



## **Report to the Legislature**

# **Planned Implementation of Direct Care Wage Increase**

**Substitute Bill 1128**

**Section 204 (o)**

**December 1, 2007**

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## **EXECUTIVE SUMMARY**

The 2007-2009 Biennial Operating Budget provides a funding increase for Regional Support Networks (RSNs). Two-thirds of this funding is set aside for wage increases to be provided to workers within the mental health system. The proviso requires RSNs to submit information to the Department of Social and Health Services' Mental Health Division (MHD) for summarization and submission to the legislature. This report partially fulfills that requirement.

All of the RSNs submitted some information about implementation of this proviso. Eleven of the RSNs submitted completed reports. It appears that six of the RSNs are fully in compliance with the intent of the proviso at the time of this report.

MHD will require RSNs who did not submit their complete reports to do so. MHD will also work with the RSNs who are not in full compliance with the proviso requirements to create and implement a corrective action plan.

The Division expects to provide an updated report by March 1, 2008.

## **DIRECTIVE TO PERFORM THE STUDY**

Substitute House Bill 1128, section 204 (Department of Social and Health Services, Mental Health Division), subsection (1) (o), reads as follows:

\$7,363,000 of the general fund --state appropriation for fiscal year 2008, \$15,028,000 of the general fund -- state appropriation for fiscal year 2009, and \$13,927,000 of the general fund -- federal appropriation are provided solely to increase regional support network Medicaid capitation rates and non-Medicaid allocations by 3.0 percent effective July 1, 2007, and by an additional 3.0 percent effective July 1, 2008. The federal portion of these rate increases is contingent upon federal approval. (i) The legislature intends and expects that regional support networks and community mental health agencies will use at least 67 percent of the amounts provided in this subsection (1) (o) to increase compensation for direct care personnel above and beyond usual and customary wage increase. *To this end, regional support networks shall report to the department by October 15, 2007, on planned uses of the rate increases within their network area. The report shall describe the direct care job classifications to which increases are to be provided; the number of full-time equivalent personnel employed in each classification; the annualized dollar and percentage increases to be provided each classification; the annualized dollar value of the direct care compensation increases provided, in total and as a percentage of total rate increase; and the number of personnel in each job classification covered by a collective bargaining agreement. The department shall summarize and analyze the regional plans, and report findings, options, and recommendations to the legislature by December 1, 2007.* (ii) Regional support networks shall maintain documentation of how the rate increases have been applied. Such documentation shall be subject to audit by the department. (iii) For purposes of this subsection (1) (o), “direct care staff” means persons employed by community mental health agencies whose primary responsibility is providing direct treatment and support to people with mental illness, or whose primary responsibility is providing direct support to such staff in areas such as client scheduling, client intake, client reception, client records-keeping, and facilities maintenance.

(Italics added)

In total, \$11,892,000 is available for wage increases in FY08 (\$7.363M GF-S and \$4.529 GF-F) and \$24,426,000 is available for wage increases in FY09 (\$15.028 GF-S and \$9.398 GF-F).

## PROCESS

As stated above, the Biennial Operating Budget directed RSNs to report to MHD on the planned uses of funding required to be set aside for worker wage increases. The deadline for this report was October 15, 2007. Some RSNs completed their reports and sent them to MHD. To assist those who had not completed a report, a template was sent to the RSNs on October 9, 2007 to help outline the requirements of the proviso. All RSNs submitted some information to Mental Health Division, but three RSNs did not submit complete reports. The circumstances of those three RSNs are explained below:

- **Spokane County RSN** based their report on estimates. The RSN's providers are in the process of negotiating with the unions. The proviso calls for RSNs to report on planned uses, therefore, Spokane RSN's report is in compliance with the proviso. Spokane RSN has indicated that they will submit a revised report in December 2007.
- **Thurston Mason RSN** submitted a letter informing the Division that, as of the due date of the report, their provider, Behavioral Health Resources (BHR), is in the process of negotiating with their unions. BHR is the primary provider in Thurston Mason RSN and employs the majority of staff in this RSN who are eligible for the increase per the proviso. Until the agreements with the unions are reached and ratified, Thurston Mason RSN cannot submit the report to MHD. Once the agreements are reached and ratified, Thurston Mason RSN will submit a report to MHD. Thurston Mason RSN is not in compliance with the proviso.
- **Timberlands RSN** submitted an incomplete report. One of their providers, Willapa Behavioral Health, is also in the process of negotiating with the union. Thus, their report does not include the planned implementation for that provider. Overall, their report is incomplete because it does not include information for all covered providers and staff. Timberlands RSN is not in compliance with the proviso.

MHD summarized the data submitted by the RSNs, identifying the following information (included in Appendix 1):

- Number of staff (FTEs) employed
- Number of represented employees
- Annual increase to be given with funding provided
- Calculated percentage increase in salaries
- Salary increase as a percentage of total increased funding provided

This information is provided for each RSN that submitted a complete report in Appendices 2 through 11. Responses received from RSNs that do not comply with the proviso are included in Appendices 13 and 14.

MHD performed analysis on the data received, combined with issues RSNs have raised related to this proviso. Resulting options are included in the report below.

## FINDINGS

Six out of the 11 RSNs that submitted complete reports use the required 67% or more of the amount provided in the proviso to increase compensation for direct care personnel above and beyond usual and customary wage increase. However, the remaining five RSNs that provided information are below the required 67%. The table below identifies the percentage of funding used for worker wage increases for each RSN that submitted information, as well as the weighted average amount of total funds to be used for the wage increases.

RSN	Estimated Revenue from the Proviso	Planned Increase of the Direct Care Wage Salary	Percentage of Planned Use Compared to Estimated Revenue
Chelan Douglas RSN	217,672	218,970	100.60%
Peninsula RSN	720,231	667,508	92.68%
Spokane RSN	1,093,833	915,113	83.66%
Greater Columbia RSN	1,400,769	1,106,008	78.96%
Clark County RSN	690,768	475,703	68.87%
Grays Harbor RSN	183,726	123,743	67.35%
<i>Southwest RSN</i>	<i>217,682</i>	<i>141,591</i>	<i>65.05%</i>
<i>King County RSN</i>	<i>3,134,015</i>	<i>2,011,642</i>	<i>64.19%</i>
<i>Pierce County RSN</i>	<i>1,438,389</i>	<i>874,004</i>	<i>60.76%</i>
<i>North Sound RSN</i>	<i>1,512,213</i>	<i>783,657</i>	<i>51.82%</i>
<i>North Central RSN</i>	<i>510,088</i>	<i>222,026</i>	<i>43.53%</i>
<b>Total*</b>	<b>11,119,385</b>	<b>7,539,965</b>	<b>67.81%</b>

According to this information, about one half the RSNs have complied with the proviso. Due to those RSNs that sent incomplete or no information, this may change as new reports are received.

One issue several RSNs raised was the potential effect declining Medicaid caseloads could have on the amount of Medicaid revenue they may actually receive. Some expressed hesitation in committing a certain dollar amount to their staff in raises while not being completely certain they will receive the full amount of Medicaid funding budgeted.

\*The total amount of revenue represented in the table is not the full amount appropriated due to the fact that Thurston-Mason RSN and Timberlands RSN did not provide any information and are therefore excluded.

## **NEXT STEPS**

For those RSNs that did not submit a complete report, MHD will ensure that reports are submitted no later than December 31, 2007. If actual data cannot be submitted, MHD will work with these RSNs to use projected data for the report.

For those RSNs that did not dedicate sufficient funding to wage increases, MHD will work with them to develop a corrective action plan. MHD will also monitor implementation of the plan. The plan will identify issues RSNs have related to this funding and methods for mitigation or elimination of the issues.

An updated report will be submitted in March 2008.

## APPENDIX 1

### STATEWIDE SUMMARY

**State Wide Summary  
Planned Uses of the Rate Increase**

Job Classification	Number of Full Time Equivalent (FTE) Employed	Number of Represented Employee	Current Annual Salary (Amount)	Annual Increase (Amount)	Annual Increase (Percentage)
MDs ARNPs	157.92	26.96		542,467.82	5.03%
Other Direct Service Staff	2,978.46	925.29		5,196,778.68	5.89%
Clinical Supervisors	226.65	6.28		548,641.32	4.20%
Client Reception/ Scheduling	146.00	9.50		204,784.98	4.09%
Medical Records Staff	138.73	13.38		230,380.25	4.98%
Facilities Maintenance Staff	125.36	22.38		162,714.86	4.65%
Clinical Administrative Support Staff	566.01	145.75		654,196.72	5.26%
<b>Total</b>	<b>4,339.13</b>	<b>1,149.55</b>	<b>\$ -</b>	<b>\$ 7,539,965</b>	<b>4.87%</b>
Estimated Revenue from Rate Increase (1)				\$ 11,119,385	
Percentage of Planned Salary Increase as Total of Estimated Rate Increase Revenue				67.81%	

NOTE: (1) Estimated Medicaid revenue is based on the February 2007 forecast funding model  
 (2) Thurston-Mason RSN providers and a Timberlands provider are still in the process of negotiating with their unions. No reports were submitted by these providers until they reach agreement with the unions.

## APPENDIX 2

### CHELAN DOUGLAS RSN SUMMARY

**Chelan Douglas RSN  
Planned Uses of the Rate Increase**

Job Classification	Number of Full Time Equivalent (FTE) Employed	Number of Represented Employee	Current Annual Salary (Amount)	Annual Increase (Amount)	Annual Increase (Percentage)
MDs ARNPs	1.00	0.00	59,280.00	5,811.22	9.80%
Other Direct Service Staff	50.90	0.00	1,726,199.80	144,636.42	8.38%
Clinical Supervisors	2.00	0.00	126,464.00	12,397.27	9.80%
Client Reception/ Scheduling	4.00	0.00	92,123.20	9,030.84	9.80%
Medical Records Staff	2.50	0.00	61,817.60	6,059.98	9.80%
Facilities Maintenance Staff	0.00	0.00	0.00	0.00	0.00%
Clinical Administrative Support Staff	15.75	0.00	668,043.80	41,034.78	6.14%
<b>Total</b>	<b>76.15</b>	<b>0</b>	<b>\$ 2,733,928</b>	<b>\$ 218,970</b>	<b>8.01%</b>
<b>Estimated Revenue from Rate Increase (1)</b>				<b>\$ 217,672</b>	
<b>Percentage of Planned Salary Increase as Total of Estimated Rate Increase Revenue</b>				<b>100.60%</b>	

NOTE: (1) Estimated Medicaid revenue is based on the February 2007 forecast funding model

### APPENDIX 3

#### CLARK COUNTY RSN SUMMARY

**Clark RSN  
Planned Uses of the Rate Increase**

Job Classification	Number of Full Time Equivalent (FTE) Employed	Number of Represented Employee	Current Annual Salary (Amount)	Annual Increase (Amount)	Annual Increase (Percentage)
MDs ARNPs	6.60	0.00	801,137.27	11,744.28	1.47%
Other Direct Service Staff	194.85	140.40	6,465,997.26	317,236.33	4.91%
Clinical Supervisors	10.88	0.00	454,257.98	19,664.48	4.33%
Client Reception/ Scheduling	8.75	0.00	243,914.02	15,106.86	6.19%
Medical Records Staff	6.50	0.00	151,101.60	11,566.34	7.65%
Facilities Maintenance Staff	2.00	0.00	63,960.00	3,558.87	5.56%
Clinical Administrative Support Staff	60.06	15.00	2,061,463.45	96,825.40	4.70%
<b>Total</b>	<b>289.64</b>	<b>155</b>	<b>\$ 10,241,832</b>	<b>\$ 475,703</b>	<b>4.64%</b>
Estimated Revenue from Rate Increase (1)				\$ 690,768	
Percentage of Planned Salary Increase as Total of Estimated Rate Increase Revenue				68.87%	

NOTE: (1) Estimated Medicaid revenue is based on the February 2007 forecast funding model

## APPENDIX 4

### GRAYS HARBOR RSN SUMMARY

**Grays Harbor RSN  
Planned Uses of the Rate Increase**

Job Classification	Number of Full Time Equivalent (FTE) Employed	Number of Represented Employee	Current Annual Salary (Amount)	Annual Increase (Amount)	Annual Increase (Percentage)
MDs ARNPs	3.00	0.00	0.00	6,796.00	8.00%
Other Direct Service Staff	57.06	0.00	0.00	85,451.00	8.38%
Clinical Supervisors	0.00	0.00	0.00	0.00	0.00%
Client Reception/ Scheduling	0.00	0.00	0.00	0.00	0.00%
Medical Records Staff	3.50	0.00	0.00	3,848.00	4.50%
Facilities Maintenance Staff	2.00	0.00	0.00	2,912.00	3.00%
Clinical Administrative Support Staff	17.00	0.00	0.00	24,736.00	12.67%
Total	82.56	0	\$ -	\$ 123,743	7.31%
Estimated Revenue from Rate Increase (1)				\$ 183,726	
Percentage of Planned Salary Increase as Total of Estimated Rate Increase Revenue				67.35%	

NOTE: (1) Estimated Medicaid revenue is based on the February 2007 forecast funding model

## APPENDIX 5

### GREATER COLUMBIA RSN SUMMARY

**Greater Columbia RSN  
Planned Uses of the Rate Increase**

Job Classification	Number of Full Time Equivalent (FTE) Employed	Number of Represented Employee	Current Annual Salary (Amount)	Annual Increase (Amount)	Annual Increase (Percentage)
MDs ARNPs	18.00	0.00	1,976,495.00	62,602.00	3.17%
Other Direct Service Staff	304.00	17.00	12,731,037.00	758,808.00	5.96%
Clinical Supervisors	39.00	0.00	2,216,287.00	109,461.00	4.94%
Client Reception/ Scheduling	57.00	2.00	1,671,920.00	71,758.00	4.29%
Medical Records Staff	35.00	1.00	1,129,747.00	53,764.00	4.76%
Facilities Maintenance Staff	23.00	2.00	640,243.00	49,615.00	7.75%
Clinical Administrative Support Staff	0.00	0.00	0.00	0.00	0.00%
<b>Total</b>	<b>476.00</b>	<b>22</b>	<b>\$ 20,365,729</b>	<b>\$ 1,106,008</b>	<b>5.43%</b>
Estimated Revenue from Rate Increase (1)				\$ 1,400,769	
Percentage of Planned Salary Increase as Total of Estimated Rate Increase Revenue				78.96%	

NOTE: (1) Estimated Medicaid revenue is based on the February 2007 forecast funding model

## APPENDIX 6

### KING COUNTY RSN SUMMARY

**KING COUNTY RSN**

**Planned Uses of the Rate Increase**

Job Classification	Number of Full Time Equivalent (FTE) Employed	Number of Represented Employee	Current Annual Salary (Amount)	Annual Increase (Amount)	Annual Increase (Percentage)
MDs ARNPs	75.75	10.01	0.00	139,726.95	5.14%
Other Direct Service Staff	898.74	228.32	0.00	1,373,444.52	5.31%
Clinical Supervisors	119.32	5.30	0.00	214,820.75	4.32%
Client Reception/ Scheduling	58.72	3.50	0.00	85,213.63	5.91%
Medical Records Staff	44.97	0.70	0.00	70,463.90	5.38%
Facilities Maintenance Staff	27.27	0.85	0.00	38,104.70	5.13%
Clinical Administrative Support Staff	59.47	4.40	0.00	89,867.51	5.04%
<b>Total</b>	<b>1,284.24</b>	<b>253</b>	<b>\$ -</b>	<b>\$ 2,011,642</b>	<b>5.17%</b>
Estimated Revenue from Rate Increase (1)				\$ 3,134,015	
Percentage of Planned Salary Increase as Total of Estimated Rate Increase Revenue				64.19%	

NOTE: (1) Estimated Medicaid revenue is based on the February 2007 forecast funding model

## APPENDIX 7

### NORTH CENTRAL RSN SUMMARY

**North Central  
Planned Uses of the Rate Increase**

Job Classification	Number of Full Time Equivalent (FTE) Employed	Number of Represented Employee	Current Annual Salary (Amount)	Annual Increase (Amount)	Annual Increase (Percentage)
MDs ARNPs	1.00	0.00	0.00	4,239.32	4.77%
Other Direct Service Staff	69.45	0.00	0.00	150,876.76	5.53%
Clinical Supervisors	5.70	0.00	0.00	13,568.75	3.87%
Client Reception/ Scheduling	8.38	0.00	0.00	14,103.12	5.43%
Medical Records Staff	4.67	0.00	0.00	9,697.10	4.03%
Facilities Maintenance Staff	3.98	0.00	0.00	11,192.59	5.04%
Clinical Administrative Support Staff	7.60	0.00	0.00	18,348.47	4.27%
<b>Total</b>	100.77	0	\$ -	\$ 222,026	4.71%
Estimated Revenue from Rate Increase (1)				\$ 510,088	
Percentage of Planned Salary Increase as Total of Estimated Rate Increase Revenue					43.53%

NOTE: (1) Estimated Medicaid revenue is based on the February 2007 forecast funding model

## APPENDIX 8

### NORTH SOUND RSN SUMMARY

**North Sound RSN  
Planned Uses of the Rate Increase**

Job Classification	Number of Full Time Equivalent (FTE) Employed	Number of Represented Employee	Current Annual Salary (Amount)	Annual Increase (Amount)	Annual Increase (Percentage)
MDs ARNPs	19.40	15.75	2,720,633.36	97,824.54	3.60%
Other Direct Service Staff	396.22	284.34	15,117,554.58	540,119.44	3.57%
Clinical Supervisors	0.98	0.98	210,540.94	7,653.54	3.64%
Client Reception/ Scheduling	4.50	0.00	136,583.20	4,880.69	3.57%
Medical Records Staff	13.43	3.18	428,364.27	14,839.38	3.46%
Facilities Maintenance Staff	14.88	8.78	467,842.25	17,130.46	3.66%
Clinical Administrative Support Staff	91.45	75.39	2,802,533.07	101,208.46	3.61%
<b>Total</b>	<b>540.87</b>	<b>388</b>	<b>\$ 21,884,052</b>	<b>\$ 783,657</b>	<b>3.58%</b>
Estimated Revenue from Rate Increase (1)				\$ 1,512,213	
Percentage of Planned Salary Increase as Total of Estimated Rate Increase Revenue				51.82%	

NOTE: (1) Estimated Medicaid revenue is based on the February 2007 forecast funding model

## APPENDIX 9

### PENINSULA RSN SUMMARY

**Peninsula RSN  
Planned Uses of the Rate Increase**

Job Classification	Number of Full Time Equivalent (FTE) Employed	Number of Represented Employee	Current Annual Salary (Amount)	Annual Increase (Amount)	Annual Increase (Percentage)
MDs ARNPs	7.50	0.00	0.00	41,981.35	2.88%
Other Direct Service Staff	239.30	183.73	0.00	462,687.07	5.02%
Clinical Supervisors	26.70	0.00	0.00	59,348.60	3.54%
Client Reception/ Scheduling	1.65	2.00	0.00	2,066.95	1.75%
Medical Records Staff	17.50	7.50	0.00	24,709.34	2.82%
Facilities Maintenance Staff	13.75	9.75	0.00	22,596.49	4.82%
Clinical Administrative Support Staff	41.73	32.50	0.00	54,118.31	4.07%
<b>Total</b>	<b>348.13</b>	<b>235.48</b>	<b>\$ -</b>	<b>\$ 667,508</b>	<b>3.56%</b>
Estimated Revenue from Rate Increase (1)				\$ 720,231	
Percentage of Planned Salary Increase as Total of Estimated Rate Increase Revenue				92.68%	

NOTE: (1) Estimated Medicaid revenue is based on the February 2007 forecast funding model

## APPENDIX 10

### PIERCE COUNTY RSN SUMMARY

**Pierce RSN  
Planned Uses of the Rate Increase**

Job Classification	Number of Full Time Equivalent (FTE) Employed	Number of Represented Employee	Current Annual Salary (Amount)	Annual Increase (Amount)	Annual Increase (Percentage)
MDs ARNPs	9.64	0.00	0.00	57,300.27	5.06%
Other Direct Service Staff	401.51	0.00	0.00	654,437.15	5.47%
Clinical Supervisors	10.90	0.00	0.00	18,444.74	4.58%
Client Reception/ Scheduling	1.00	0.00	0.00	876.16	3.18%
Medical Records Staff	9.85	0.00	0.00	15,315.73	2.75%
Facilities Maintenance Staff	5.38	0.00	0.00	7,072.74	4.25%
Clinical Administrative Support Staff	89.49	0.00	0.00	120,557.30	3.97%
<b>Total</b>	<b>527.77</b>	<b>0</b>	<b>\$ -</b>	<b>\$ 874,004</b>	<b>4.18%</b>
<b>Estimated Revenue from Rate Increase (1)</b>				<b>\$ 1,438,389</b>	
<b>Percentage of Planned Salary Increase as Total of Estimated Rate Increase Revenue</b>				<b>60.76%</b>	

NOTE: (1) Estimated Medicaid revenue is based on the February 2007 forecast funding model

## APPENDIX 11

### SPOKANE RSN SUMMARY

**Spokane RSN  
Planned Uses of the Rate Increase**

Job Classification	Number of Full Time Equivalent (FTE) Employed	Number of Represented Employee	Current Annual Salary (Amount)	Annual Increase (Amount)	Annual Increase (Percentage)
MDs ARNPs	13.77	0.00	1,443,542.08	108,357.88	7.51%
Other Direct Service Staff	290.74	9.00	7,574,944.38	605,411.20	7.99%
Clinical Supervisors	11.17	0.00	1,233,522.31	93,282.19	7.56%
Client Reception/ Scheduling	0.00	0.00	0.00	0.00	0.00%
Medical Records Staff	0.81	1.00	272,369.18	20,116.48	7.39%
Facilities Maintenance Staff	32.10	0.00	128,464.19	9,673.90	7.53%
Clinical Administrative Support Staff	164.29	0.00	955,069.33	78,271.14	8.20%
<b>Total</b>	<b>512.88</b>	<b>10</b>	<b>\$ 11,607,911</b>	<b>\$ 915,113</b>	<b>7.88%</b>
Estimated Revenue from Rate Increase (1)				\$ 1,093,833	
Percentage of Planned Salary Increase as Total of Estimated Rate Increase Revenue				83.66%	

NOTE: (1) Estimated Medicaid revenue is based on the February 2007 forecast funding model

## APPENDIX 12

### SOUTHWEST RSN SUMMARY

**Southwest RSN  
Planned Uses of the Rate Increase**

Job Classification	Number of Full Time Equivalent (FTE) Employed	Number of Represented Employee	Current Annual Salary (Amount)	Annual Increase (Amount)	Annual Increase (Percentage)
MDs ARNPs	2.27	1.20	153,349.00	6,084.01	3.97%
Other Direct Service Staff	75.68	62.50	2,684,865.76	103,670.80	3.86%
Clinical Supervisors	0.00	0.00	0.00	0.00	0.00%
Client Reception/ Scheduling	2.00	2.00	44,019.84	1,748.74	3.97%
Medical Records Staff	0.00	0.00	0.00	0.00	0.00%
Facilities Maintenance Staff	1.00	1.00	21,600.36	858.10	3.97%
Clinical Administrative Support Staff	19.17	18.46	753,864.16	29,229.35	3.88%
<b>Total</b>	<b>100.12</b>	<b>85</b>	<b>\$ 3,657,699</b>	<b>\$ 141,591</b>	<b>3.87%</b>
Estimated Revenue from Rate Increase (1)				\$ 217,682	
Percentage of Planned Salary Increase as Total of Estimated Rate Increase Revenue				65.05%	

NOTE: (1) Estimated Medicaid revenue is based on the February 2007 forecast funding model

## APPENDIX 13

### THURSTON MASON RSN SUMMARY

#### **Direct Care Wage Report - Preliminary Thurston Mason RSN October 15, 2007**

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As you know, Behavioral Health Resources has been threatened with a strike by SEIU 1199NW. While the two organizations reached a tentative agreement on October 10th, it still has to be ratified by the union membership. Until that happens, BHR is unable to provide the required information, since the strike is directly related to the payment of the legislatively mandated direct care wage increase. Because BHR has roughly 96% of the eligible FTE's in the TMRSN network, it makes it impossible for us to submit a meaningful report by the reporting deadline.

BHR anticipates that if the union agreement is ratified, it will be able to pay the wage increases by the end of this month and supply us with the requisite information with which to file the report. Therefore, we are filing this preliminary report to inform you that our actual report cannot be submitted until the end of the month, at the earliest. We are aware of your deadline for the report to the legislature and will make every effort within our control to have the TMRSN report to you asap.

Questions or concerns may be addressed to Mark Freedman, TMRSN Administrator at 360-786-5831 of [freedmm@co.thurston.wa.us](mailto:freedmm@co.thurston.wa.us) .

## APPENDIX 14

### TIMBERLANDS RSN SUMMARY

Attached are the worker wage reports from Timberlands RSN. We have three mental health centers, one each in Pacific, Lewis and Wahkiakum Counties. All have implemented differently. Here is a brief summary of each center and their respective plans.

Wahkiakum County Mental Health Center located in Cathlamet, WA. is part of a union and so has some challenges in implementing the worker wage process. They are a small center with 7.25 FTE employees as part of the wage distribution. Four other staff (admin) were not included. Several of the part time staff are in shared positions with other funding sources. If they implement the worker wage as it's spelled out in the budget proviso, "over and above the usual and customary wage", they expect that they will overspend their budget which is currently underway as part of the county budgeting process. Given the last union negotiation process, they were hoping to use the worker wage money so that they would not have a deficit. I explained that that was not an option and that the proviso stated they had to allocate at least 67% of the funds on worker salaries either through a wage increase, bonus or whatever plan they could implement. They would like to request a waiver on distribution for a year and use the money to balance the union negotiated COLA.

Willapa Behavioral Health plan is not attached. They are currently in negotiation with a union that is under development and they are unable to implement at this time. Workers voted to develop a union and that process is currently underway. The money has been distributed and based on final negotiation will be distributed to employees later on in the year. Of their 38 employees, 32 would be part of the collective bargaining unit.

#### Willapa Behavioral Health (WBH) Plan for Worker Wage Distribution

WBH is presently in the process of union negotiations and are unable to distribute funds to workers until an agreement is reached. The implementation strategy will also be determined through the union negotiation process. It is expected that an agreement will be reached within the next six months.

TRSN distributed all of the worker wage money to the contracted mental health centers effective July 1, 2007. Total amounts TRSN distributed are as follows: Willapa - \$40,087; Cascade Mental Health - \$123,087; Wahkiakum - \$12,309. The method of distribution at the RSN level was based on the percentage of funding that each county receives from TRSN overall. The same percentage was applied to the worker wage distribution. Each center receives a specific dollar amount and was required to submit a plan as to how they would distribute the funds. Each center chose a different methodology based on their size and capacity. Cascade Mental Health Care, the largest agency receives approximately 70%. Willapa is at 23% and Wahkiakum is at 7%.

One final comment that might be good to send back to the legislature is while the intent of the money was to raise worker salaries which is to be applauded, the way the mental health money flows in a capitated system makes it difficult to implement based on the size and status of the centers. Centers that are part of county government and tied to collective bargaining agreements do not have the same flexibility as those centers that are non profit and non union. There is quite a disparity between the pay scales across the state as well as how the centers are paid, many on performance based contracts or capitated rates and are not based on salaries but outcomes.

If you have any questions, please do not hesitate to call either Sharon or myself. Thanks.

Midge R. Burmaster  
Administrator