal Care	13,607	\$ 258,111,000	\$ 129,344,000	\$ 1,581	\$ 792				
FY13 - Through Policy Level									
H52 Personal Care	13,875	\$ 266,199,000	\$ 132,631,000	\$ 1,599	\$ 797				
<i>Funding Needed</i>									
FY12 - June 2011 Update									
H52 Personal Care	13,681	\$ 268,900,000	\$ 133,652,000	\$ 1,638	\$ 814	74	\$ 1,398,000	\$ 701,000	\$ 697,000
FY13 - June 2011 Update									
H52 Personal Care	13,811	\$ 272,210,000	\$ 135,300,000	\$ 1,642	\$ 816	(64)	\$ (1,218,000)	\$ (607,000)	\$ (611,000)
TOTAL - 2011-13 Biennium									
H52 Personal Care	13,746	\$ 541,110,000	\$ 268,952,000	\$ 3,280	\$ 1,630		\$ 180,000	\$ 94,000	\$ 86,000

Department of Social and Health Services

DP Code/Title: M1-94 Mandatory Workload Adjustments

Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

Recommendation Summary Text:

The Department of Social and Health Services (DSHS), Division of Developmental Disabilities (DDD), requests \$776,000 (\$466,000 GF-State) and 4.4 FTEs in the 2012 Supplemental Budget to maintain historical case resource manager (CRM) to client ratios required to manage the DDD caseload.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040			
001-1 General Fund - Basic Account-State	295,000	171,000	466,000
001-C General Fund - Basic Account-Medicaid Federal	196,000	114,000	310,000
Total Cost	491,000	285,000	776,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Program 040 FTEs	5.4	3.4	4.4

Package Description:

DSHS, DDD, requests \$776,000 (\$466,000 GF-State) and 4.4 FTEs in the 2012 Supplemental Budget to maintain established CRM to client ratios required to manage the DDD caseload. The FTE for the biennium will be phased in. Established ratios were used to calculate the CRM and associated support staff required to manage the DDD caseload. The CRM staff will be utilized to complete mandated assessments, service plans, and monitoring of individual support plans for clients of DDD. The information on the attached file showing the steps used to calculate are based upon July 2011 Assessment Activity Report

Program Contact: James Kettel (360) 725-2586
Agency Contact: Bryce Andersen (360) 902-8284

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Adjusting staffing levels based on a rise in caseload will allow Aging and Disability Services Administration (ADSA) to maintain current performance with the percentage of compliance with response targets. Per Washington Administrative Code (WAC), annual assessments will be completed for everyone receiving a DDD paid service. Medicaid requires an annual assessment to maintain federal matching funds.

Performance Measure Detail

Program: 040

Activity: D036 Field Services

No measures linked to package

Incremental Changes
<u>FY 1</u> <u>FY 2</u>
0.00 0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This request relates to the ADSA Strategic plan Goal Number 3 to maintain timely access to programs and responsiveness to changing needs, and manage risk through appropriate staffing.

It also supports Goal 2 of the ADSA plan to continue efforts to enhance quality of services. An objective within this goal is to support development, in sufficient numbers, of an effective workforce.

Department of Social and Health Services

DP Code/Title: M1-94 Mandatory Workload Adjustments

Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

Objectives within the strategic plan include identifying and requesting funding for appropriate caseload ratios and developing methods to make work more efficient.

Failing to adjust staffing levels due to a rise in caseload would eliminate the chances of accomplishing either the objectives or the goals outlined in ADSA's 2009-13 Strategic Plan.

Does this decision package provide essential support to one of the Governor's priorities?

One of the Governor's priorities is to "Improve the security of Washington's vulnerable children and adults." Failing to adjust staffing levels due to a rise in caseload would be contrary to this priority.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

Improving the security of Washington's vulnerable adults is one of the Priorities of Government (POG). One of the key indicators under this priority is "Increase the percentage of vulnerable adults living in permanent families and safe home or community settings." Failing to adjust staffing levels due to a rise in caseload would be contrary to this priority.

What are the other important connections or impacts related to this proposal?

Not applicable

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

1. Do not require the case manager to do the assessment in the home, face-to-face. Perhaps the case manager could have people come to a central location and do the assessments there a few days each month. It is often difficult for some of our clients to make appointments outside of their homes. Many of the questions asked on the assessment are of a highly personal nature and you would not want unrelated people to inadvertently overhear the process. The extra time this takes is worth the extra health and safety benefit that comes with a trained case manager being able to see the living situation of vulnerable clients once each year.
2. Assign specialized "assessment" staff to go around the state and complete the assessment. It is important to have the case managers develop a relationship and a level of trust with the people on their caseload. When someone applies for DDD services they turn in an application at a local office, which someone helps them with. They then are assigned to an intake and eligibility worker who works with them through that process when they are assigned to a case manager who does their assessment and will remain their case manager. We would not want to add another individual into this mix as the case manager gains valuable information about the individual and their situation during the assessment process. Having specific assessment staff would still take the same amount of time to complete the assessment if they were still going into people's homes and there would be no net savings of hours.
3. Go to a different assessment that does not take as long. The Medicaid Personal Care (MPC) assessment is a major part of the DDD Comprehensive Assessment and changing it would affect approximately 45,000 elders and people with physical disabilities. The Centers for Medicare and Medicaid Services (CMS) would not accept the MPC assessment as the only assessment for people with developmental disabilities. CMS requires an assessment of the "unique needs" of persons with developmental disabilities and the DDD Comprehensive Assessment meets those CMS demands.

What are the consequences of not funding this package?

Deciding not to fund this decision package would represent a deviation from historical workload standards. Failing to adjust staffing levels due to a rise in caseload would create an increase in caseload ratios. Current staff in DDD would be asked to perform the same type of services for a greater number of clients. DDD would need to determine if any of the existing service

Department of Social and Health Services

DP Code/Title: M1-94 Mandatory Workload Adjustments

Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

categories could be eliminated without jeopardizing the health and safety of clients, federal funding, or ADSA priorities.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

See attachment: DDD M1-94 Mandatory Workload Adjustments.xlsX

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

All costs are ongoing. Future funding will be adjusted based on future caseload forecasts.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040 Objects			
A Salaries And Wages	254,000	163,000	417,000
B Employee Benefits	98,000	60,000	158,000
E Goods And Services	70,000	44,000	114,000
G Travel	20,000	11,000	31,000
J Capital Outlays	44,000	4,000	48,000
T Intra-Agency Reimbursements	5,000	3,000	8,000
Total Objects	491,000	285,000	776,000

DSHS Source Code Detail

Program 040		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources Title</u>				
0011	General Fund State	295,000	171,000	466,000
<i>Total for Fund 001-1</i>		295,000	171,000	466,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources Title</u>				
19UL	Title XIX Admin (50%)	196,000	114,000	310,000
<i>Total for Fund 001-C</i>		196,000	114,000	310,000
Total Program 040		491,000	285,000	776,000

**2012 Supplemental Budget
94 - Mandatory Workload Adjustments**

Fiscal Year 2012	FTEs	Monthly Salary	Salaries A	OASI BA	Retirement BB	Unemp Ins BF	Medicare BH	Health Insurance BD	Medical Aid BC	Goods & Services E	Leases ED	Personnel Services EN	Travel G	Equipment J	ISSD TZ	Total
DD Case Resource Manger (Range 51)	3.6	4,014	176,000	11,000	15,000	1,000	3,000	37,000	2,000	26,000	20,000	1,000	13,000	30,000	4,000	339,000
CRM Supervisor (Range 53)	0.2	4,214	11,000	1,000	1,000	-	-	2,000	-	2,000	1,000	-	1,000	2,000	-	21,000
Resource Program Mgr (Range 51)	0.2	4,014	8,000	-	1,000	-	-	2,000	-	1,000	1,000	-	1,000	1,000	-	15,000
Intake & Eligibility (Range 51)	0.3	4,014	12,000	1,000	1,000	-	-	3,000	-	2,000	1,000	-	1,000	2,000	-	23,000
Secretary Senior (Range 33)	0.5	2,920	16,000	1,000	1,000	-	-	5,000	-	3,000	3,000	-	2,000	4,000	-	35,000
Dev Dis Administrator (Range 57)	0.1	4,653	6,000	-	-	-	-	1,000	-	1,000	1,000	-	-	1,000	-	10,000
Management Services (Range 52)	0.5	4,114	25,000	2,000	2,000	-	-	5,000	-	4,000	3,000	-	2,000	4,000	1,000	48,000
Total	5.4		254,000	16,000	21,000	1,000	3,000	55,000	2,000	39,000	30,000	1,000	20,000	44,000	5,000	491,000

Fiscal Year 2013	FTEs	Monthly Salary	Salaries A	OASI BA	Retirement BB	Unemp Ins BF	Medicare BH	Health Insurance BD	Medical Aid BC	Goods & Services E	Leases ED	Personnel Services EN	Travel G	Equipment J	ISSD TZ	Total
DD Case Resource Manger (Range 51)	2.1	4,014	99,000	6,000	8,000	1,000	1,000	21,000	1,000	14,000	11,000	1,000	7,000	3,000	2,000	175,000
CRM Supervisor (Range 53)	0.1	4,214	6,000	-	-	-	-	1,000	-	1,000	1,000	-	-	-	-	9,000
Resource Program Mgr (Range 51)	0.1	4,014	4,000	-	-	-	-	1,000	-	1,000	1,000	-	-	-	-	7,000
Intake & Eligibility (Range 51)	0.1	4,014	7,000	-	1,000	-	-	1,000	-	1,000	1,000	-	1,000	1,000	-	12,000
Secretary Senior (Range 33)	0.3	2,920	9,000	1,000	1,000	-	-	3,000	-	2,000	1,000	-	1,000	1,000	-	18,000
Dev Dis Administrator (Range 57)	0.1	4,653	4,000	-	-	-	-	1,000	-	-	-	-	-	-	-	5,000
Management Services (Range 52)	0.7	4,114	34,000	2,000	3,000	-	-	7,000	-	5,000	4,000	-	2,000	1,000	1,000	59,000
Total	3.4		163,000	9,000	13,000	1,000	1,000	35,000	1,000	24,000	19,000	1,000	11,000	4,000	3,000	285,000

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FTEs	FY 2012	FY 2013	BN total
A - Salaries	5.4	3.4	4.4
B - Benefits	254,000	163,000	417,000
C - Contracts	98,000	60,000	158,000
ED - Leases	-	-	-
E - Goods & Services	30,000	19,000	49,000
G - Travel	40,000	25,000	65,000
J - Equipment	20,000	11,000	31,000
TZ - ISSD	44,000	4,000	48,000
	5,000	3,000	8,000
	491,000	285,000	776,000
DA - General Fund - State	295,000	171,000	466,000
UM - General Fund - Federal	196,000	114,000	310,000

Assumptions:
 All Benefit Rates, Goods & Services Rates; Equipment and ISSD Rates come from the DSHS Staffing Model or OFM Allotment Instructions
 Salaries from Department of Personnel State Compensation Plan effective July 1, 2008
 Salaries reflect Step G
 Supporting staff at ratios used in 2009-11 biennial CRM Needs decision package
 Fund Source split reflects current cost allocation of 60% GF-S and 40% Federal
 FY 12 assumes start date of 10/1/2011

Department of Social and Health Services

DP Code/Title: M2-9T Transfers
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests to shift FTEs and funding among programs in the 2012 Supplemental Budget. This transfer will align FTEs and funds within the programs where the costs are incurred. The net impact is zero.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040			
001-1 General Fund - Basic Account-State	1,232,000	506,000	1,738,000
001-C General Fund - Basic Account-Medicaid Federal	1,185,000	471,000	1,656,000
Total Cost	2,417,000	977,000	3,394,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Program 040 FTEs	(144.9)	(219.7)	(182.3)

Package Description:

DSHS requests an internal transfer among several program budgets resulting in a net zero funding change for the department. To align program appropriations with planned expenditures for the current budget, DSHS requests the following adjustments:

Information System Services Division (ISSD) Compensation Adjustment (110 to 010, 020, 030, 040, 050, 060, 070, 100, 135, 150): Administration and Supporting Services (Administration) will transfer compensation costs for staff in ISSD to other DSHS programs. Compensation steps associated with staff in ISSD are routinely included within the budget steps for Administration. Administration will distribute \$383,000 (\$303,000 GF-State) of ISSD's costs to the programs. These steps include: 1) savings from ending automatic benefit increases from the Public Employees' Retirement System Plan 1; 2) health insurance decrease in Fiscal Year 2013 to reflect the expected decrease of state employees in 2011-13, (the decrease in the carry forward level has already been adjusted in Fiscal Year 2012); 3) 3 percent cost savings in employee salaries; and 4) employer contributions adjusted to levels adopted by the Pension Funding Council. ISSD's budget resides in programs' budgets at Sub-Object TZ.

Department of Information Services (DIS) Rate Reduction (145 to 010, 020, 030, 040, 050, 060, 070, 100, 135, 150): Payments to Other Agencies (PTOA) will distribute \$2,130,000 (\$1,494,000 GF-State) of DIS rate adjustment costs to the various programs. DIS reduced their 2011-13 rates in technology leasing services, storage, and mainframe computing. Also, the Central Service Model reduced the department's funding for DIS services. PTOA does not pay these DIS costs for the entire department; rather, they are paid out of the programs' budgets at the Sub-Object EL levels.

Medicaid Purchasing Administration (MPA) Funding (110 to 010, 020, 030, 040, 050, 060, 070, 100, 135): Administration will distribute \$456,000 (\$296,000 GF-State) in costs to DSHS programs for the funding of positions that were transferred to the Health Care Authority (HCA). The negotiation for the DSHS and MPA transfer required DSHS to provide additional staff funding to HCA. Administration distributes this cost to the programs in this request. (Economic Services Administration (ESA) agreed to provide 3.0 FTEs, which were transferred out of the ESA 2011-13 Biennial Budget.) This distribution will give each program a share of the cost without Administration carrying the full cost as this was the original intent.

Department of Labor and Industries (L&I) Funding from PTOA to Programs (145 to 010, 020, 030, 040, 050, 060, 070, 100, 135, 150): L&I funding for the various DSHS programs was provided in PTOA's budget and will need to transfer to the respective programs. PTOA will transfer \$9,341,000 (\$6,725,000 GF-State) to the programs.

ISSD Transfer of Email and Blackberry services to DIS (All DSHS Programs):

Department of Social and Health Services

DP Code/Title: M2-9T Transfers

Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

ISSD will no longer provide email and blackberry services for the department and will transfer these services to DIS. Program's funding for these services are in Sub-Object TZ and will need to transfer to Sub-Object EL. The estimated transfer amount is \$624,000 total funds for Fiscal Year 2012 and \$1,208,000 total funds for Fiscal Year 2013. Amounts in the first year are estimates because the transfer timeline may change.

ISSD Staff Transfer to Administration (150 or 020, 030, 040, 050, 060, 070, 100, 135 to 110):

ISSD will transfer 1.0 FTE and \$216,000 (\$126,000 GF-State) to Administration, which fits with the current organizational reporting structure. As mentioned above, because of ISSD's budget residing in the programs' Sub-Object TZ costs, programs will transfer \$176,000 of their ISSD's costs to Administration, which will also reduce their share of ISSD's costs by \$40,000.

Mental Health Category Transfers (030 8000 to 030 9000):

DSHS, Mental Health (MH), is a categorically appropriated program. Thus, MH requests to move 8.6 FTEs and \$671,000 (\$74,000 GF-State) from Category 8000 to Category 9000 to align appropriations where costs are incurred.

Consolidated Field Services FTE Transfer (010, 020, 030, 040, 050, 060, 135 to 110 & 160):

Program 160 - Consolidated Field Services (CFS) will consolidate 343.1 FTEs in Fiscal Year 2012 and 540.2 FTEs in Fiscal Year 2013 from various DSHS Programs, which is designed to centralize services and maximize efficiencies in order to support business functions and maintenance for the regional centers and the institutions. CFS will operate as a chargeback to programs in order to maintain the maximum federal participation rate that DSHS Programs receive. Part of this consolidation is a transfer of 8.0 FTEs and \$704,000 (\$490,000 GF-State) in Fiscal Year 2012 and 13.0 FTEs and \$1,021,000 (\$714,000 GF-State) in Fiscal Year 2013 for payroll staff, Facility Planners and a Fiscal Coordinator from the various programs to Program 110. The consolidation will phase in from November 1, 2011, through March 1, 2012, and has been approved by the Legislative Evaluation and Accountability Program (LEAP) Committee.

These transfers will realign the funding with the DSHS programs to be charged.

Agency contact: Tula Habb (360) 902-8182

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

DSHS accounts for the wise use of public dollars by maximizing federal funding sources.

Performance Measure Detail

Program: 040

Activity: D036 Field Services

No measures linked to package

Incremental Changes

FY 1 FY 2

0.00 0.00

Activity: D086 Residential Habilitation Facilities

No measures linked to package

Incremental Changes

FY 1 FY 2

0.00 0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes. This request supports our goal to improve health care quality and access and to improve internal and external partnerships.

Does this decision package provide essential support to one of the Governor's priorities?

Yes. This request supports the Governor's priority associated with efficient state government services for the people of

Department of Social and Health Services

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Washington State.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

Yes. This request makes key contributions to the Governor's statewide results to "strengthen government's ability to achieve results efficiently and effectively."

This package will rate high in the Priorities of Government (POG) process as it will assist us in ensuring that needed support and funds are in the correct programs. In addition, it will allow DSHS to monitor costs and services efficiently and effectively.

What are the other important connections or impacts related to this proposal?

None

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

None

What are the consequences of not funding this package?

If the funding authority is not transferred between programs, DSHS would be required to develop internal mechanisms to track and transfer costs resulting in reduced efficiency.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

See attachment: AW M2-9T Transfers.xlsx

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

The transfer is one-time resulting in the funding being in the correct programs. Then, all costs associated with these transfers will be ongoing and will carry-forward into future biennia.

Object Detail	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040 Objects			
A Salaries And Wages	(105,000)	(153,000)	(258,000)
B Employee Benefits	2,610,000	1,216,000	3,826,000
E Goods And Services	14,000	112,000	126,000
T Intra-Agency Reimbursements	(102,000)	(198,000)	(300,000)
Total Objects	2,417,000	977,000	3,394,000

Department of Social and Health Services

DP Code/Title: M2-9T Transfers

Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

DSHS Source Code Detail

Program 040		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	1,232,000	506,000	1,738,000
	<i>Total for Fund 001-1</i>	1,232,000	506,000	1,738,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	1,185,000	471,000	1,656,000
	<i>Total for Fund 001-C</i>	1,185,000	471,000	1,656,000
	Total Program 040	2,417,000	977,000	3,394,000

**2012 Supplemental Budget
M2-9T Transfers**

Program	FTEs			FY 2012			FY 2013			2011-13 Biennium		
	FY12	FY13	Total	001-1	Other	Total	001-1	Other	Total	001-1	Other	Total
010 Children's Administration												
ISSD compensation adjustments from Admin			0.0	(19,000)	(9,000)	(28,000)	(23,000)	(13,000)	(36,000)	(42,000)	(22,000)	(64,000)
DIS reductions from PTOA			0.0	(103,000)	(44,000)	(147,000)	(100,000)	(43,000)	(143,000)	(203,000)	(87,000)	(290,000)
MPA costs from Admin			0.0	(24,000)	(13,000)	(37,000)	(24,000)	(13,000)	(37,000)	(48,000)	(26,000)	(74,000)
L&I Funding from PTOA			0.0	192,000	63,000	255,000	80,000	26,000	106,000	272,000	89,000	361,000
Email & BB to DIS from ISSD (net zero impact)			0.0	0	0	0	0	0	0	0	0	0
ISSD Staff Transfer to Admin			0.0	(6,000)	(9,000)	(15,000)	(6,000)	(9,000)	(15,000)	(12,000)	(18,000)	(30,000)
FTE Consolidation Transfer	(10.9)	(26.2)	(18.6)	(37,000)	(41,000)	(78,000)	(52,000)	(59,000)	(111,000)	(89,000)	(100,000)	(189,000)
			0.0			0			0	0	0	0
010 Total	(10.9)	(26.2)	(18.6)	3,000	(53,000)	(50,000)	(125,000)	(111,000)	(236,000)	(122,000)	(164,000)	(286,000)
020 Juvenile Rehabilitation												
ISSD compensation adjustments from Admin			0.0	(5,000)		(5,000)	(7,000)		(7,000)	(12,000)	0	(12,000)
DIS reductions from PTOA			0.0	(8,000)		(8,000)	(8,000)		(8,000)	(16,000)	0	(16,000)
MPA costs from Admin			0.0	(8,000)	(4,000)	(12,000)	(8,000)	(4,000)	(12,000)	(16,000)	(8,000)	(24,000)
L&I Funding from PTOA			0.0	382,000		382,000	179,000		179,000	561,000	0	561,000
Email & BB to DIS from ISSD (net zero impact)			0.0	0	0	0	0	0	0	0	0	0
ISSD Staff Transfer to Admin			0.0	(3,000)	0	(3,000)	(3,000)	0	(3,000)	(6,000)	0	(6,000)
FTE Consolidation Transfer	(36.0)	(55.1)	(45.6)	(11,000)	0	(11,000)	(15,000)	0	(15,000)	(26,000)	0	(26,000)
			0.0			0			0	0	0	0
020 Total	(36.0)	(55.1)	(45.6)	347,000	(4,000)	343,000	138,000	(4,000)	134,000	485,000	(8,000)	477,000
030 Mental Health												
ISSD compensation adjustments from Admin			0.0	(12,000)	1,000	(11,000)	(15,000)	1,000	(14,000)	(27,000)	2,000	(25,000)
DIS reductions from PTOA			0.0	(19,000)	4,000	(15,000)	(18,000)	4,000	(14,000)	(37,000)	8,000	(29,000)
MPA costs from Admin			0.0	(26,000)	(14,000)	(40,000)	(26,000)	(14,000)	(40,000)	(52,000)	(28,000)	(80,000)
L&I Funding from PTOA			0.0	2,011,000	249,000	2,260,000	893,000	110,000	1,003,000	2,904,000	359,000	3,263,000
Email & BB to DIS from ISSD (net zero impact)			0.0	0	0	0	0	0	0	0	0	0
ISSD Staff Transfer to Admin			0.0	(6,000)	0	(6,000)	(6,000)	0	(6,000)	(12,000)	0	(12,000)
Category 8000	(8.6)	(8.6)	(8.6)	(296,000)	(38,000)	(334,000)	(301,000)	(36,000)	(337,000)	(597,000)	(74,000)	(671,000)
Category 9000	8.6	8.6	8.6	296,000	38,000	334,000	301,000	36,000	337,000	597,000	74,000	671,000
FTE Consolidation Transfer	(119.2)	(178.9)	(149.1)	(239,000)	0	(239,000)	(353,000)	0	(353,000)	(592,000)	0	(592,000)
			0.0			0			0	0	0	0
030 Total	(119.2)	(178.9)	(149.1)	1,709,000	240,000	1,949,000	475,000	101,000	576,000	2,184,000	341,000	2,525,000
040 Division of Developmental Disabilities												
ISSD compensation adjustments from Admin			0.0	(9,000)	(2,000)	(11,000)	(10,000)	(3,000)	(13,000)	(19,000)	(5,000)	(24,000)
DIS reductions from PTOA			0.0	(27,000)	(1,000)	(28,000)	(26,000)		(26,000)	(53,000)	(1,000)	(54,000)
MPA costs from Admin			0.0	(31,000)	(17,000)	(48,000)	(31,000)	(17,000)	(48,000)	(62,000)	(34,000)	(96,000)
L&I Funding from PTOA			0.0	1,366,000	1,311,000	2,677,000	670,000	644,000	1,314,000	2,036,000	1,955,000	3,991,000
Email & BB to DIS from ISSD (net zero impact)			0.0	0	0	0	0	0	0	0	0	0
ISSD Staff Transfer to Admin			0.0	(5,000)	(1,000)	(6,000)	(5,000)	(1,000)	(6,000)	(10,000)	(2,000)	(12,000)
FTE Consolidation Transfer	(144.9)	(219.7)	(182.3)	(62,000)	(105,000)	(167,000)	(92,000)	(152,000)	(244,000)	(154,000)	(257,000)	(411,000)
			0.0			0			0	0	0	0
040 Total	(144.9)	(219.7)	(182.3)	1,232,000	1,185,000	2,417,000	506,000	471,000	977,000	1,738,000	1,656,000	3,394,000
050 Long Term Care												
ISSD compensation adjustments from Admin			0.0	(11,000)	(3,000)	(14,000)	(14,000)	(4,000)	(18,000)	(25,000)	(7,000)	(32,000)
DIS reductions from PTOA			0.0	(44,000)	(15,000)	(59,000)	(44,000)	(14,000)	(58,000)	(88,000)	(29,000)	(117,000)
MPA costs from Admin			0.0	(12,000)	(7,000)	(19,000)	(12,000)	(7,000)	(19,000)	(24,000)	(14,000)	(38,000)
L&I Funding from PTOA			0.0	77,000	51,000	128,000	33,000	21,000	54,000	110,000	72,000	182,000
Email & BB to DIS from ISSD (net zero impact)			0.0	0	0	0	0	0	0	0	0	0
ISSD Staff Transfer to Admin			0.0	(4,000)	(3,000)	(7,000)	(4,000)	(3,000)	(7,000)	(8,000)	(6,000)	(14,000)
FTE Consolidation Transfer	(3.9)	(9.1)	(6.5)	(15,000)	(13,000)	(28,000)	(22,000)	(18,000)	(40,000)	(37,000)	(31,000)	(68,000)
			0.0			0			0	0	0	0
050 Total	(3.9)	(9.1)	(6.5)	(9,000)	10,000	1,000	(63,000)	(25,000)	(88,000)	(72,000)	(15,000)	(87,000)
060 Economic Services Administration												
ISSD compensation adjustments from Admin			0.0	(76,000)	(16,000)	(92,000)	(91,000)	(27,000)	(118,000)	(167,000)	(43,000)	(210,000)
DIS reductions from PTOA			0.0	(530,000)	(260,000)	(790,000)	(519,000)	(255,000)	(774,000)	(1,049,000)	(515,000)	(1,564,000)
MPA costs from Admin			0.0	(39,000)	(21,000)	(60,000)	(39,000)	(21,000)	(60,000)	(78,000)	(42,000)	(120,000)
L&I Funding from PTOA			0.0	325,000	90,000	415,000	140,000	39,000	179,000	465,000	129,000	594,000
Email & BB to DIS from ISSD (net zero impact)			0.0	0	0	0	0	0	0	0	0	0
ISSD Staff Transfer to Admin			0.0	(25,000)	(22,000)	(47,000)	(25,000)	(22,000)	(47,000)	(50,000)	(44,000)	(94,000)
FTE Consolidation Transfer	(11.5)	(27.2)	(19.4)	(72,000)	(55,000)	(127,000)	(101,000)	(78,000)	(179,000)	(173,000)	(133,000)	(306,000)
			0.0			0			0	0	0	0
060 Total	(11.5)	(27.2)	(19.4)	(417,000)	(284,000)	(701,000)	(635,000)	(364,000)	(999,000)	(1,052,000)	(648,000)	(1,700,000)
070 Division of Alcohol and Substance Abuse												
ISSD compensation adjustments from Admin			0.0	(1,000)		(1,000)	(1,000)		(1,000)	(2,000)	0	(2,000)
DIS reductions from PTOA			0.0		(1,000)	(1,000)		(1,000)	(1,000)	0	(2,000)	(2,000)
MPA costs from Admin			0.0	(1,000)		(1,000)	(1,000)		(1,000)	(2,000)	0	(2,000)
L&I Funding from PTOA			0.0	6,000	1,000	7,000	3,000		3,000	9,000	1,000	10,000
Email & BB to DIS from ISSD (net zero impact)			0.0	0	0	0	0	0	0	0	0	0
ISSD Staff Transfer to Admin			0.0	(1,000)	0	(1,000)	(1,000)	0	(1,000)	(2,000)		(2,000)
			0.0			0			0	0	0	0
070 Total	0.0	0.0	0.0	3,000	0	3,000	0	(1,000)	(1,000)	3,000	(1,000)	2,000

**2012 Supplemental Budget
M2-9T Transfers**

	Program	FTEs			FY 2012			FY 2013			2011-13 Biennium		
		FY12	FY13	Total	001-1	Other	Total	001-1	Other	Total	001-1	Other	Total
100	Division of Voc. Rehabilitation												
	ISSD compensation adjustments from Admin			0.0	(2,000)	(2,000)	(4,000)	(2,000)	(3,000)	(5,000)	(4,000)	(5,000)	(9,000)
	DIS reductions from PTOA			0.0	(2,000)	(5,000)	(7,000)	(2,000)	(5,000)	(7,000)	(4,000)	(10,000)	(14,000)
	MPA costs from Admin			0.0	(1,000)	(4,000)	(5,000)	(1,000)	(4,000)	(5,000)	(2,000)	(8,000)	(10,000)
	L&I Funding from PTOA			0.0	30,000		30,000	12,000		12,000	42,000	0	42,000
	Email & BB to DIS from ISSD (net zero impact)			0.0	0	0	0	0	0	0	0	0	0
	ISSD Staff Transfer to Admin			0.0	0	(2,000)	(2,000)	0	(2,000)	(2,000)	0	(4,000)	(4,000)
				0.0			0			0	0	0	0
	100 Total	0.0	0.0	0.0	25,000	(13,000)	12,000	7,000	(14,000)	(7,000)	32,000	(27,000)	5,000
110	Administration & Supporting Services												
	ISSD compensation adjustments from Admin			0.0	137,000	31,000	168,000	166,000	49,000	215,000	303,000	80,000	383,000
	DIS reductions from PTOA			0.0	(21,000)		(21,000)	(21,000)		(21,000)	(42,000)	0	(42,000)
	MPA costs from Admin			0.0	148,000	80,000	228,000	148,000	80,000	228,000	296,000	160,000	456,000
	L&I Funding from PTOA			0.0	37,000	8,000	45,000	16,000	3,000	19,000	53,000	11,000	64,000
	Email & BB to DIS from ISSD (net zero impact)			0.0	0	0	0	0	0	0	0	0	0
	ISSD Staff Transfer to Admin			1.0	51,000	37,000	88,000	51,000	37,000	88,000	102,000	74,000	176,000
	FTE Consolidation Transfer	8.0	13.0	10.5	490,000	214,000	704,000	714,000	307,000	1,021,000	1,204,000	521,000	1,725,000
				0.0			0			0	0	0	0
	110 Total	9.0	14.0	11.5	842,000	370,000	1,212,000	1,074,000	476,000	1,550,000	1,916,000	846,000	2,762,000
135	Special Commitment Center												
	ISSD compensation adjustments from Admin			0.0	(2,000)		(2,000)	(3,000)		(3,000)	(5,000)	0	(5,000)
	DIS reductions from PTOA			0.0	(1,000)		(1,000)	(1,000)		(1,000)	(2,000)	0	(2,000)
	MPA costs from Admin			0.0	(6,000)		(6,000)	(6,000)		(6,000)	(12,000)	0	(12,000)
	L&I Funding from PTOA			0.0	183,000		183,000	90,000		90,000	273,000	0	273,000
	Email & BB to DIS from ISSD (net zero impact)			0.0	0	0	0	0	0	0	0	0	0
	ISSD Staff Transfer to Admin			0.0	(1,000)	0	(1,000)	(1,000)	0	(1,000)	(2,000)	0	(2,000)
	FTE Consolidation Transfer	(24.7)	(37.0)	(30.9)	(54,000)	0	(54,000)	(79,000)	0	(79,000)	(133,000)	0	(133,000)
				0.0			0			0	0	0	0
	135 Total	(24.7)	(37.0)	(30.9)	119,000	0	119,000	0	0	0	119,000	0	119,000
145	Payments to Other Agencies												
	DIS reductions from PTOA			0.0	755,000	322,000	1,077,000	739,000	314,000	1,053,000	1,494,000	636,000	2,130,000
	L&I Funding from PTOA			0.0	(4,609,000)	(1,773,000)	(6,382,000)	(2,116,000)	(843,000)	(2,959,000)	(6,725,000)	(2,616,000)	(9,341,000)
				0.0			0			0	0	0	0
				0.0			0			0	0	0	0
	145 Total	0.0	0.0	0.0	(3,854,000)	(1,451,000)	(5,305,000)	(1,377,000)	(529,000)	(1,906,000)	(5,231,000)	(1,980,000)	(7,211,000)
150	Information System Services Division												
	Email & BB to DIS from ISSD	0.0	0.0	0.0	0	0	0	0	0	0	0	0	0
	ISSD Staff Transfer to Admin	(1.0)	(1.0)	(1.0)	0	0	0	0	0	0	0	0	0
				0.0			0			0	0	0	0
				0.0			0			0	0	0	0
	145 Total	(1.0)	(1.0)	(1.0)	0	0	0	0	0	0	0	0	0
160	Consolidated Field Services												
	FTE Consolidation Transfer	343.1	540.2	441.7	0	0	0	0	0	0	0	0	0
				0.0			0			0	0	0	0
				0.0			0			0	0	0	0
	150 Total	343.1	540.2	441.7	0	0	0	0	0	0	0	0	0
Agency-Wide:		0	0	0.0	0	0	0	0	0	0	0	0	0

notes:

1. Information System Services Division (ISSD) compensation adjustments from Administration & Supporting Services (Admin).
2. Department of Information Services (DIS) rate & central service reductions from Payments to Other Agencies (PTOA).
3. Additional Medicaid Purchasing Administration (MPA) costs to transfer from Admin.
4. L&I funding from PTOA to programs.
5. Email and Blackberry (BB) services transfer from ISSD to DIS. Net impact to the programs is zero; however, ISSD's funding will decrease by the amount programs reduce/transfer their TZ costs.
6. ISSD Staff Transfer to Admin.
7. In Mental Health, move FTEs and funding from Category 8000 to 9000 to align appropriations where costs are incurred.
8. FTE Transfer related to the Regional Business Centers, Institutional Business Offices, and Maintenance Operations are consolidated in Program 160.

Department of Social and Health Services

DP Code/Title: M2-DA Utilization of Residential Services
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

Recommendation Summary Text:

The Department of Social and Health Services (DSHS), Division of Developmental Disabilities (DDD) requests \$3,506,000 (\$844,000 GF-State) in the 2012 Supplemental Budget to provide out-of-home community residential placements for individuals with developmental disabilities in crisis.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	(1,524,000)	2,368,000	844,000
001-C General Fund - Basic Account-Medicaid Federal	61,000	2,601,000	2,662,000
Total Cost	(1,463,000)	4,969,000	3,506,000

Staffing

Package Description:

DSHS requests \$3,506,000 (\$844,000 GF-State) to provide out-of-home community residential placements for individuals with developmental disabilities in crisis, as an alternative to placement at the state's RHCs, state hospitals, or homelessness. Funding has been adjusted based on the June 2011 forecast completed by the Aging and Disability Services Administration (ADSA). Overall, both caseload and per capita expenditure trends have remained quite stable, as this decision package represents a 0.5% adjustment to funding for residential services. One driver behind the adjustment is lower than expected per capita costs for the two residential settings serving children. For caseload, funding is phased-in for 96 clients who are either aging out of Children's Administration (CA), or being released from Department of Corrections, Juvenile Rehabilitation Administration, or psychiatric hospitals. These are clients who have no homes to return to in the community.

For background, approximately 4,300 clients in DDD receive community residential services. Most clients are adults, and most receive Supported Living services (approximately 2,800). Other community residential services for adults include Group Homes, Alternative Living, and Companion Homes. For children (approximately 150), services are offered in a licensed staffed residential home or in a foster care setting.

Program contact: James Kettel (360) 725-2586.
Agency contact: Bryce Andersen (360) 902-8284

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The DDD Comprehensive Assessment has established a consistent way to determine how much service a person needs and the Division has implemented a standardized rate setting structure for residential services based upon the assessed needs of the individual with a developmental disability. The residential rates calculator also includes an "economies of scale" calculation so when clients live together or near each other they can share staffing hours.

Performance Measure Detail

Agency Level

Activity: D087 Residential Program
No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Department of Social and Health Services

DP Code/Title: M2-DA Utilization of Residential Services

Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes, this decision package falls within ADSA's strategic plan:

Objective: Offer a variety of home and community options to improve the balance between home and community and institutional care.

Strategy: Adjust payment systems where necessary to provide incentives to meet client needs in home and community settings.

Does this decision package provide essential support to one of the Governor's priorities?

Yes, this decision package matches the Governor's goals of protecting and providing for the most vulnerable citizens in the state of Washington; supporting individuals with developmental disabilities and their families; finding ways to make all Washingtonians as healthy as possible; ensuring quality healthcare providers; and creating a healthcare system that works.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

This decision package falls within the Priorities of Government (POG) statewide result to improve the security of Washington's vulnerable children and adults. Providing in home and community residential services was identified as a high level purchase strategy during the 2009-11 POG process.

What are the other important connections or impacts related to this proposal?

Funding this decision package will mean that providers of residential services will see little change in their method of conducting business with DDD.

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

Without adequate community options, the alternative options to these clients is a placement at the state's Residential Habilitation Centers (RHCs), state hospitals, or homelessness.

What are the consequences of not funding this package?

Funding would remain at February 2011 forecasted level.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

See attached "M2 DA Utilization of Residential Services.xls".

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

All costs would be ongoing. Future biennia costs will be adjusted by future caseload and per capita estimates.

Department of Social and Health Services

DP Code/Title: M2-DA Utilization of Residential Services

Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	(1,463,000)	4,969,000	3,506,000

DSHS Source Code Detail

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources</u> <u>Title</u>			
0011 General Fund State	(1,524,000)	2,368,000	844,000
<i>Total for Fund 001-1</i>	<u>(1,524,000)</u>	<u>2,368,000</u>	<u>844,000</u>
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources</u> <u>Title</u>			
19TA Title XIX Assistance (FMAP)	61,000	2,601,000	2,662,000
<i>Total for Fund 001-C</i>	<u>61,000</u>	<u>2,601,000</u>	<u>2,662,000</u>
Total Overall Funding	<u>(1,463,000)</u>	<u>4,969,000</u>	<u>3,506,000</u>

**2012 Supplemental Budget
M2-DA Utilization of Residential Services**

	Expenditures					
	Due to Caseload		Due to Cost/Utilization Changes		Total Change	
	Total	State	Federal	Total	State	Federal
2012 Supplemental Budget						
<i>Forecast Adjustment</i>						
FY12 - June 2011 Forecast Update	\$ 1,097,000	\$ 556,000	\$ 541,000	\$ (2,560,000)	\$ (2,080,000)	\$ (480,000)
FY13 - June 2011 Forecast Update	\$ (100,000)	\$ (51,000)	\$ (49,000)	\$ (1,816,000)	\$ (1,096,000)	\$ (720,000)
2011-13 Biennium - June 2011 Forecast Update	\$ 997,000	\$ 505,000	\$ 492,000	\$ (4,376,000)	\$ (3,176,000)	\$ (1,200,000)
<i>Critical Community Placements</i>						
FY12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY13	\$ 6,885,000	\$ 3,515,000	\$ 3,370,000	\$ -	\$ -	\$ -
2011-13	\$ 6,885,000	\$ 3,515,000	\$ 3,370,000	\$ -	\$ -	\$ -
<i>TOTAL Decision Package Funding</i>						
FY12	\$ 1,097,000	\$ 556,000	\$ 541,000	\$ (2,560,000)	\$ (2,080,000)	\$ (480,000)
FY13	\$ 6,785,000	\$ 3,464,000	\$ 3,321,000	\$ (1,816,000)	\$ (1,096,000)	\$ (720,000)
2011-13	\$ 7,882,000	\$ 4,020,000	\$ 3,862,000	\$ (4,376,000)	\$ (3,176,000)	\$ (1,200,000)
				\$ (1,463,000)	\$ (1,524,000)	\$ 61,000
				\$ 4,969,000	\$ 2,368,000	\$ 2,601,000
				\$ 3,506,000	\$ 844,000	\$ 2,662,000

Department of Social and Health Services

DP Code/Title: M2-DD High School Transition Services

Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

Recommendation Summary Text:

The Department of Social and Health Services (DSHS), Division of Developmental Disabilities (DDD), requests \$752,000 (\$376,000 GF State) in the 2012 Supplemental Budget for employment programs for high school graduates who will be turning 21 years-of-age and leaving school in the second fiscal year.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040			
001-1 General Fund - Basic Account-State	0	376,000	376,000
001-C General Fund - Basic Account-Medicaid Federal	0	376,000	376,000
Total Cost	0	752,000	752,000

Staffing

Package Description:

DSHS, DDD, requests a Fiscal Year 2013 total of \$752,000 (\$376,000 GF State) for employment programs for high school graduates who will be turning 21 years-of-age and leaving school in June 2011 and June 2012. The DDD database shows there are currently 730 DDD clients with developmental disabilities graduating in 2011 and 705 in 2012 (1,435 total). DDD is requesting funding for 88 percent of the waiver clients. Employment is a required service under the waiver as approved by Centers for Medicare and Medicaid Services (CMS).

This funding will be used to provide the opportunity for high school transition graduates who have a developmental disability and want to move into the workforce, and increase their economic and social independence. Upon graduation from high school, during the next fiscal year, 183 Home and Community Based Services (HCBS) waiver clients will need a day/employment program. CMS requires that the assessed needs of waiver participants are met, and clearly states that failing to do so will jeopardize Medicaid funding.

DDD has 492 state only funded clients who will graduate in the next fiscal year. Employment services for these individuals will help prevent out-of-home placement requests. Currently, these clients have a six-hour school program and their family's commitments and schedule are dependent on their care/supervision needs being covered by the schools during this time. Without an employment program, families may request more costly out-of-home placement as they are unable to fill the gap created from the loss of school program. These clients are not part of this decision package.

Our high school transition numbers are based on birthdates of the clients and a program funding model used by the Division of Vocational Rehabilitation (DVR) and DDD to build past budgets for high school transition clients. Using this models year-to-year experience, we assume 12 percent of all of our waiver graduates will not enter service because they cannot be located, refuse service or otherwise are not referred. We also know from year-to-year experience, there will be a small percentage increase (under 10 percent) in the number of DDD high school transition clients as some families wait until sometime close to their child's graduation before they enroll with DDD.

Agency Contact: Bryce Andersen (360) 902-8284
Program Contact: Branda Matson (360) 725-3405

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Department of Social and Health Services

DP Code/Title: M2-DD High School Transition Services
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

Clients will have the opportunity to pursue a career regardless of the challenge of their disability and will be afforded an opportunity to pursue competitive employment to earn a living wage. At minimum, clients will receive needed support, receive minimum wage pay or better in individual employment, and have opportunities for career development.

Performance Measure Detail

Program: 040

Activity: D028 Employment and Day Programs

No measures linked to package

Incremental Changes

FY 1

FY 2

0.00

0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This decision package relates to the Aging and Disability Services Administration (ADSA) Strategic Plan goals in which ADSA will provide programs that improve quality of life, develop and maintain client self-sufficiency and self-direction by providing clients support to earn wages. This will improve client health and safety. The goal is that appropriate, quality services are available in the least restrictive, most cost effective setting appropriate to clients' needs. This request provides support to the following specific goals outlined in the ADSA Strategic Plan:

- continue to improve the balance between home and community option and institutional use by maximizing consumer empowerment;
- maintain timely access to programs and responsiveness to changing needs, and manage risk through appropriate staffing by requesting funding for appropriate caseload ratios; and
- helping individuals and families to support themselves by investment in employment programs for persons with developmental disabilities.

Does this decision package provide essential support to one of the Governor's priorities?

This decision package will address several of the Governor's priorities including:

- strengthening families by supporting individuals with developmental disabilities to work;
- building prosperity by educating the workforce to recognize the importance of employing people of all abilities; and
- one Washington by supporting the development of diversity in the workplace.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

Yes, by supporting individuals with developmental disabilities to obtain employment, it contributes to "Strengthening Families" by supporting vulnerable adults to be contributing tax payers with the added benefit of supporting diversity in the workplace. The following was reported by the Washington State Employment Security Department:

Fiscal Year 2007: 5,610 working age people with developmental disabilities earned \$37,890,180 (Average annual earnings per client of \$6,754)

Fiscal Year 2008: 5,809 working age people with developmental disabilities earned \$40,834,293 (Average annual earnings per client of \$7,030)

Fiscal Year 2009: 5,539 working age people with developmental disabilities earned \$40,131,334 (Average annual earnings

Department of Social and Health Services

DP Code/Title: M2-DD High School Transition Services
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request
per client of \$7,245)

What are the other important connections or impacts related to this proposal?

Transition funding requests have been supported for the past several bienniums. Counties and regions are expected to coordinate services with DVR.

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

DDD continues to work to maximize the use of HCBS, DVR, county, school, and private funding.

What are the consequences of not funding this package?

If HCBS waiver clients are assessed to need a day/employment program and DDD is unable to meet their needs, DDD will not be able to meet waiver requirements; therefore, jeopardizing Medicaid funding. Clients will lose skills gained in high school, as well as any momentum toward a career that may have existed.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

See attachment: DDD M2-DDHigh School Transition Services.xlsx

Assumptions:

1. An average of \$588 per month of service phased in over 12 months with DVR services
2. Those services will continue into the next biennium at \$588 per month per client

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

All costs are ongoing.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040 Objects			
N Grants, Benefits & Client Services	0	752,000	752,000

Department of Social and Health Services

DP Code/Title: M2-DD High School Transition Services
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

DSHS Source Code Detail

		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040				
Fund 001-1, General Fund - Basic Account-State				
<u>Sources Title</u>				
0011	General Fund State	0	376,000	376,000
<i>Total for Fund 001-1</i>		<u>0</u>	<u>376,000</u>	<u>376,000</u>
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources Title</u>				
19TA	Title XIX Assistance (FMAP)	0	376,000	376,000
<i>Total for Fund 001-C</i>		<u>0</u>	<u>376,000</u>	<u>376,000</u>
Total Program 040		<u>0</u>	<u>752,000</u>	<u>752,000</u>

2012 Supplemental Budget
M2 - DD High School Transition Services

Cost for Waiver Grads			
June Grads birth date 9/1/1990 to 8/31/1991			
	# of	Cost per	
	Graduates	Month	Total Cost
FY 13			
Jul-12	35	588	21,000
Aug-12	55	588	32,000
Sep-12	70	588	41,000
Oct-12	81	588	48,000
Nov-12	95	588	56,000
Dec-12	105	588	62,000
Jan-13	115	588	68,000
Feb-13	125	588	74,000
Mar-13	135	588	79,000
Apr-13	145	588	85,000
May-13	155	588	91,000
Jun-13	161	588	95,000
			<u>752,000</u>

Client Costs

	GF-State	Other	Total
FY 13	376,000	376,000	752,000

Department of Social and Health Services

DP Code/Title: M2-WB Federal Funds Technical Adjustment
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests adjustments between types of federal funds, within the current GF-Federal spending authority, to accurately reflect expected types of federal earnings in the 2012 Supplemental Budget.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-2 General Fund - Basic Account-Federal	(976,000)	(1,064,000)	(2,040,000)
001-C General Fund - Basic Account-Medicaid Federal	976,000	1,064,000	2,040,000
Total Cost	0	0	0

Staffing

Package Description:

This adjustment realigns federal funds between fund types that DSHS will be able to earn in the 2012 Supplemental Budget. This decision package nets to zero and impacts programs 010, 030, 040, 050, and 060.

Agency Contact: Jialing Huang (360) 902-7831

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

To align budgeted federal funding sources with projected federal earnings.

Performance Measure Detail

Agency Level

Activity: D036 Field Services No measures linked to package	Incremental Changes <u>FY 1</u> <u>FY 2</u> 0.00 0.00
Activity: D070 Other Community Programs No measures linked to package	Incremental Changes <u>FY 1</u> <u>FY 2</u> 0.00 0.00
Activity: D079 Program Support for Developmental Disabilities No measures linked to package	Incremental Changes <u>FY 1</u> <u>FY 2</u> 0.00 0.00
Activity: D086 Residential Habilitation Facilities No measures linked to package	Incremental Changes <u>FY 1</u> <u>FY 2</u> 0.00 0.00
Activity: D087 Residential Program No measures linked to package	Incremental Changes <u>FY 1</u> <u>FY 2</u> 0.00 0.00
Activity: D095 State Operated Living Alternatives No measures linked to package	Incremental Changes <u>FY 1</u> <u>FY 2</u> 0.00 0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Department of Social and Health Services

DP Code/Title: M2-WB Federal Funds Technical Adjustment
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

This proposal supports the department's strategic plan to maintain a safety net for people in need by delivering cash, food, medical benefits, child care, and other services to eligible people quickly and accurately.

Does this decision package provide essential support to one of the Governor's priorities?

Yes. This request supports the Governor's priority of holding government accountable.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

Yes.

What are the other important connections or impacts related to this proposal?

This request aligns federal funding sources with projected federal earnings.

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

Not applicable

What are the consequences of not funding this package?

Not realigning federal funds will result in less accurate information on fund sources that will be earned.

What is the relationship, if any, to the state's capital budget?

Not applicable

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

Not applicable

Expenditure and revenue calculations and assumptions

See attachment: 'AW_M2-WB Federal Funds Technical Adjustment_2011.xls'.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

The budget impacts will carry forward.

Object Detail

FY 1

FY 2

Total

Overall Funding

Program Totals

Department of Social and Health Services

DP Code/Title: M2-WB Federal Funds Technical Adjustment
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-2, General Fund - Basic Account-Federal				
<u>Sources</u>	<u>Title</u>			
ZZ04	001-2 s/b 001-C 19TA	(129,000)	25,000	(104,000)
ZZ06	001-2 s/b 001-C 19UL	(847,000)	(1,089,000)	(1,936,000)
<i>Total for Fund 001-2</i>		(976,000)	(1,064,000)	(2,040,000)
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	129,000	(25,000)	104,000
19UL	Title XIX Admin (50%)	847,000	1,089,000	1,936,000
<i>Total for Fund 001-C</i>		976,000	1,064,000	2,040,000
Total Overall Funding		0	0	0

**2012 Supplemental Budget
AW M2-WB Federal Funds Technical Adjustment**

Program	Fund Given As	2012	2013
010	001-2	787,000	977,000
	001-A	-	-
	001-C	-	-
	001-D	-	-
030	001-2	(547,000)	(525,000)
040	001-2	(976,000)	(1,064,000)
050	001-2	(902,000)	(968,000)
060	001-2	(1,264,000)	(1,958,000)
	001-A	-	-
	001-C	-	-
	001-D	-	-
Grand Total		(2,902,000)	(3,538,000)

Fund Should Be	2012	2013
001-0	-	-
001-A	(787,000)	(977,000)
001-D	-	-
001-C	-	-
001-A	-	-
001-A	-	-
001-C	547,000	525,000
001-C	976,000	1,064,000
001-C	902,000	968,000
001-A	(489,000)	(303,000)
001-C	1,753,000	2,261,000
001-2	-	-
001-C	-	-
001-A	-	-
001-8	-	-
Grand Total	2,902,000	3,538,000

Net Impact of DP	2012	2013
	-	-

Department of Social and Health Services

DP Code/Title: M2-WW Technical Corrections
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests a reduction of (\$24,050,000) ((\$18,494,000) GF-State) and 0.6 FTEs in the 2012 Supplemental Budget to make technical corrections throughout the department.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040			
001-1 General Fund - Basic Account-State	(5,483,000)	(6,617,000)	(12,100,000)
001-7 General Fund - Basic Account-Private/Local	2,000	(2,000)	0
001-C General Fund - Basic Account-Medicaid Federal	(991,000)	(1,109,000)	(2,100,000)
Total Cost	(6,472,000)	(7,728,000)	(14,200,000)

Staffing

Package Description:

Children's Administration (CA)

In the 2011-13 Biennial Budget, CA received \$22,000 GF-Local for Pension Rate Adjustments. CA is unable to earn these local dollars, and requests to shift the funds to GF-State.

Mental Health (MH)

Technical corrections for MH include carry forward corrections, adjustments between categories, and a split between fiscal year fund split. In total, MH technical correction request is \$590,000 (a reduction of (\$198,000) GF-State) and 0.6 FTEs.

Division of Developmental Disabilities (DDD)

- 1) RHC Stabilization - This request nets to zero over the course of the biennium. Currently, in base funding, the Residential Habilitation Centers (RHCs) are funded at different levels by fiscal year. This request stabilizes the funding in each year to enable the RHCs to provide a consistent level of service.
- 2) L&I rates are corrected in LTC and DDD based on actual experience. This represents a reduction of (\$4,200,000) (\$2,100,000) GF-State.
- 3) Carry Forward Level (CFL) Correction - DDD has a technical correction in professional services. Service levels will remain the same as the previous biennium, and no clients will lose service. This represents a reduction of (\$10,000,000) GF-State.

Long Term Care (LTC)

- 1) The Legislature's intent for the Family Caregiver Support Program (FCSP) was a single year expansion in the LTC 2011-13 Biennial Budget under Step EC. Partial funding was provided in Fiscal Year 2013 by mistake. This request is to remove the appropriated amount in Fiscal Year 2013 by adding \$2,178,000 GF-Federal in order to meet Legislative intent.
- 2) Adult Family Homes (AFH) - The 2011-13 Biennial Budget included a change in the AFH license fee. The budget assumed additional staffing resource for complaint investigations and quality assurance. However, the calculation for the AFH license fee did not include funding for these positions. This step will allow LTC to match the intent of the 2011-13 Biennial Budget item. This item represents a request for \$182,000 GF-State.
- 3) Department of Labor and Industries (L&I) rates are corrected in LTC and DDD based on actual experience. This represents a reduction of (\$12,800,000) ((\$6,400,000) GF-State).

Agency Contact: Bryce Andersen (360) 902-8284

Department of Social and Health Services

DP Code/Title: M2-WW Technical Corrections
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

DSHS accounts for the wise use of public dollars by maximizing federal funding sources.

Performance Measure Detail

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes. This request will improve the ability of state government to achieve results efficiently and effectively.

Does this decision package provide essential support to one of the Governor's priorities?

Not applicable

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

Not applicable

What are the other important connections or impacts related to this proposal?

None

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

None

What are the consequences of not funding this package?

DSHS will lack the appropriate mix of funds to meet expected costs.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

See attachment: AW M2 WW Technical Corrections.xlsx.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

All costs are ongoing.

Department of Social and Health Services

DP Code/Title: M2-WW Technical Corrections
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040 Objects			
A Salaries And Wages	(251,000)	265,000	14,000
B Employee Benefits	0	1,200,000	1,200,000
E Goods And Services	(1,221,000)	7,000	(1,214,000)
N Grants, Benefits & Client Services	(5,000,000)	(9,200,000)	(14,200,000)
Total Objects	(6,472,000)	(7,728,000)	(14,200,000)

DSHS Source Code Detail

<u>Program 040</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	(5,483,000)	(6,617,000)	(12,100,000)
<i>Total for Fund 001-1</i>	(5,483,000)	(6,617,000)	(12,100,000)
Fund 001-7, General Fund - Basic Account-Private/Local			
<u>Sources Title</u>			
5417 Contributions & Grants	2,000	(2,000)	0
<i>Total for Fund 001-7</i>	2,000	(2,000)	0
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19TA Title XIX Assistance (FMAP)	(991,000)	(1,109,000)	(2,100,000)
<i>Total for Fund 001-C</i>	(991,000)	(1,109,000)	(2,100,000)
Total Program 040	(6,472,000)	(7,728,000)	(14,200,000)

Department of Social and Health Services
M2 - WW Technical Corrections

Developmental Disabilities - RHC Stabilization

2000													
FNDAT	Source	Obj	SO	H31		H33		H34		H35			
				D086	D086	D086	D086	D086	D086	D086			
				FY1	FY2	FY1	FY2	FY1	FY2	FY1	FY2		
001	0011			3,048,000	2,926,000	20,398,000	19,762,000	31,052,000	31,105,000	17,909,000	17,700,000	7,849,000	7,795,000
2	ZZ04			(7,000)	(4,000)	4,000	8,000	3,000	(14,000)	-	1,000	-	9,000
7	5417					2,237,000	2,426,000	4,828,000	4,830,000	2,711,000	2,544,000	1,245,000	1,222,000
C	19TA			1,863,000	2,246,000	20,366,000	19,639,000	30,026,000	29,973,000	17,910,000	16,758,000	7,331,000	6,895,000
		A		2,474,000	2,634,000	23,623,000	24,737,000	36,521,000	37,388,000	21,776,000	21,809,000	10,491,000	10,223,000
		B		1,067,000	1,222,000	11,336,000	11,184,000	17,914,000	17,360,000	10,538,000	9,984,000	4,920,000	4,685,000
		C		-	-	-	-	-	-	-	-	-	-
		E	C	1,266,000	1,247,000	1,734,000	1,734,000	1,624,000	1,624,000	-	-	347,000	347,000
		D		21,000	-	5,553,000	3,513,000	8,940,000	8,765,000	5,733,000	4,815,000	395,000	430,000
		G		-	-	5,000	-	1,000	-	12,000	-	4,000	-
		J		65,000	57,000	402,000	308,000	619,000	505,000	363,000	287,000	163,000	130,000
		N		-	-	212,000	216,000	8,000	17,000	46,000	52,000	-	2,000
		P		-	7,000	368,000	365,000	237,000	190,000	-	-	77,000	76,000
		S		(2,000)	(12,000)	(331,000)	(331,000)	-	-	-	-	-	-
		T	Z	13,000	13,000	103,000	109,000	45,000	45,000	62,000	56,000	28,000	28,000

Should State	0011	2,987,000	2,987,000	20,080,000	20,080,000	31,079,000	31,078,000	17,805,000	17,804,000	7,822,000	7,822,000	7,822,000	7,822,000
Be Local	5417	-	-	2,332,000	2,331,000	4,829,000	4,829,000	2,628,000	2,627,000	1,234,000	1,233,000	1,233,000	1,233,000
Federal	19TA	2,049,000	2,049,000	20,009,000	20,008,000	29,994,000	29,994,000	17,335,000	17,334,000	7,118,000	7,117,000	7,117,000	7,117,000
Total	Total	5,036,000	5,036,000	42,421,000	42,419,000	65,902,000	65,901,000	37,768,000	37,765,000	16,174,000	16,172,000	16,172,000	16,172,000

Adjustment State	0011	(61,000)	61,000	(318,000)	318,000	27,000	(27,000)	(104,000)	104,000	(27,000)	27,000	27,000	27,000
Needed Local	5417	-	-	95,000	(95,000)	1,000	(1,000)	(83,000)	83,000	(11,000)	11,000	11,000	11,000
Federal	19TA	193,000	(193,000)	(361,000)	361,000	(35,000)	35,000	(575,000)	575,000	(213,000)	213,000	213,000	213,000
A			(132,000)		380,000					(251,000)	17,000	17,000	17,000
B					204,000				762,000		234,000	234,000	234,000
E		132,000	(584,000)		(7,000)	7,000	(762,000)						

Department of Social and Health Services

DP Code/Title: M2-ZZ Unemployment
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests \$2,893,000 (\$2,245,000 GF-State) in the 2012 Supplemental Budget to offset increased Unemployment Insurance reimbursement to the Employment Security Department (ESD).

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040			
001-1 General Fund - Basic Account-State	258,000	180,000	438,000
001-C General Fund - Basic Account-Medicaid Federal	233,000	162,000	395,000
Total Cost	491,000	342,000	833,000

Staffing

Package Description:

Unemployment expenditures have increased significantly since 2008. DSHS has not been funded for this increase costs attributed to reductions to overall staffing levels. This decision package request funds related to the increase from 2008 which cannot be absorbed.

DSHS is self-insured for its unemployment insurance obligations, reimbursing the ESD for all unemployment benefits paid out to former employees. As DSHS has reduced its staffing level, its most current ESD quarterly bill, 2nd Quarter Calendar Year 2011, shows a 60 percent increase above its average quarterly ESD reimbursement from State Fiscal Year 2008. DSHS has reduced its FTEs by 2,400 or 13 percent since 2008 with no additional funding provided for its unemployment insurance obligations.

Agency contact: Edd Giger (360) 902-8067

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

This request is necessary to ensure DSHS has adequate funds to reimburse the ESD for increased Unemployment Insurance billings due to mandated staff reduction.

Performance Measure Detail

Program: 040

Activity: D036 Field Services

No measures linked to package

Incremental Changes

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Activity: D079 Program Support for Developmental Disabilities

No measures linked to package

Incremental Changes

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Activity: D086 Residential Habilitation Facilities

No measures linked to package

Incremental Changes

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This request contributes to the agency goal of strong management to increase public trust.

Department of Social and Health Services

DP Code/Title: M2-ZZ Unemployment
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

Does this decision package provide essential support to one of the Governor's priorities?

Yes. This request supports priority for economic security to promote practices and programs that protect workers.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

This decision package makes key contributions to the following statewide results: Commitment to promote practices and programs that protect workers.

What are the other important connections or impacts related to this proposal?

All DSHS programs are impacted by this request.

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

None. Given the large reductions undertaken by DSHS, the department is no longer able to absorb the increase costs associated with unemployment insurance compensation above funded levels.

What are the consequences of not funding this package?

If this decision package is not funded, then DSHS will have to divert funds for client services to offset this expense.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

See attachment: AW M2 - ZZ Unemployment.xls

To develop the Unemployment model, the department looked at the Unemployment Rate Forecast completed by the state of Washington Revenue Forecast Council. The Unemployment Rate Forecast predicts unemployment will decline by an average of 0.6 percent each year. The department assumption is to dampened the trend by 75 percent given the current unemployment rate and the potential of additional reductions in Fiscal Year 2012 and Fiscal Year 2013.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

These costs are ongoing.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040 Objects			
B Employee Benefits	491,000	342,000	833,000

Department of Social and Health Services

DP Code/Title: M2-ZZ Unemployment

Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

DSHS Source Code Detail

Program 040		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources Title</u>				
0011	General Fund State	258,000	180,000	438,000
<i>Total for Fund 001-1</i>		258,000	180,000	438,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources Title</u>				
19TA	Title XIX Assistance (FMAP)	196,000	135,000	331,000
19UL	Title XIX Admin (50%)	37,000	27,000	64,000
<i>Total for Fund 001-C</i>		233,000	162,000	395,000
Total Program 040		491,000	342,000	833,000

**2012 Supplemental Budget
M2-ZZ Unemployment**

Program	2012			2013			BIENNIUM 2011-13		
	State	Federal	Total	State	Federal	Total	State	Federal	Total
010	\$ 254,000	\$ 85,000	\$ 339,000	\$ 174,000	\$ 58,000	\$ 232,000	\$ 428,000	\$ 143,000	\$ 571,000
020	\$ 337,000	\$ -	\$ 337,000	\$ 248,000	\$ -	\$ 248,000	\$ 585,000	\$ -	\$ 585,000
030	\$ 199,000	\$ 24,000	\$ 223,000	\$ 107,000	\$ 13,000	\$ 120,000	\$ 306,000	\$ 37,000	\$ 343,000
030 - 2000	\$ 197,000	\$ 24,000	\$ 221,000	\$ 106,000	\$ 13,000	\$ 119,000	\$ 303,000	\$ 37,000	\$ 340,000
030 - 9000	\$ 2,000	\$ -	\$ 2,000	\$ 1,000	\$ -	\$ 1,000	\$ 3,000	\$ -	\$ 3,000
040	\$ 258,000	\$ 233,000	\$ 491,000	\$ 180,000	\$ 162,000	\$ 342,000	\$ 438,000	\$ 395,000	\$ 833,000
040 - 1000	\$ 53,000	\$ 35,000	\$ 88,000	\$ 37,000	\$ 25,000	\$ 62,000	\$ 90,000	\$ 60,000	\$ 150,000
040 - 2000	\$ 203,000	\$ 195,000	\$ 398,000	\$ 141,000	\$ 136,000	\$ 277,000	\$ 344,000	\$ 331,000	\$ 675,000
040 - 9000	\$ 3,000	\$ 2,000	\$ 5,000	\$ 2,000	\$ 2,000	\$ 4,000	\$ 5,000	\$ 4,000	\$ 9,000
050	\$ 9,000	\$ 6,000	\$ 15,000	\$ (3,000)	\$ (2,000)	\$ (5,000)	\$ 6,000	\$ 4,000	\$ 10,000
060	\$ 28,000	\$ 23,000	\$ 51,000	\$ (18,000)	\$ (15,000)	\$ (33,000)	\$ 10,000	\$ 8,000	\$ 18,000
070	\$ 15,000	\$ 2,000	\$ 17,000	\$ 11,000	\$ 2,000	\$ 13,000	\$ 26,000	\$ 4,000	\$ 30,000
100	\$ 33,000	\$ -	\$ 33,000	\$ 22,000	\$ -	\$ 22,000	\$ 55,000	\$ -	\$ 55,000
110	\$ 139,000	\$ 33,000	\$ 172,000	\$ 104,000	\$ 24,000	\$ 128,000	\$ 243,000	\$ 57,000	\$ 300,000
135	\$ 91,000	\$ -	\$ 91,000	\$ 57,000	\$ -	\$ 57,000	\$ 148,000	\$ -	\$ 148,000
Total	\$ 1,363,000	\$ 406,000	\$ 1,769,000	\$ 882,000	\$ 242,000	\$ 1,124,000	\$ 2,245,000	\$ 648,000	\$ 2,893,000

Department of Social and Health Services

DP Code/Title: PL-PF State Data Center equipment
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

Recommendation Summary Text:

The Department of Social and Health Services (DSHS), Information System Services Division (ISSD), requests \$512,000 (\$291,000 GF-State) in the 2012 Supplemental Budget for startup equipment required to migrate systems from the Office Building 2 (OB2) to the new State Data Center (SDC) located in the 1500 Jefferson Building.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040			
001-1 General Fund - Basic Account-State	8,000	13,000	21,000
001-C General Fund - Basic Account-Medicaid Federal	2,000	4,000	6,000
Total Cost	10,000	17,000	27,000

Staffing

Package Description:

The Washington State Legislature enacted Engrossed Substitute Senate Bill 5931, during the 2011 Legislative Session, to address the high costs of Information Technology (IT) services. This legislation requires certain IT equipment to be housed in the new SDC located in the 1500 Jefferson Building complex. This investment facilitates the migration and consolidation of IT assets into the SDC in support of this legislation and the Governor's directive to consolidate data centers.

DSHS has a large computer equipment presence in the OB2 Data Center (approximately 85 server racks with 600 devices). Migrating this equipment to the new SDC building located in the 1500 Jefferson Building complex is part of a statewide initiative in support of the legislation.

To enable the migration of some systems, startup equipment is necessary. This startup equipment supports network operations and provides a landing pad for systems in the SDC. Existing equipment supporting these systems cannot be shutdown and physically moved for various reasons:

1. Shutting down and moving the hardware has a high risk of long outages of critical systems.
2. Data storage shared across many systems cannot be shut down and moved without significant system outages. These systems are critical to business operations and impact service to citizens.
3. Virtual host platforms need a starting point (e.g., landing pad) in the State Data Center. This equipment would be supplemented with existing hardware as virtual systems are migrated off the hardware freeing up capacity. Initial servers are needed to start the process.
4. Network components are needed to maintain performance and operations. These network components are needed during the migration period of dual operations and will be used ongoing after the migration.

The funding provides servers, storage and network equipment. DSHS has evaluated existing equipment and is only requesting new equipment where existing equipment will not work or makes business/financial sense (too old, not enough capacity, incompatible, etc.). The vast majority of existing DSHS equipment will be used or replaced by virtual capacity without additional funding. This request represents the exceptions where existing equipment is either not available or impractical to use.

The implementation schedule is driven by the Consolidated Technology Services OB2 Move project. This equipment is targeted for procurement approximately June 2012.

If the funding request is not approved, then more of the computer systems and equipment will be dependent on a Physical Move approach, which will increase the duration and risk of outages. There will be a higher probability that application availability will be impacted by the migration.

Department of Social and Health Services

DP Code/Title: PL-PF State Data Center equipment
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

Agency contact: Tula Habb (360) 902-8182
Program contact: Cheryl Adams (360) 902-7551

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Desired Results:

1. The computer servers and storage equipment will allow the agency to increase the number of systems using a virtual to virtual migration approach. This approach is significantly quicker and less risky than physically moving equipment, which can impact services to clients/citizens.
2. The network equipment supports optimization, monitoring and trouble shooting. The desired result of the optimization is to keep network traffic, for 35 DSHS field offices across the state, flowing with the same performance as completed currently. Without this equipment, the network lines will become saturated causing work slowdowns and stoppages.
3. The desired results of the equipment for monitoring and trouble shooting is to resolve system problems quickly. In many cases, problems can be resolved before they become major problems causing work stoppage. Without tools to monitor and trouble shoot production problems, work stoppages will increase in duration causing productivity loss and service impacts to clients/citizens.

Overall, this funding will minimize business disruption (unplanned outages) caused from moving systems and equipment from OB2 to the SDC.

Negative Consequences, if this request is not funded:

1. Without computer servers and storage, systems will require longer outages to move to the SDC causing impacts to worker productivity and service to clients/citizens.
2. Without optimization equipment, the network lines will become saturated causing work slowdowns and stoppages.
3. Without tools to monitor and trouble shoot production problems, work stoppages will increase in duration causing productivity loss and service impacts to clients/citizens.
4. Impact to clients and citizens.
5. Moving equipment into the SDC has positive impacts including:
 - a. Leveraging a state-of-the-art facility.
 - b. Leveraging new shared services.
 - c. Reducing the cost of IT.

Performance Measure Detail

Program: 040

Activity: D079 Program Support for Developmental Disabilities

No measures linked to package

Incremental Changes

	FY 1	FY 2
	0.00	0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This decision package supports the agency's strategic plan as follows:

Goal H: Reinforce strong management to increase public trust

Department of Social and Health Services

DP Code/Title: PL-PF State Data Center equipment
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

Objective 1: Improve information technology capacity to support management needs

Strategy: Maintain and update existing or implement new core applications, systems, and infrastructure to meet changing needs and take advantage of changes in technology (DSHS).

The funding obtained by this decision package will allow the department to minimize impacts to existing systems performance and operations. Moving into the SDC will take advantage of a state-of-the-art facility and position the department to take advantage of future shared services.

Does this decision package provide essential support to one of the Governor's priorities?

This funding supports the new legislation and the consolidation of data centers into the SDC. This supports the statewide result to "improve state government efficiency" by reducing the overall cost of information technology.

The OB2 Move project is one of several phases in Washington State's IT Transformation Initiative. The other components of the IT initiative include implementation of shared services and data center consolidation.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

This decision package supports the Priorities of Government (POG) critical value statement to improve state government efficiency. SDC has three mandated outcomes that align with this statewide result:

1. Improve security.
2. Reduce operational costs.
3. Improve service quality, availability, and performance.

What are the other important connections or impacts related to this proposal?

This is related to new Legislation, ESSB 5931, requiring consolidation of data centers and moving all servers into the SDC building.

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

The department is using multiple options for migrating computer equipment and systems from OB2 to SDC. These are listed below and align with a study performed by INX Metagyre Inc. (INX) for DIS. The INX study included an analysis of alternatives for moving equipment out of OB2. One alternative looked at Physical Relocation of all systems. This alternative was dismissed due to the long system outage it would require and the risks of breaking systems. The other alternative looked at Individualize System Moves based on each system's requirements and interrelationships. This alternative was recommended as it has the least risk and allows better management of risks, resources, testing, problem resolution, and ability to fallback.

The three primary move scenarios that DSHS will use include:

1. Virtual to Virtual: Migrating virtual systems in OB2 to a virtual platform in the SDC. This requires seed equipment or some form of existing hardware platform (e.g., landing pad) in the SDC to work.
2. Physical Move: Unplugging existing equipment, moving, and installing it in the SDC. This is higher risk and requires a system outage.
3. Logical Move: Installing startup equipment in the SDC, loading systems on the equipment, and doing a cut-over. This is lower risk and can be done quicker than a physical move. This option requires startup equipment.

Each system is examined to determine which migration option best meets the business need and level of risk. The agency

Department of Social and Health Services

DP Code/Title: PL-PF State Data Center equipment
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

also put stringent requirements around what could be requested in this decision package. Equipment at end-of-life was not allowed on the funding list as these should already have a funding source for them (required regardless of the move). Only items required to make the move happen without a funding source were put on the list.

What are the consequences of not funding this package?

If the funding request is not approved, then more of the computer systems and equipment will be dependent on a Physical Move approach, which will increase the duration and risk of system outages. These would cause work stoppages and impact service to clients/citizens.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

Costs estimates are based on vendor budgetary quotes.

See attachments: ISSD PL-PF State Data Center equipment.xlsx and ISSD PL PF State Data Center Transition IT Addendum.doc

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

The costs are one-time costs. Once equipment reaches end-of-life, the agency intends to migrate to a statewide shared service to provide this function.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040 Objects			
T Intra-Agency Reimbursements	10,000	17,000	27,000

DSHS Source Code Detail

Program 040	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	8,000	13,000	21,000
<i>Total for Fund 001-1</i>	<u>8,000</u>	<u>13,000</u>	<u>21,000</u>
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19UL Title XIX Admin (50%)	2,000	4,000	6,000
<i>Total for Fund 001-C</i>	<u>2,000</u>	<u>4,000</u>	<u>6,000</u>
Total Program 040	<u>10,000</u>	<u>17,000</u>	<u>27,000</u>

**2012 Supplemental Budget
PL-PF State Data Center equipment**

**Department of Social & Health Services
COST SUMMARY**

	FY 2012	FY 2013	TOTAL
STORAGE		\$250,000	\$250,000
SERVERS		\$75,000	\$75,000
NETWORK	\$187,000		\$187,000
TOTAL	\$187,000	\$325,000	\$512,000

Total Funds	State	Federal
\$512,000	\$291,000	\$221,000

Biennial Total		All Objects			Object J			Object TZ		
DSHS Programs		State	Federal	Total	State	Federal	Total	State	Federal	Total
010	CA	30,000	41,000	71,000	-	-	-	30,000	41,000	71,000
020	JRA	13,000	-	13,000	-	-	-	13,000	-	13,000
030	MH	27,000	-	27,000	-	-	-	27,000	-	27,000
040	DD	21,000	6,000	27,000	-	-	-	21,000	6,000	27,000
050	LTC	17,000	16,000	33,000	-	-	-	17,000	16,000	33,000
060	ESA	119,000	107,000	226,000	-	-	-	119,000	107,000	226,000
070	ASA	2,000	1,000	3,000	-	-	-	2,000	1,000	3,000
100	VR	1,000	9,000	10,000	-	-	-	1,000	9,000	10,000
110	ADMIN	57,000	41,000	98,000	-	-	-	57,000	41,000	98,000
135	SCC	4,000	-	4,000	-	-	-	4,000	-	4,000
150	ISSD	-	-	-	-	-	-	-	-	-
		291,000	221,000	512,000	512,000	512,000	512,000	(512,000)	-	(512,000)
		57%	43%					(221,000)	221,000	-

Total Funds	State	Federal
\$187,000	\$106,000	\$81,000

FY 2012		All Objects			Object J			Object TZ		
DSHS Programs		State	Federal	Total	State	Federal	Total	State	Federal	Total
010	CA	11,000	15,000	26,000	-	-	-	11,000	15,000	26,000
020	JRA	5,000	-	5,000	-	-	-	5,000	-	5,000
030	MH	10,000	-	10,000	-	-	-	10,000	-	10,000
040	DD	8,000	2,000	10,000	-	-	-	8,000	2,000	10,000
050	LTC	6,000	6,000	12,000	-	-	-	6,000	6,000	12,000
060	ESA	43,000	39,000	82,000	-	-	-	43,000	39,000	82,000
070	ASA	1,000	-	1,000	-	-	-	1,000	-	1,000
100	VR	-	4,000	4,000	-	-	-	-	4,000	4,000
110	ADMIN	21,000	15,000	36,000	-	-	-	21,000	15,000	36,000
135	SCC	1,000	-	1,000	-	-	-	1,000	-	1,000
150	ISSD	-	-	-	-	-	-	-	-	-
		106,000	81,000	187,000	187,000	187,000	187,000	(187,000)	81,000	(187,000)
		57%	43%					(81,000)	81,000	-

Total Funds	State	Federal
\$325,000	\$185,000	\$140,000

FY 2013		All Objects			Object J			Object TZ		
DSHS Programs		State	Federal	Total	State	Federal	Total	State	Federal	Total
010	CA	19,000	26,000	45,000	-	-	-	19,000	26,000	45,000
020	JRA	8,000	-	8,000	-	-	-	8,000	-	8,000
030	MH	17,000	-	17,000	-	-	-	17,000	-	17,000
040	DD	13,000	4,000	17,000	-	-	-	13,000	4,000	17,000
050	LTC	11,000	10,000	21,000	-	-	-	11,000	10,000	21,000
060	ESA	76,000	68,000	144,000	-	-	-	76,000	68,000	144,000
070	ASA	1,000	1,000	2,000	-	-	-	1,000	1,000	2,000
100	VR	1,000	5,000	6,000	-	-	-	1,000	5,000	6,000
110	ADMIN	36,000	26,000	62,000	-	-	-	36,000	26,000	62,000
135	SCC	3,000	-	3,000	-	-	-	3,000	-	3,000
150	ISSD	-	-	-	-	-	-	-	-	-
		185,000	140,000	325,000	325,000	325,000	325,000	(325,000)	140,000	(325,000)
		57%	43%					(140,000)	140,000	-

2012 Supplemental Budget
PL-PF State Data Center equipment
Department of Social & Health Services
Estimated Costs Breakout

Item	Area	Description	Total
1	ISSD Storage	This device will replicate the Storage Area Network (SAN) used by the Information Systems Services Division (ISSD). The existing Net App storage device cannot be moved to the State Data Center (SDC) until all the systems data is migrated off the device. Once all the systems data is migrated, the existing equipment can be repurposed by another group to avoid another purchase.	\$250,000
2	ISSD Servers	Three physical servers are needed to support the initial virtual platform at the SDC. Once virtual servers in the A-la-Carte 2 computer room are migrated to the SDC, the existing compute infrastructure (physical servers) can be used (i.e. repurposed) for the next round of system migrations.	\$45,000
3	ISSD Shared SQL database	Two servers are needed to support the ISSD Shared SQL environment. One for Production and one for the Quality Assurance (QA) environment.	\$30,000
4	ISSD Network	One Steelhead device to support Wide Area Network (WAN) optimization. This is a second device that will support the migration to the SDC reducing risk to local office disruption. This will also provide some redundancy in the architecture.	\$127,000
5	ISSD Network	Devices that tap into networks in support of network traffic monitoring (also known as TAPs), are needed to support DSHS network operations during the migration. Some of the existing TAPs equipment needs to remain attached to the DSHS Core network in OB2 during the migration. DSHS needs additional TAP equipment to monitor components on the SDC side of the network.	\$60,000
	TOTAL		\$512,000

Department of Social and Health Services

DP Code/Title: PL-Q2 Suspend Individual and Fam Services
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

Recommendation Summary Text:

The Department of Social and Health Services (DSHS), Division of Developmental Disabilities (DDD), reduces (\$8,425,000) GF-State in the 2012 Supplemental Budget by suspending participation to families enrolled in the Individual and Family Services (IFS) program beginning in January 2012.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040			
001-1 General Fund - Basic Account-State	(2,629,000)	(5,796,000)	(8,425,000)
Total Cost	(2,629,000)	(5,796,000)	(8,425,000)

Staffing

Package Description:

This proposal assumes savings by suspending the IFS program, including all contracts associated with it as well as the legislative proviso, starting in January 2012. Approximately 1,000 families will lose services that include respite care, therapies, adaptive equipment and related costs, training, supports and counseling, medical, dental, and nursing services, which are not covered by Medicaid or private insurance. The intent of IFS is to keep families intact by providing them with assistance in caring for their family member with developmental disabilities. Without these services, some families will no longer be able to support their children to remain in their family home requiring many families to ask for more costly out-of-home residential placements.

Program Contact: Debbie Couch (360) 725-3415
Agency Contact: Bryce Andersen (360) 902-8284

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Yes, this decision package helps the agency meet the 10 percent reduction targets set by the Office of Financial Management (OFM) for the 2012 Supplemental Budget.

Performance Measure Detail

Program: 040

Activity: D034 Family Support Program for Developmentally Disabled Clients

No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

No

Does this decision package provide essential support to one of the Governor's priorities?

Yes, this decision package helps the agency meet the 10 percent reduction targets set by OFM for the 2012 Supplemental Budget.

Department of Social and Health Services

DP Code/Title: PL-Q2 Suspend Individual and Fam Services
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

No

What are the other important connections or impacts related to this proposal?

Services such as therapies or respite will be unavailable to families. Often times a family crisis can be avoided through the low cost services provide through IFS funding. Not having access to these services may exacerbate a crisis causing some families to seek out-of-home options for support.

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

None

What are the consequences of not funding this package?

The agency will not be able to meet its budget reduction targets.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

This reduction assumes a January 2012 implementation date. To achieve these savings, the DSHS, DDD, takes half of the Fiscal Year 2012 allotment (\$2,629,000) and the entire Fiscal Year 2013 allotment (\$5,796,000), for a total biennial GF-State reduction of (\$8,425,000).

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

These reductions are one time and funding for the program would be restored through a carry-forward level adjustment during the 2013-15 Biennium.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040 Objects			
C Personal Service Contracts	(236,000)	(472,000)	(708,000)
N Grants, Benefits & Client Services	(2,393,000)	(5,324,000)	(7,717,000)
Total Objects	(2,629,000)	(5,796,000)	(8,425,000)

Department of Social and Health Services

DP Code/Title: **PL-Q2 Suspend Individual and Fam Services**

Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

DSHS Source Code Detail

Program 040		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	(2,629,000)	(5,796,000)	(8,425,000)
	<i>Total for Fund 001-1</i>	<u>(2,629,000)</u>	<u>(5,796,000)</u>	<u>(8,425,000)</u>
	Total Program 040	<u>(2,629,000)</u>	<u>(5,796,000)</u>	<u>(8,425,000)</u>

Department of Social and Health Services

DP Code/Title: PL-Q7 AFH Oversight-Full Costs
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

Recommendation Summary Text:

The Department of Social and Health Services (DSHS), Aging and Disability Services Administration (ADSA), requests \$2,845,000 (a reduction of (\$1,310,000) GF-State) for the Adult Family Home (AFH) license fee adjustment in order to fully cover the costs of AFH oversight, thereby, eliminating the GF-State subsidy for licensing activities.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-7 General Fund - Basic Account-Private/Local	0	157,000	157,000
001-C General Fund - Basic Account-Medicaid Federal	0	158,000	158,000
Total Cost	0	315,000	315,000

Staffing

Package Description:

This decision package requests an increase to AFH license fees from \$175/bed to \$375/bed in Fiscal Year 2013 (along with a Medicaid rate adjustment to cover the increased fee costs for those providers who serve Medicaid). In total, it saves (\$1,310,000) GF-State in the 2011-13 Biennium, by eliminating or reducing the GF-State subsidy for critical oversight of privately owned business. As a result of fee increases, providers may pass on a small increase in their rates to their private pay residents; however, this is not anticipated to have a material impact on the ability of people to access services. Additionally, impacts to providers serving low income clients (Medicaid) will be addressed by the state by increasing the Medicaid payment to these providers in recognition of their additional fee costs. The increase in fees will fully cover the department's 2011-13 biennial costs at the current level of oversight for AFHs.

In the case of AFHs, the impact is primarily due to requiring the fee to cover existing oversight costs, and eliminating the GF State subsidy for oversight of private pay residents. From 1989 to 2009, the fees for AHFs were only \$50 per licensed home. The 2009 Legislature increased the fee to \$100 per licensed home, but this fee still generates less than \$300,000 in revenue per year for all 2,900 AFHs, leaving about \$4,200,000 in costs to be subsidized by GF State (covering only six percent of GF State costs). For comparison, BH fees generate annual revenue of about \$3,000,000 and NH fees about \$7,000,000 (covering 100 percent of their state costs). [Note that in all settings, providers are reimbursed for the fee costs for Medicaid clients.] Furthermore, fees in Department of Health for oversight of other long term care related businesses such as Home Health Care and Hospice also cover 100 percent of their oversight costs.

Program Contact: Ken Callaghan (360) 725-2499

Agency Contact: Edd Giger (360) 902-8067

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

To achieve savings to meet the 10 percent reduction targets set by the Office of Financial Management (OFM) for the 2012 Supplemental Budget.

Performance Measure Detail

Agency Level

Department of Social and Health Services

DP Code/Title: PL-Q7 AFH Oversight-Full Costs
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

Activity: D074 Personal Care

No measures linked to package

Incremental Changes

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

No

Does this decision package provide essential support to one of the Governor's priorities?

Yes, this decision package helps the agency meet the 10 percent reduction targets set by OFM for the 2012 Supplemental Budget.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

No

What are the other important connections or impacts related to this proposal?

None

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

The alternative is for state funds to continue to subsidize the cost of licensure and certification.

Other fee mechanisms exist, but were rejected as problematic due to a high administrative burden, their lack of ability to support ongoing oversight costs, or for their potential to reduce compliance with mandatory reporting.

What are the consequences of not funding this package?

The agency will not be able to meet its budget reduction targets.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None. The fee level is set in the operating budget.

Expenditure and revenue calculations and assumptions

See attachment: ADSA PL-Q7 AFH Oversight-Full Costs.xlsx.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

All savings will continue into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	0	315,000	315,000

Department of Social and Health Services

DP Code/Title: PL-Q7 AFH Oversight-Full Costs
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-7, General Fund - Basic Account-Private/Local				
<u>Sources</u>	<u>Title</u>			
5417	Contributions & Grants	0	157,000	157,000
<i>Total for Fund 001-7</i>		0	157,000	157,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	0	158,000	158,000
<i>Total for Fund 001-C</i>		0	158,000	158,000
Total Overall Funding		0	315,000	315,000

2012 Supplemental Budget PL-Q7 AFH Oversight-Full Costs

SUMMARY for BDS Entry

Reimbursement Adjustment

H52	<u>FY12</u>	<u>FY13</u>	<u>2011-13</u>
TOTAL Funds Adjustment	\$ -	\$ 315,000	\$ 315,000
GF-State	\$ -	\$ -	\$ -
GF-Federal	\$ -	\$ 158,000	\$ 158,000
GF-Local	\$ -	\$ 157,000	\$ 157,000

X62	<u>FY12</u>	<u>FY13</u>	<u>2011-13</u>
TOTAL Funds Adjustment	\$ -	\$ 1,258,000	\$ 1,258,000
GF-State	\$ -	\$ -	\$ -
GF-Federal	\$ -	\$ 628,000	\$ 628,000
GF-Local	\$ -	\$ 629,000	\$ 629,000

RCS Adjustment

	<u>FY12</u>	<u>FY13</u>	<u>2011-13</u>
FTE - need to add one FTE in FY12-13 for Ombuds panel	-	-	-
TOTAL Funds Adjustment	\$ -	\$ 1,272,000	\$ 1,272,000
GF-State	\$ -	\$ (1,310,000)	\$ (1,310,000)
GF-Federal	\$ -	\$ -	\$ -
GF-Local	\$ -	\$ 2,582,000	\$ 2,582,000

	<u>FY12</u>	<u>FY13</u>	<u>2011-13</u>
Total Funds Adjustment	\$ -	\$ 2,845,000	\$ 2,845,000
GF-State	\$ -	\$ (1,310,000)	\$ (1,310,000)
GF-Federal	\$ -	\$ 786,000	\$ 786,000
GF-Local	\$ -	\$ 3,368,000	\$ 3,368,000

Explanation:

The 2011-13 Biennial Budget included a change in the Adult Family Home (AFH) license fee. The budget assumed a per bed fee of \$100 in FY12 and \$175 in FY13. This decision package increases the per bed fee to \$375 in FY13, which covers 100% of the cost of licensure for DSHS.

Department of Social and Health Services

DP Code/Title: PL-WD Major Eligibility/ Prgm Reductions
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

Recommendation Summary Text:

The Department of Social and Health Services (DSHS), Aging and Disability Services Administration (ADSA) eliminates and reduces services for more than 80,000 people, (\$532,524,000) ((\$273,886,000) GF-State) in the 2012 Supplemental by a) increases in the eligibility thresholds for core Medicaid programs that support people with needs related to developmental disabilities and/or long-term care, and b) limits on the type and scope of Medicaid-funded community supports for people with needs related to mental health. These changes will eliminate or reduce core services for people with less needs, while continuing service to person with greater needs, and are necessary to reduce ADSA's 2011-13 Biennial Appropriation by (\$273,886,000) GF-State.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040			
001-1 General Fund - Basic Account-State	(4,173,000)	(75,352,000)	(79,525,000)
001-C General Fund - Basic Account-Medicaid Federal	(4,173,000)	(75,352,000)	(79,525,000)
Total Cost	(8,346,000)	(150,704,000)	(159,050,000)

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Program 040 FTEs	0.0	(5.6)	(2.8)

Package Description:

Core Medicaid programs will be changed so that only people with higher levels of physical and/or developmental disabilities will be served. Those currently receiving services who do not meet those higher thresholds will lose them and only persons with higher level of need will enter remaining services. Mental health services will be modified to establish statewide service levels that limits entry level of treatment and limits services for lower need consumers to three months in duration.

These cuts constitute a 7.8 percent reduction in ADSA's overall state funding. These changes remove or limit services for more than 80,000 people. These changes result in a reduction of (\$273,886,000) GF-State and (\$532,524,000) Total Funds for 2011-13. Most reductions would not begin until April 2012 at the earliest, and many require phase-in, so the cuts must be deeper to reach a 10 percent target for the current biennium than if implementation occurred over a full biennium. In the 2013-15 Biennium, after the changes are fully phased in, they will reduce ADSA's budget by 17 percent from the current level, a total of (\$595,748,000) GF-State, (\$1,177,550,000) Total Funds.

The changes will be achieved as follows:

1. Long-Term Care (LTC): The eligibility standard for Medicaid personal care, home and community-based long-term care waivers, and nursing facilities will all be changed to a single, higher level, so that only people who need extensive or total assistance to perform daily activities such as bathing, mobility, personal hygiene, and eating, qualify for services. Approximately 17,000 people (29 percent of current levels) who need intermittent assistance, or who need supervision rather than hands-on assistance in performing daily tasks will no longer be eligible, including 11,700 in homecare, 1,000 in adult family homes, 2,700 in assisted living, 1,000 in other boarding homes, and about 450 in nursing homes.

After the changes, 41,000 people (71 percent of current levels) in long-term care will retain services including: 24,000 in homecare, 4,500 in adult family homes, 1,700 in assisted living, 1,800 in other boarding homes or managed care and 9,400 in nursing homes. Those who retain services are those who require extensive assistance with most daily activities, are medically complex, and are likely to have major cognitive issues.

Changes will be implemented provided early action is granted and federal permission is provided. Fiscal estimates assume that an

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aggressive implementation begins April, 2012 and takes 9 months. Each client will first be assessed by a case manager to determine eligibility under the new standards.

These changes will reduce long-term care expenditures in the 2011-13 biennium by (\$124,857,000) GF-State, (\$249,754,000) Total Funds, (9.5) FTEs by the end of Fiscal Year 2013. This includes service expenditures, some caseload avoidance, and state staffing and Area Agency on Aging (AAA) impacts due to reduced workload. In the 2013-15 biennium, once the changes are fully implemented, the impact will be (\$261,000,000) GF-State and (\$523,000,000) Total Funds, with a reduction of (144.1) FTEs by the end of the biennium. DDD fiscal impacts related to this eligibility change are outlined below.

2. Developmental Disabilities: There are currently about 21,000 people with developmental disabilities receiving paid services from DDD. Two changes in eligibility thresholds, described below, will mean approximately 8,600 people (41 percent) of the paid services caseload will lose services, and a total reduction of (\$80,000,000) GF-State (\$159,000,000 Total Funds). 12,500 people (59 percent of paid services caseload) will continue to receive services, either Medicaid-based or State Supplemental Payments (SSP). Those changes are:

a) The higher functional eligibility standards described above for long-term care also means 3,000 people with developmental disabilities will no longer be eligible for Medicaid personal care (48 percent of current Medicaid personal care clients) : 2,800 living at home, 250 in adult family homes, and 50 in adult residential care boarding homes.

About 3,200 people with developmental disabilities (52 percent of current Medicaid personal care clients) will retain Medicaid personal care services: 2,800 in-home, 350 in adult family homes, and fewer than 20 in adult residential care boarding homes.

Changes will be implemented provided early action is granted and federal permission is provided. Fiscal estimates assume that aggressive implementation begins April, 2012 and takes twelve months due to larger caseloads per caseworker and the need for other eligibility changes to meet reductions (see below). Each client will be assessed by a case manager to determine if they are eligible under the new standards.

These changes will reduce DDD expenditures in the 2011-13 biennium by (\$17,000,000) GF-State, (\$33,000,000) Total Funds, and (9) FTEs by the end of FY13. This includes service expenditures and staffing impacts due to reduced workload. In the 2013-15 biennium, once the changes are fully implemented, the impact will be (\$45,000,000) GF-State and (\$89,000,000) Total Funds.

b) Changes will be made in the eligibility standard for the DDD waivers and Intermediate Care Facilities(ICF/ID). Only individuals who have been assessed as having a "high need" with medical or behavior supports or who have need for around the clock, seven day-per week support will retain services. 5,600 people currently receiving DDD home and community-based waiver services (48 percent of waiver clients) will be ineligible. 36 percent of those losing services live at home with family members, 28 percent in supported living or group homes, 24 percent live on their own, with a spouse, or with Alternative Living supports, 10 percent live in an adult family homes or boarding home, and fewer than 2 percent live in other settings.

The DDD waivers are currently up for federal renewal with applications due this fall. Changes could be implemented in April with early action and if federal permission is provided. Fiscal estimates assume that implementation will take 12 months. Each client will first be reassessed by a case manager in order to determine if they are eligible under the new standards and assessments and some transition for clients will take time.

These changes will reduce DDD expenditures in the 2011-13 biennium by (\$63,000,000) GF-State and (\$126,000,000) Total Funds, and (4) FTEs by the end of Fiscal Year 2013. This includes service expenditures and staffing impacts due to reduced workload. In the 2013-15 biennium, once the changes are fully implemented, the impact will be (\$165,000,000) GF-State and (\$329,000,000) Total Funds.

3. Mental Health: Mental health changes include a combination of Medicaid and non-Medicaid service reductions and eligibility changes that affect over 59,000 people, as follows:

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a) Regional Support Network (RSN) non-Medicaid funding (\$6,500,000) GF-State. RSNs receive state funding for community mental health for persons and services not eligible for federal Medicaid matching funds. Funding would be reduced by 3 percent per year in the 2011-13 Biennium. RSNs have already received Non-Medicaid reductions equaling 14.5 percent from the level of funding initially budgeted for such services in Fiscal Year 2009. More than 26,000 clients, most of whom would be eligible for Medicaid with 2014 expansion under the Affordable Care Act, could receive a reduced service or services could be eliminated. RSNs are expected to prioritize the use of the remaining funds for crisis response, involuntary commitment, emergency hospitalization, and residential support services.

b) Investing in community-based mental health services as an alternative to hospitalization. (\$8,399,000) GF-State. Capacity at the Mental Health state hospitals would be reduced by closing four civil wards and moving patients into community settings. Western State Hospital (WSH) would close three civil wards and one civil ward would close at Eastern State Hospital (ESH).

In order to close the four civil wards at the state mental hospitals, mental health community capacity must be available before patients are moved and wards permanently closed. Money to fund capacity would come from the current Non-Medicaid allocations to the RSNs and be directed through contract to build the appropriate community supports for the populations leaving the wards during the ward closure process. Capacity for these supports is phased in and correlates with the phased in ward closure. Additional necessary supports include Evaluation and Treatment facilities, Adult Residential beds, Program for Assertive Community Treatment (PACT) teams and shelter/hotel beds and would need to be developed through the RSN system or through direct contracts for services. Community capacity would be developed through a request for proposal successful bidder process coordinated by ADSA.

Additional community capacity cost estimates rely on changing the process in which RSNs are allocated beds at the state hospitals. Currently, RSNs are directed by RCW 71.24.310 to use a certain number of beds for which they pay a daily rate if they go over their allocation. That money is collected and split - 50 percent to the state hospital and 50 percent is divided between the RSNs who did not over-utilize their bed allocation. Under a new process created through budget proviso, the approximately \$2,000,000 collected in Fiscal Year 2011 for over capacity payments would be taken out of the RSN funding and provided to RSNs through a bid proposal process aimed to build community bed capacity.

Community supports would be funded in part with Spokane RSN dollars used to implement services to reduce utilization and the census at ESH. Funding of \$1,125,000 GF-State is appropriated each fiscal year and would be redirected to offset the cost of building additional community capacity. Elimination of provisos for PACT, PALS, Jail Services, are necessary in order to allow the RSNs maximum flexibility in administering their remaining Non-Medicaid funding.

c) Standardization and utilization management of community-based mental health services. (\$5,461,000) GF-State. A statewide assessment tool for Level of Care would be adopted, along with rigorous statewide continued stay and discharge criteria. RSNs will review all current long-term low-need cases to determine if eligibility and appropriateness for discharge.

d) Change in RSN eligibility standards and benefits package. (\$49,144,000) GF-State. The overall number of adult admissions to RSN services would be reduced by changing the functional impairment criteria necessary for those with less severe diagnosis ("B-level" diagnoses). Currently 7,100 of the 33,000 adults served through the RSN system enter with a B level diagnosis per year. This change would affect approximately 50 percent of these individuals or 3,550 people who would no longer receive services through the RSN system. Those not receiving services will likely show up at some point in other systems such as Healthy Options, emergency rooms, jails, and the community crisis system, or become hospitalized.

The community mental health services provided to approximately 29,000 individuals would be changed through a benefit package redesign. Package details will be developed with stakeholders to meet reduction targets. Possible approaches include: 1) statewide service levels at lower frequency 2) service levels that correspond to diagnosis (A or B) and to level of need as established by a standardized tool with the lowest level of treatment providing for six sessions including a prescriber visit. Some consumers would be discharged from continuing services. Others would be expected to adjust to a less frequent visit schedule. As a result, these consumers would be at risk of entering the crisis system, ending up in emergency departments, increasing rates of psychiatric hospitalizations, and/or possible attempt of self harm.

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Agency Contact: Edd Giger (360) 902-8067

Program Contacts:

LTC - Bill Moss, Director, Home and Community Services (360) 725-2311
DDD - Linda Rolfe, Director, Division of Developmental Disabilities (360) 725-3461
Behavioral Health - David Dickinson, Director, Division of Behavioral Health (360) 725-3770

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Achieve savings to help the agency meet the 10 percent reduction targets set by the Office of Financial Management (OFM) for the 2012 Supplemental Budget.

Performance Measure Detail

Program: 040

Activity: D036 Field Services
No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Activity: D074 Personal Care
No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

No.

Does this decision package provide essential support to one of the Governor's priorities?

Yes, this decision package helps the agency meet the 10 percent reduction targets set by OFM for the 2012 Supplemental Budget.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

No.

What are the other important connections or impacts related to this proposal?

See discussion of alternatives below.

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

Four specific alternatives, outlined below, were considered. However, the alternatives did not meet the 10 percent reduction target or were in conflict with other measures necessary to meet the 10 percent reduction. In total, all of the alternative options below generate approximately (\$120,000,000) GF-State in savings, equivalent to a 3.3 percent reduction to ADSA's budget (compared to the 7.8 percent described in this package necessary to reach the target).

Two alternatives involved methods to generate additional revenues:

1. Refinancing personal care under the Community-First Choice Option (CFCO) and smaller eligibility changes for LTC and

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DDD: The Affordable Care Act passed by Congress created a new home and community-based option for long-term care and developmental disabilities known as the CFCO. Washington State has the opportunity to make changes to its existing personal care programs and refinance them under the CFCO at a higher federal match (56 percent rather than the current 50 percent). Refinancing personal care under CFCO beginning in April 2012 is estimated to yield a net increase of \$31,000,000 GF-Federal Medicaid revenue that would reduce an equal amount of state funds currently spend on those programs.

Eligibility for CFCO includes a maintenance of effort (MOE) requirement that requires spending the same or greater state expenditure personal care in the year after implementation of CFCO as before. It is estimated the greatest eligibility change that could be made without endangering MOE would be increasing the eligibility threshold for the Medicaid personal care program to match the current level nursing facility level of care (NFLOC) used for Home and Community-Based LTC waivers and nursing homes. Approximately 1,100 people (1.4 percent of 78,000 total LTC and DDD clients) would lose eligibility. If implemented in April, 2012, the NFLOC eligibility change would reduce GF-State in DDD and LTC by approximately (\$5,500,000) and total funds by (\$11,000,000).

Together, the CFCO savings and NFLOC eligibility change would yield a 2.1 percent reduction to the LTC and DDD programs, and a 1.0 percent reduction to all ADSA programs combined. These options were not chosen because they are not high enough in themselves, and they are mutually exclusive with other cuts needed to meet the 10 percent reduction target.

2. Implementation of a public utility assessment on community residential providers in DDD, boarding home providers, adult family homes, and home care agencies. Nursing homes and hospitals currently pay assessments. A similar type of assessment could be extended to home and community-based providers, Adult family home (AFH), boarding home (BH), home care agencies, and DD community residential providers would be assessed approximately 5 percent on their gross receipts, as allowed under the current statute for public utilities. Medicaid rates paid to providers would be increased to reimburse them for the cost of the assessment, using new federal matching funds drawn down by the assessment. The net increase in revenues would then offset current GF-State expenditures on these programs by \$65,000,000, assuming implementation in April, 2012 (requiring early enactment of legislation). This revenue is equivalent to "buying back" the cuts for LTC and DDD outlined in this package for 7,800 clients.

Two alternatives involve additional investments in community-based care and yield a net savings. These alternatives were not chosen because the level of reductions in this proposal required to reach the 10 percent threshold would weaken the community-based infrastructure too severely for those approaches to be viable:

1. Additional investments in the home and community system of care for people with developmental disabilities that build new community supports and allow continued consolidation of state-run Residential Habilitation Centers (RHCs). (See Decision Package Q0 - DD System of Care - SERA). New community supports would include additional planned respite based in communities throughout the state, state-operated short term crisis stabilization, treatment consulting teams, and other supports. Remaining RHCs - Fircrest on the west side of the state and Lakeland Village on the east side - would be strengthened to become regional centers offering professional services more broadly to the community such as consultation and access to specialized medical/health services. RHC capacity would be gradually downsized over four years, with residents transitioned to other RHCs, community-based State Operated Living Alternatives (SOLAs), or Supported Living.

In order to finance the investments needed to build community supports the Department proposes utilizing the State Efficiency and Restructuring Account (SERA) to replace GF-State. In the last three years, the SERA financing mechanism has been used by the Legislature with facility closures for Juvenile Rehabilitation and the Department of Corrections. The estimated biennial savings for 2011-13 would be \$4,000,000 GF-State (net of investments), with continuing savings in subsequent biennia.

This option was not chosen because the need to reach a 10 percent reduction would require fundamentally changing the eligibility for DDD home and community-based waivers, which are the basis for the underlying system of community-based supports.

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2. Additional investment in the LTC Family Caregiver Support program to divert people from more costly Medicaid Services. With an additional investment in support for unpaid family caregivers, it is estimated a net of (\$700,000) GF State would be saved in by providing evidence based interventions to caregivers that avoids placement of care recipients in costly Medicaid services by preventing burnout and improving caregiving outcomes (for both the caregiver and the individual receiving care). This option was rejected because reductions in LTC HCBS waiver eligibility beyond about 30 percent of what is proposed in this package leaves mostly heavier care people who may be later in their disability process and who are the most difficult to divert from paid care.

What are the consequences of not funding this package?

The agency will not be able to meet its budget reduction targets.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

Multiple revisions will be required to WAC and contracts for each program. Federal permission will be required to change Medicaid State Plans and waiver services.

Expenditure and revenue calculations and assumptions

See attachments: ADSA PL - WD Major Eligibility/Program Reductions.xls

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

All decreases are ongoing. In nearly all cases the decreases will be even greater in the 2013-15 Biennium, after full phase-in is completed. See above and attached for detail.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040 Objects			
A Salaries And Wages	0	(266,000)	(266,000)
B Employee Benefits	0	(104,000)	(104,000)
E Goods And Services	0	(72,000)	(72,000)
G Travel	0	(19,000)	(19,000)
J Capital Outlays	0	(9,000)	(9,000)
N Grants, Benefits & Client Services	(8,346,000)	(150,228,000)	(158,574,000)
T Intra-Agency Reimbursements	0	(6,000)	(6,000)
Total Objects	(8,346,000)	(150,704,000)	(159,050,000)

Department of Social and Health Services

DP Code/Title: PL-WD Major Eligibility/ Prgm Reductions
Program Level - 040 Div of Developmental Disabilities

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DSHS Source Code Detail

Program 040		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	(4,173,000)	(75,352,000)	(79,525,000)
<i>Total for Fund 001-1</i>		(4,173,000)	(75,352,000)	(79,525,000)
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	(4,173,000)	(75,114,000)	(79,287,000)
19UL	Title XIX Admin (50%)	0	(238,000)	(238,000)
<i>Total for Fund 001-C</i>		(4,173,000)	(75,352,000)	(79,525,000)
Total Program 040		(8,346,000)	(150,704,000)	(159,050,000)

**2012 Supplemental Budget
ADSA PL - WD Major Eligibility and Program Reductions**

DDD Total (all in Category 1000)				
	FY12	FY13	11-13 Biennium	13-15 Biennium
FTEs	-	(5.6)	(2.8)	(102.3)
GF-State	(4,173,000)	(75,352,000)	(79,525,000)	(209,603,000)
GF-Federal	(4,173,000)	(75,352,000)	(79,525,000)	(208,603,000)
Total	(8,346,000)	(150,704,000)	(159,050,000)	(418,206,000)

LTC Total				
	FY12	FY13	11-13 Biennium	13-15 Biennium
FTEs	-	(18.9)	(9.5)	(144.1)
GF-State	(5,320,000)	(119,537,000)	(124,857,000)	(261,359,000)
GF-Federal	(5,320,000)	(119,577,000)	(124,897,000)	(262,012,000)
Total	(10,640,000)	(239,114,000)	(249,754,000)	(523,371,000)

Mental Health Total				
	FY12	FY13	11-13 Biennium	13-15 Biennium
FTEs	-	(139.9)	(70.0)	(320.2)
GF-State	(7,238,000)	(62,266,000)	(69,504,000)	(124,786,000)
GF-Local	-	(1,876,000)	(1,876,000)	(4,164,000)
GF-Federal	1,037,000	(53,377,000)	(52,340,000)	(107,023,000)
Total	(6,201,000)	(117,519,000)	(123,720,000)	(235,973,000)

Total Aging and Disabilities Services Administration				
Total ADSA	FY12	FY13	11-13 Biennium	13-15 Biennium
FTEs	-	(164.4)	(82.2)	(566.6)
GF-State	(16,731,000)	(257,155,000)	(273,886,000)	(595,748,000)
GF-Local	-	(1,876,000)	(1,876,000)	(4,164,000)
GF-Federal	(8,456,000)	(248,306,000)	(256,762,000)	(577,638,000)
Total	(25,187,000)	(507,337,000)	(532,524,000)	(1,177,550,000)

**2012 Supplemental Budget
PL-WD ADSA - Eligibility Changes**

DDD Total Objects				
	FY12	FY13	11-13 Biennium	13-15 Biennium
A - Salaries	-	(266,000)	(266,000)	(9,886,000)
B - Benefits	-	(104,000)	(104,000)	(3,864,000)
E - Goods & Services	-	(72,000)	(72,000)	(2,637,000)
G - Travel	-	(19,000)	(19,000)	(738,000)
J - Equipment	-	(9,000)	(9,000)	(336,000)
N - Client Services	(8,346,000)	(150,228,000)	(158,574,000)	(400,534,000)
TZ - ISSD	-	(6,000)	(6,000)	(211,000)
Total	(8,346,000)	(150,704,000)	(159,050,000)	(418,206,000)

LTC Total Objects				
	FY12	FY13	11-13 Biennium	13-15 Biennium
A - Salaries	-	(1,004,000)	(1,004,000)	(13,206,000)
B - Benefits	-	(363,000)	(363,000)	(4,780,000)
E - Goods & Services	-	(271,000)	(271,000)	(3,546,000)
G - Travel	-	(79,000)	(79,000)	(1,038,000)
J - Equipment	-	(180,000)	(180,000)	(2,364,000)
N - Client Services	(10,640,000)	(237,198,000)	(247,838,000)	(498,141,000)
TZ - ISSD	-	(19,000)	(19,000)	(296,000)
Total	(10,640,000)	(239,114,000)	(249,754,000)	(523,371,000)

MH Total Objects				
	FY12	FY13	11-13 Biennium	13-15 Biennium
A - Salaries	-	(7,339,000)	(7,339,000)	(15,702,000)
B - Benefits	-	(3,039,000)	(3,039,000)	(6,503,000)
E - Goods & Services	-	(1,089,000)	(1,089,000)	(2,330,000)
G - Travel	-	-	-	-
J - Equipment	-	-	-	-
N - Client Services	(6,201,000)	(106,052,000)	(112,253,000)	(241,712,000)
TZ - ISSD	-	-	-	-
Total	(6,201,000)	(117,519,000)	(123,720,000)	(266,247,000)

ADSA Total Objects				
	FY12	FY13	11-13 Biennium	13-15 Biennium
A - Salaries	-	(8,609,000)	(8,609,000)	(38,794,000)
B - Benefits	-	(3,506,000)	(3,506,000)	(15,147,000)
E - Goods & Services	-	(1,432,000)	(1,432,000)	(8,513,000)
G - Travel	-	(98,000)	(98,000)	(1,776,000)
J - Equipment	-	(189,000)	(189,000)	(2,700,000)
N - Client Services	(25,187,000)	(493,478,000)	(518,665,000)	(1,140,387,000)
TZ - ISSD	-	(25,000)	(25,000)	(507,000)
Total	(25,187,000)	(507,337,000)	(532,524,000)	(1,207,824,000)

Department of Social and Health Services

DP Code/Title: PL-WP Crisis Stabilization Costs
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

Recommendation Summary Text:

The Department of Social and Health Services (DSHS), Division of Developmental Disabilities (DDD), requests \$5,600,000 (\$3,360,000 GF State) in the 2012 Supplemental Budget to provide Community Crisis Stabilization Services (CCSS) for people with developmental disabilities who are living in the community.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040			
001-1 General Fund - Basic Account-State	1,417,000	1,943,000	3,360,000
001-C General Fund - Basic Account-Medicaid Federal	945,000	1,295,000	2,240,000
Total Cost	2,362,000	3,238,000	5,600,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Program 040 FTEs	36.4	52.0	44.2

Package Description:

CCSS is a necessary element of the system of care for people with developmental disabilities. The long-term plan for maintaining a sustainable system of care reduces reliance on Residential Habilitation Centers (RHC) and increases our reliance services that will maintain people at home in their communities.

One of the major contributing factors to people accessing RHCs is the lack of access to emergency support and crisis intervention services when a person in the community is going into crisis. This lack of support can lead some families to access an RHC for the services their family member needs. These 'short-term' crisis placements often result in long-term stays, and sometimes permanent placements, in RHCs. This cycle makes it far more difficult to achieve both the goal of having people living in the community rather than an institution and to achieve savings from reducing the number of RHCs. Community crisis stabilization is one service that can make a significant impact to keeping people stable and continuing to live in their community.

The CCSS will provide time limited out of home stabilization services for people experiencing significant behavioral crisis. The services will be provided in three and four bedroom homes in the community and will consist of trained professionals and direct care staff who can provide the appropriate supports and services. The services also provide assistance to the family for transitioning their family member back home as the crisis is diminished.

During the 2011 Legislative Session the Legislature passed 2SSB 5459, which directed DSHS to establish up to eight crisis stabilization beds. Specific funding for these crisis stabilization beds was never provided. The Legislature moved the operating budget for the Frances Haddon Morgan Center (FHMC) into a Special Projects category and this funding is to be used for costs necessary to transitioning clients to other residential services, closing the FHMC, developing additional residential services, and developing new community services (respite, CCSS, treatment teams, etc). By closing only one RHC, there is not enough savings generated to implement all the services required by law. This request is for the funding necessary to implement the new community services as intended by the Legislature, and needed by citizens.

Further, with the kind of reductions to community-based services necessary to fulfill a ten percent reduction for the 2011-13 Biennium, this type of crisis stabilization will be even more necessary, as many individuals will lose their services or experience major changes in service.

Program Contact: Donald Clintsman (360) 725-3421
Agency Contact: Bryce Andersen (360) 902-8284

Department of Social and Health Services

DP Code/Title: PL-WP Crisis Stabilization Costs
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

- The department will increase supports in the community to serve people with developmental disabilities.
- The department will reduce the per capita cost of residential services for people with developmental disabilities by serving fewer people in RHCs.

Performance Measure Detail

Program: 040

Activity: D095 State Operated Living Alternatives

No measures linked to package

Incremental Changes

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This request relates to the Aging and Disability Services Administration (ADSA) Strategic Plan Goal 1 - Continue to improve the balance between home and community options and institutional use. The applicable objective in this goal is, develop new service models to encourage home and community services and coordination with other supports.

Does this decision package provide essential support to one of the Governor's priorities?

Yes. This meets the goal to "Improve health and support for Washingtonians" by increasing crisis support for families in the community. It is also part of the package of reforms outlined in the Governor's 2010 policy brief, "Reforming how we care for Washingtonians with developmental disabilities."

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

Improving the security of Washington's vulnerable children and adults is one of the priorities of government. One of the key indicators/measures under this priority is to increase the percentage of vulnerable children and adults living in permanent families and safe home and community settings. DSHS expects to increase the percent of DDD clients in home care and community settings versus institutional settings. The crisis support services provided through CCSS are specifically designed to prevent families from needing to access RHCs and to keep people at home and in their communities.

What are the other important connections or impacts related to this proposal?

Not applicable

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

CCSS is identified in the 2011-13 Biennial Budget as a necessary community support for people with developmental disabilities. The 2011-13 Biennial Budget closes the FHMC this biennium and didn't provide the department the necessary funding to cover crisis stabilization services. This is a necessary companion piece to RHC reductions if sustainable savings are to be achieved.

What are the consequences of not funding this package?

DSHS will be unable to meet the intent of 2SSB 5459, which calls for crisis stabilization services.

What is the relationship, if any, to the state's capital budget?

Department of Social and Health Services

DP Code/Title: PL-WP Crisis Stabilization Costs
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

See attachment: DDD PL-WP Crisis Stabilization Costs.xlsx

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

All costs are ongoing.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040 Objects			
A Salaries And Wages	1,207,000	1,723,000	2,930,000
B Employee Benefits	592,000	852,000	1,444,000
E Goods And Services	265,000	376,000	641,000
G Travel	108,000	156,000	264,000
J Capital Outlays	153,000	78,000	231,000
T Intra-Agency Reimbursements	37,000	53,000	90,000
Total Objects	2,362,000	3,238,000	5,600,000

DSHS Source Code Detail

<u>Program 040</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	1,417,000	1,943,000	3,360,000
<i>Total for Fund 001-1</i>	1,417,000	1,943,000	3,360,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19TA Title XIX Assistance (FMAP)	945,000	1,295,000	2,240,000
<i>Total for Fund 001-C</i>	945,000	1,295,000	2,240,000
Total Program 040	2,362,000	3,238,000	5,600,000

**2012 Supplemental Budget
PL - WP Crisis Stabilization Services**

Fiscal Year 2012	FTEs	Monthly Salary	Salaries		OASI BA	Retirement BB	Unemployment Insurance BF	Medicare BH	Health Insurance BD	Medical Aid BC	Goods & Services E	Leases ED	Personnel Services EN	Travel G	Equipment J	ISSD TZ	Total
			A														
WMS Program Manager	0.70	5,498	46,000	3,000	4,000	-	1,000	7,000	-	5,000	-	-	-	2,000	6,000	1,000	75,000
Registered Nurse 3 (R 58N)	0.70	5,590	47,000	3,000	4,000	-	1,000	7,000	-	5,000	-	-	-	2,000	6,000	1,000	76,000
Registered Nurse 2 (R 54N)	0.70	5,064	43,000	3,000	4,000	-	1,000	7,000	-	5,000	-	-	-	2,000	3,000	1,000	69,000
Psychology Associate (R 54)	1.40	4,741	80,000	5,000	7,000	1,000	1,000	14,000	1,000	10,000	-	-	1,000	4,000	11,000	1,000	136,000
Licensed Practical Nurse (R 44)	0.70	3,704	31,000	2,000	3,000	-	-	7,000	-	5,000	-	-	-	2,000	6,000	1,000	57,000
Attendant Counselor Mgr (R 46)	1.40	3,894	65,000	4,000	5,000	1,000	1,000	14,000	1,000	10,000	-	-	-	4,000	11,000	1,000	117,000
Attendant Counselor 2 (R 34)	21.7	2,904	756,000	47,000	63,000	6,000	11,000	221,000	11,000	153,000	-	-	5,000	65,000	65,000	22,000	1,425,000
Psychology Affiliate (R43)	2.10	3,614	91,000	6,000	8,000	1,000	1,000	21,000	1,000	15,000	-	-	1,000	6,000	17,000	2,000	170,000
Secretary Senior (Range 33)	1.40	2,832	48,000	3,000	4,000	-	1,000	14,000	1,000	10,000	-	-	-	4,000	11,000	1,000	97,000
Attendant Counselor 2 (Intermittent)	3.50	-	-	-	-	-	-	36,000	-	25,000	-	-	-	11,000	-	4,000	78,000
Undetermined	2.10	-	-	-	-	-	-	21,000	-	15,000	-	-	-	6,000	17,000	2,000	62,000
Total	36.4		1,207,000	76,000	102,000	9,000	18,000	369,000	18,000	258,000			7,000	108,000	153,000	37,000	2,362,000

Fiscal Year 2013	FTEs	Monthly Salary	Salaries		OASI BA	Retirement BB	Unemployment Insurance BF	Medicare BH	Health Insurance BD	Medical Aid BC	Goods & Services E	Leases ED	Personnel Services EN	Travel G	Equipment J	ISSD TZ	Total
			A														
WMS Program Manager	1.00	5,498	66,000	4,000	5,000	1,000	1,000	10,000	1,000	7,000	-	-	-	3,000	2,000	1,000	101,000
Registered Nurse 3 (R 58N)	1.00	5,590	67,000	4,000	6,000	1,000	1,000	10,000	1,000	7,000	-	-	-	3,000	2,000	1,000	103,000
Registered Nurse 2 (R 54N)	1.00	5,064	61,000	4,000	5,000	1,000	1,000	10,000	1,000	7,000	-	-	-	3,000	2,000	1,000	96,000
Psychology Associate (R 54)	2.00	4,741	114,000	7,000	9,000	1,000	2,000	20,000	2,000	14,000	-	-	1,000	6,000	3,000	2,000	180,000
Licensed Practical Nurse (R 44)	1.00	3,704	44,000	3,000	4,000	-	1,000	10,000	1,000	7,000	-	-	-	3,000	2,000	1,000	76,000
Attendant Counselor Mgr (R 46)	2.00	3,894	93,000	6,000	8,000	1,000	1,000	20,000	1,000	14,000	-	-	1,000	6,000	3,000	2,000	156,000
Attendant Counselor 2 (R 34)	31.0	2,904	1,080,000	67,000	90,000	9,000	16,000	316,000	16,000	218,000	-	-	8,000	93,000	51,000	32,000	1,996,000
Psychology Affiliate (R43)	3.00	3,614	130,000	8,000	11,000	1,000	2,000	31,000	2,000	21,000	-	-	1,000	9,000	5,000	3,000	224,000
Secretary Senior (Range 33)	2.00	2,832	68,000	4,000	6,000	1,000	1,000	20,000	1,000	14,000	-	-	-	6,000	3,000	2,000	126,000
Attendant Counselor 2 (Intermittent)	5.00	-	-	-	-	-	-	51,000	-	35,000	-	-	-	15,000	-	5,000	109,000
Undetermined	3.00	-	-	-	-	-	-	31,000	-	21,000	-	-	-	9,000	5,000	3,000	71,000
Total	52.0		1,723,000	107,000	144,000	16,000	26,000	529,000	30,000	365,000			11,000	156,000	78,000	53,000	3,238,000

Assumptions:
 FY 12 FTEs based on proposed start date of October 1, 2012; FY 13 assumes full year of funding
 All Benefit Rates, Goods & Services Rates; Equipment and ISSD Rates come from the DSHS Staffing Model or OFM Allotment Instructions
 Salaries from Department of Personnel State Compensation Plan effective July 1, 2011
 Salaries reflect Step L
 Fund Source split reflects current cost allocation of 60% GF-S and 40% Federal

	FY 2012	FY 2013
A - Salaries	1,207,000	1,723,000
B - Benefits	592,000	852,000
E - Goods & Services	265,000	376,000
G - Travel	108,000	156,000
J - Equipment	153,000	78,000
TZ - ISSD	37,000	53,000
Total	2,362,000	3,238,000
DA - General Fund - State	1,417,000	1,943,000
UM - General Fund - Federal	945,000	1,295,000

Department of Social and Health Services

DP Code/Title: PL-WU Supp Living Investigators and Fee
Program Level - 040 Div of Developmental Disabilities

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

Recommendation Summary Text:

The Department of Social and Health Services (DSHS), Aging and Disability Services Administration (ADSA), requests 5.0 FTEs and \$1,398,000 in the 2012 Supplemental Budget to allow Residential Care Services (RCS) to do additional investigations of abuse and neglect complaints in Certified Community Residential Supports and Services (CCRSS) settings for clients with developmental disabilities.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040			
001-7 General Fund - Basic Account-Private/Local	0	361,000	361,000
001-C General Fund - Basic Account-Medicaid Federal	0	361,000	361,000
Total Cost	0	722,000	722,000

Staffing

Package Description:

This request is for additional investigations of abuse and neglect complaints in CCRSS settings for clients with developmental disabilities. This would allow DSHS to meet growing investigation volumes, and current statutory requirements and timelines to intervene for clients in a timely manner when there is possible abuse or neglect. In conjunction with agency request legislation, this decision package also requests that the CCRSS program be charged an annual certification fee in order to provide revenue to cover the new FTEs needed for the increasing complaint workload of the service provider's oversight process. The Long-Term Care Program requests \$686,000 (\$343,000 General Fund-Federal and \$343,000 GF-Private/Local). The Developmental Disabilities Division (DDD) requests \$722,000 (\$361,000 GF-Federal and \$361,000 GF-Private/Local).

Background - Investigations:

CCRSS is a service provided to persons with developmental disabilities by certified providers, in the clients' own home (vs. living with their parents or siblings), and is more commonly known by the term "Supported Living". RCS oversight includes both initial and periodic inspections and certifications to ensure services comply with requirements, and response to complaints of abuse and neglect called in by the public. Complaints investigations are essential to preventing and detecting abuse and neglect of vulnerable adults.

There are two types of complaint investigations called in by the public. One investigation type determines if the provider handled the situation in accordance with the program requirements, called "provider practice". Follow up is done to ensure that clients needs are being met and that providers comply with program requirements. The other investigation type is to determine if a specific individual abused or neglected a client, called a Resident and Client Protection Program (RCPP) investigation. RCPP protects clients and prevent perpetrators from moving to other settings.

In Fiscal Year 2007, the first full year of RCS doing the CCRSS complaint investigations, 903 complaints were assigned to the five investigators. Complaints assigned increased each year, and over 1,900 complaints were assigned in Fiscal Year 2011, more than doubling from 2007. With no increase in staff investigators, LTC expects complaints to continue to grow at the historical rate. Similar to the increase in complaints for Adult Protective Services (APS) and for Nursing Homes (NH), Adult Family Homes (AFH), and Boarding Homes (BH), DSHS believes that complaints have increased due to better community awareness of abuse and neglect through education efforts, and better compliance with mandatory reporting.

With only five assigned FTEs, DSHS is unable to investigate the total number of complaints assigned. Due to this, LTC prioritize complaints so those that appear to involve higher risks for clients are done before those that appear to involve less risk. This

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prioritization method is inconsistent with best practice used for complaints in other settings (AFHs, BHs, NHs and in-home through APS).

DSHS proposes to add an additional five investigators (nursing consultants) to CCRSS complaints investigation, to keep up with the increase (over twice as many) in workload since the program first began in RCS.

RCS has pursued efficiency measures for all of its oversight programs, including Supported Living, prior to requesting additional funding for new FTEs. Overall administration for RCS is centralized and delayed. Initial and renewal certification of Supported Living agencies is already done by a contractor. All investigatory work for Supported Living abuse/neglect complaints is already prioritized, and handled by only five nursing care consultants statewide. Investigations of abuse and neglect require on-site visits and interviews with clients and others. Best practice requires assigning a maximum number of new complaints per investigator per month. Resources cannot be shifted from other programs such as AFHs, BHs, or NHs, as these industries pay for oversight through their own dedicated fees under statute and cannot be charged more than their actual oversight costs.

In addition, DSHS is currently operating under a settlement agreement in a client-related lawsuit (Boyle). Part of the settlement relates to client safety in CCRSS. The client advocates are preparing to ask the court to impose an enforcement action against DSHS, which could include an order of contempt, partly because of the challenge in investigating all complaints received, as the volume increases.

New Certification Fee:

Under current statute, CCRSS providers must be certified by RCS prior to serving clients. Unlike other providers, CCRSS providers currently do not pay any fees to be certified or to offset the cost of their oversight, as other providers do. Also, unlike other long-term care settings and supports, NH, AFH, and BH, CCRSS programs are based "in the client's home" and the providers generally do not have "private pay" residents. All CCRSS clients are Medicaid and clients of the DDD.

DSHS proposes covering a portion of CCRSS oversight costs with a new annual certification fee of \$185 per client per year. Revenue from this fee would cover the enhanced investigatory resources needed as described above (five FTEs) to insure that complaints can be addressed promptly and thoroughly as workload grows. This does not change the investigation process or criteria, just increases the resources to address the increasing demand for investigations. There would be no long-term impact to CCRSS providers. All CCRSS providers would receive new funding in their Medicaid payment rates to offset the cost of the fee over the course of the year. Federal funds assist in paying the providers, and local funds (from the fee) are used as state matching funds. This is consistent with approaches currently used to pay providers to reimburse for fees for Medicaid clients in NH, AFHs, and BHs.

To implement this decision package, DSHS is proposing legislation to create a new certification fee to allow the level of the fee to be set in the budget.

Agency Contact: Edd Giger (360) 902-8067

Program Contact: Irene Owens (360) 725-2489

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Funding from this request would allow RCS to provide timely intervention related to the health and safety of clients in this program. It would also give RCS the ability to address the quality of and complaint workload standards for the CCRSS program. Multiple performance measures, including conducting assigned complaint investigations in a timely manner, should improve if funding is provided.

Department of Social and Health Services

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Further, one of ADSA's key performance measures for Government Management Accountability and Performance (GMAP) is to increase the proportion of clients served in home and community-based settings rather than institutional settings. ADSA's ability to meet CMS requirements related to waiver management, and the ability to address vulnerable adult safety are key components of improving this performance measure.

Performance Measure Detail

Program: 040

Activity: D087 Residential Program

No measures linked to package

Incremental Changes

FY 1

FY 2

0.00

0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This request relates to the ADSA Strategic Plan Goal Number 3 to maintain timely access to programs and responsiveness to changing needs, and manage risk through appropriate staffing. It also supports Goal 2 of the ADSA plan to continue efforts to enhance quality of services. Failing to provide funding would essentially eliminate the chances of accomplishing either of the above goals outlined in ADSA's 2009-13 Strategic Plan.

Does this decision package provide essential support to one of the Governor's priorities?

Yes. This request meets the goal to "improve the health of Washingtonians, and support and keep safe our children and adults who are unable to care for themselves."

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

Yes. Improving the health and security of Washington's vulnerable adults is one of the Priorities of Government (POG). One of the key indicators under this priority is to "Increase the percentage of vulnerable adults living in permanent families and safe home or community settings."

What are the other important connections or impacts related to this proposal?

DSHS is proposing legislation to implement this request.

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

The alternative is for state funds to continue to subsidize the cost of all FTEs necessary for oversight.

Other fee mechanisms exist, but were rejected as problematic due to a high administrative burden, their lack of ability to support ongoing oversight costs, or for their potential to reduce mandatory reporting (i.e. refunding fees for service providers with no complaints, or charging service providers extra only when they have complaints would create a contrary incentive to not report potential abuse and neglect). Fee revenue needs to be predictable and independent of reporting, in order to ensure stable, quality oversight; the department recommends to structure fee mechanisms that are similar between settings, and similar fee levels for initial licensing and renewals.

What are the consequences of not funding this package?

If this package is not funded, DSHS will be less able to meet the CCRSS need. DSHS will have to continue to prioritize complaint intakes since it will not be able to meet the increasing workload demand. Vulnerable adults will continue to be at an increased risk of harm. This will put at risk the priorities for a robust home and community based system.

If no fee is created, the cost of all FTEs necessary for oversight will remain on the state taxpayer and additional federal revenues will be foregone.

Department of Social and Health Services

**DP Code/Title: PL-WU Supp Living Investigators and Fee
Program Level - 040 Div of Developmental Disabilities**

Budget Period: 2011-13 Version: D2 040 - 2012 Sup Agency Request

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

DSHS request legislation has been submitted to allow an annual certification fee to be set in the state budget.

Expenditure and revenue calculations and assumptions

See attachment: ADSA PL - WU Strengthen & Expand HCBS Services.xlsx

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

These costs are ongoing and will carry forward into future biennia. Future biennial appropriations acts will need to adjust the CCRSS fee periodically if workload significantly increases or decreases, to reflect the level of investigators needed.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040 Objects			
N Grants, Benefits & Client Services	0	722,000	722,000

DSHS Source Code Detail

Program 040	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-7, General Fund - Basic Account-Private/Local			
<u>Sources Title</u>			
5417 Contributions & Grants	0	361,000	361,000
<i>Total for Fund 001-7</i>	<u>0</u>	<u>361,000</u>	<u>361,000</u>
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19TA Title XIX Assistance (FMAP)	0	361,000	361,000
<i>Total for Fund 001-C</i>	<u>0</u>	<u>361,000</u>	<u>361,000</u>
Total Program 040	<u>0</u>	<u>722,000</u>	<u>722,000</u>

2012 Supplemental Budget PL - WU Supp Living Investigators and Fee

CCRSS/Supported Living Certification Fee To Cover Portion of Oversight Cost
Asks for fee to cover new Investigations staffing only, not underlying costs

FTEs (linked to tab "FTEs-RCS Costs")		5.0	
Step 1 - Determine the Fee			
months		FY12	FY13
		0	12
DSHS Estimated FTE Costs - State Portion Only	\$	-	\$ 343,000
Reimbursement	\$	-	\$ 361,000
Medicaid Clients		3,900	3,900
New Fee	\$	-	\$ 185
Reimbursement Adjustment Cost	\$	-	\$ 722,000
GF-Local (part of fee)	\$	-	\$ 361,000
GF-Federal	\$	-	\$ 361,000
FMAP Rate		50.00%	50.00%
TOTAL - State Portion for FTEs and Reimbursement	\$	-	\$ 704,000
Revenue from Fee (Local funds can pay for State Costs)	\$	-	\$ 712,000
Variance - revenue surplus/(revenue deficit)	\$	-	\$ 8,000
Renewal Fee Revenues	\$	-	\$ 712,000
Total Clients		3,800	3,850
Annual Fee / Client / Year	\$	-	\$ 185
Initial Fee - not using at this time	\$	-	\$ -
Average New Clients / Year		-	-
Initial Fee / per ????	\$	-	\$ -
Step 2 - Rates: Reimbursement Adjustment			
		FY12	FY13
Add on PPD	\$	-	\$ 0.51
TOTAL Funds Adjustment	\$	-	\$ 722,000
GF-State	\$	-	\$ -
GF-Federal	\$	-	\$ 361,000
GF-Local (part of fee)	\$	-	\$ 361,000
DDD - Winsum Entry/FN System			
H51 (rates impact)			
TOTAL Funds Adjustment	\$	-	\$ 722,000
GF-State	\$	-	\$ -
GF-Federal	\$	-	\$ 361,000
GF-Local	\$	-	\$ 361,000
Step 3 - RCS & DDD Adjustment			
		FY12	FY13
Revenue	\$	-	\$ 712,000
Current Local appropriation	\$	-	\$ -
Additional local appropriation = local revenue less current local appropriation	\$	-	\$ 712,000
local need from rate impact	\$	-	\$ 361,000
local need for RCS	\$	-	\$ 351,000
GF-State appropriation	\$	-	\$ -
GF-State (rounded) Change in Appropriation: add/(reduction)	\$	-	\$ -
LTC - Winsum Entry/FN System			
I73 - RCS Field Services			
FTE		-	5.0
TOTAL Funds Adjustment	\$	-	\$ 686,000
GF-State	\$	-	\$ -
GF-Federal	\$	-	\$ 343,000
GF-Local	\$	-	\$ 343,000
Cash Receipts, for Fiscal Note System			
		FY12	FY13
Local Funds (fees revenue)	\$	-	\$ 712,000
Federal Funds (to match rates reimbursement)	\$	-	\$ 361,000
Federal Funds (to match FTE expenditures)	\$	-	\$ 343,000
Total Federal	\$	-	\$ 704,000
Total Cash Receipts	\$	-	\$ 1,416,000
	\$	-	\$ 1,408,000
	\$	-	\$ -
	\$	-	\$ 704,000
	\$	-	\$ 704,000

