

Recommendation Summary

Budget Period: 2015-17

Version: E2 - 050 2015-17 Final 2016 Sup

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	1,590.9	1,928,998	2,547,035	4,476,033
SubTotal CB			1,590.9	1,928,998	2,547,035	4,476,033
Cumulative Total Thru CB			1,590.9	1,928,998	2,547,035	4,476,033
M1 - Mandatory Caseload and Enrollment Changes						
0U	Forecast Cost/Utilization	0	0.0	(15,766)	(8,689)	(24,455)
93	Mandatory Caseload Adjustments	0	0.0	(165)	764	599
94	Mandatory Workload Adjustments	0	71.0	10,708	4,254	14,962
SubTotal M1			71.0	(5,223)	(3,671)	(8,894)
Cumulative Total Thru M1			1,661.8	1,923,775	2,543,364	4,467,139
M2 - Inflation and Other Rate Changes						
8L	Lease Rate Adjustments	0	0.0	24	(155)	(131)
9T	Transfers	0	15.6	543	460	1,003
DQ	IP Overtime	0	19.2	34,878	42,480	77,358
DS	MSA Rate Increase	0	0.0	779	985	1,764
EL	1115 Statewide Medicaid Project	0	0.0	0	0	0
EM	TBI Council projects	0	0.0	0	572	572
EO	RCS Quality Assurance	0	3.0	307	306	613
ER	Critical Nursing Services	0	0.0	221	220	441
ES	RCS Fund Split Adjustment	0	0.0	2,000	0	2,000
WC	Building Access Control System	0	0.0	33	31	64
WK	IT Systems Infrastructure	0	0.0	52	48	100
WM	Technical Corrections	0	0.0	469	431	900
WN	State Data Center Adjustments	0	0.0	52	48	100
WP	MS Office 365	0	0.0	132	118	250
WV	Vancouver Furniture COP	0	0.0	82	76	158
SubTotal M2			37.8	39,572	45,620	85,192
Cumulative Total Thru M2			1,699.6	1,963,347	2,588,984	4,552,331
PL - Performance Level						
EJ	Behavior Support Intervention	0	2.0	656	655	1,311
EN	Expand Family Caregiver Support	0	2.0	6,875	0	6,875
EP	Expand Kinship Care Navigator	0	0.3	468	0	468
EQ	Reduce Institutional Stays	0	0.0	2,145	0	2,145
EU	Redesign In-Home System	0	0.7	91	90	181
EV	ESF License Fee	0	0.5	0	176	176
S4	Health Homes	0	0.0	0	0	0
WR	After Action Reviews	0	1.5	168	167	335
SubTotal PL			6.9	10,403	1,088	11,491
Cumulative Total Thru PL			1,706.5	1,973,750	2,590,072	4,563,822
Total Proposed Budget			1,706.5	1,973,750	2,590,072	4,563,822

Department of Social and Health Services

DP Code/Title: M1-0U Forecast Cost/Utilization
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Aging and Long-Term Support Administration (AL TSA) requests (\$24,455,000) Total Funds, (\$15,766,000) GF-State to reflect utilization changes related to Long Term Services and Supports (LTSS) identified through the summer 2015 caseload forecast process.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	(6,654,000)	(9,112,000)	(15,766,000)
001-C General Fund - Basic Account-Medicaid Federal	(3,179,000)	(5,510,000)	(8,689,000)
Total Cost	(9,833,000)	(14,622,000)	(24,455,000)

Staffing

Package Description:

The Aging and Long-Term Support Administration (AL TSA) requests (\$24,455,000) Total Funds, (\$15,766,000) GF-State to reflect changes in the utilization of LTSS that were identified in the summer 2015 caseload forecasting process developed by AL TSA. Examples of these services and supports include but are not limited to nursing homes, Area Agency on Aging (AAA) services, nursing facility discharge payments, estate recoveries, and Home and Community Based Services (HCBS). The primary driver for this funding request decrease was due to per capita changes for adult family homes and in-home services.

Agency Contact: Bryan Way (360) 902-7769
 Program Contact: Eric Mandt (360) 725-2579

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The agency expects to have sufficient funding to cover per capita cost adjustments related to the AL TSA caseload.

Performance Measure Detail

Agency Level

Activity: E049 Adult Day Health Community Services No measures linked to package	Incremental Changes FY 1 0.00	FY 2 0.00
Activity: E050 Adult Family Home Community Services No measures linked to package	Incremental Changes FY 1 0.00	FY 2 0.00
Activity: E051 Program Support for Long Term Care No measures linked to package	Incremental Changes FY 1 0.00	FY 2 0.00
Activity: E053 In-Home Services No measures linked to package	Incremental Changes FY 1 0.00	FY 2 0.00
Activity: E055 Residential Community Services No measures linked to package	Incremental Changes FY 1 0.00	FY 2 0.00

Department of Social and Health Services

DP Code/Title: M1-0U Forecast Cost/Utilization
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Activity: E064 Nursing Home Services

No measures linked to package

Incremental Changes

FY 1 **FY 2**

0.00 0.00

Activity: E077 Managed Care Services

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 is essential to implementing AL TSA's Strategic Objective 4.1: Ensure seniors and individuals with a disability who are in need of long-term services and supports are supported in their community.

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

This decision package supports Results Washington:

Goal 4: Healthy and Safe Communities - Fostering the health of Washingtonians from a healthy start to a safe and supported future.

Goal 5: Effective, Efficient and Accountable Government - Fostering a Lean culture that drive accountability and results for the people of Washington. and

--Help the most vulnerable people become independent and self-sufficient.

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

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

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

This request cannot be absorbed within existing resources because it accounts for forecast per capita changes above or below existing funding levels, which may include significant swings in some segments.

What are the consequences of adopting or not adopting this package?

The consequence of adopting this package is that sufficient funding will be available to cover projected costs of LTSS services provided.

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

This request has no impact on the capital budget.

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

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

Please see attachment M1 0U Forecast Cost Utilization for calculations and assumptions.

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. Cost estimates will change in response to forecast updates.

Department of Social and Health Services

DP Code/Title: M1-0U Forecast Cost/Utilization
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	(9,833,000)	(14,622,000)	(24,455,000)

DSHS Source Code Detail

Overall Funding	<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	(6,654,000)	(9,112,000)	(15,766,000)
<i>Total for Fund 001-1</i>	(6,654,000)	(9,112,000)	(15,766,000)
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources</u> <u>Title</u>			
19TA Title XIX Assistance (FMAP)	(3,179,000)	(5,510,000)	(8,689,000)
<i>Total for Fund 001-C</i>	(3,179,000)	(5,510,000)	(8,689,000)
Total Overall Funding	(9,833,000)	(14,622,000)	(24,455,000)

2016 Supplemental Budget

M1 OU Forecast Cost/Utilization

		Due to Cost/Utilization Changes		
		<u>Total</u>	<u>State</u>	<u>Federal</u>
FY16 - Summer 2015 Update				
X01	Nursing Facilities	\$ (1,237,000)	\$ (696,000)	\$ (541,000)
X40	Adult Day Health	-	-	-
X43	NF Discharge	-	-	-
X48	Private Duty Nurse	-	1,945,000	(1,945,000)
X49	Recoveries	(456,000)	(230,000)	(226,000)
X61	In-Home	8,034,000	(1,077,000)	9,111,000
J85	Caregiver Training	112,000	56,000	56,000
J86	Agency Health Insurance	(173,000)	(173,000)	-
E8947	Background Check	11,000	6,000	5,000
X62	Adult Family Homes	(13,784,000)	(8,531,000)	(5,253,000)
X63	Adult Residential Centers	(851,000)	897,000	(1,748,000)
X64	Assisted Living	(1,488,000)	1,150,000	(2,638,000)
X65	Managed Care	(1,000)	(1,000)	-
FY16 Subtotal		\$ (9,833,000)	\$ (6,654,000)	\$ (3,179,000)

FY17 - Summer 2015 Update				
X01	Nursing Facilities	\$ 431,000	\$ 131,000	\$ 300,000
X40	Adult Day Health	-	-	-
X43	NF Discharge	-	-	-
X48	Private Duty Nurse	-	1,978,000	(1,978,000)
X49	Recoveries	-	-	-
X61	In-Home	14,029,000	1,172,000	12,857,000
J85	Caregiver Training	217,000	108,000	109,000
J86	Agency Health Insurance	(231,000)	(231,000)	-
E8947	Background Check	13,000	7,000	6,000
X62	Adult Family Homes	(25,968,000)	(14,479,000)	(11,489,000)
X63	Adult Residential Centers	(1,124,000)	976,000	(2,100,000)
X64	Assisted Living	(1,990,000)	1,225,000	(3,215,000)
X65	Managed Care	1,000	1,000	-
FY17 Subtotal		\$ (14,622,000)	\$ (9,112,000)	\$ (5,510,000)

Additional Adjustments outside forecast

FY16 - Summer 2015 Update

J82 AAA Case Management and Nursing Services & AAA Contract Mgt

FY17 - Summer 2015 Update

J82 AAA Case Management and Nursing Services & AAA Contract Mgt

Budget Steps:

TOTAL FY16	\$ (9,833,000)	\$ (6,654,000)	\$ (3,179,000)
TOTAL FY17	\$ (14,622,000)	\$ (9,112,000)	\$ (5,510,000)

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Aging and Long-Term Support Administration (AL TSA) requests \$599,000 Total Funds, (\$165,000) GF-State for changes in the number of clients receiving Long-Term Services and Supports (LTSS) that were identified through the summer 2015 caseload forecast process.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	(610,000)	445,000	(165,000)
001-C General Fund - Basic Account-Medicaid Federal	(179,000)	943,000	764,000
Total Cost	(789,000)	1,388,000	599,000

Staffing

Package Description:

The Aging and Long-Term Support Administration requests \$599,000 Total Funds, (\$165,000) GF-State for changes in the number of clients receiving various LTSS. These changes were identified through the summer 2015 caseload forecast process that includes forecast components developed by the Caseload Forecast Council (CFC) and AL TSA. Examples of these services and supports include but are not limited to nursing homes, Area Agency on Aging (AAA) services, nursing facility discharge payments, estate recoveries, and Home and Community Based Services (HCBS). Caseload changes for in-home personal care, AAA case services, and nursing homes are the primary drivers for this funding change.

Agency Contact: Bryan Way (360) 902-7769
 Program Contact: Eric Mandt (360) 725-2579

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The agency expects to have sufficient funding to cover caseload cost adjustments related to the AL TSA caseload.

Performance Measure Detail

Agency Level

Activity: E049 Adult Day Health Community Services No measures linked to package	Incremental Changes FY 1 FY 2 0.00 0.00
Activity: E050 Adult Family Home Community Services No measures linked to package	Incremental Changes FY 1 FY 2 0.00 0.00
Activity: E052 Eligibility/Case Management Services No measures linked to package	Incremental Changes FY 1 FY 2 0.00 0.00
Activity: E053 In-Home Services No measures linked to package	Incremental Changes FY 1 FY 2 0.00 0.00
Activity: E055 Residential Community Services	Incremental Changes FY 1 FY 2

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

No measures linked to package		0.00	0.00
		Incremental Changes	
Activity: E064 Nursing Home Services		<u>FY 1</u>	<u>FY 2</u>
No measures linked to package		0.00	0.00
		Incremental Changes	
Activity: E077 Managed Care Services		<u>FY 1</u>	<u>FY 2</u>
No measures linked to package		0.00	0.00

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

This decision package is essential to implementing ALTSA's Strategic Objective 4.1: Ensure seniors and individuals with a disability who are in need of long-term services and supports are supported in their community.

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

This decision package supports the Results Washington Goal 4: Healthy and Safe Communities - Fostering the health of Washingtonians from a healthy start to a safe and supported future.

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

Clients will continue to receive benefits and assistance.

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

The request cannot be absorbed within existing resources because this request addresses the forecasted growth of Medicaid and state only clients receiving LTSS from ALTSA. This request accounts for forecasted caseload changes above or below existing funding levels, which may include significant swings in some segments.

What are the consequences of adopting or not adopting this package?

The consequence of adopting this package is that sufficient funding will be available to cover the projected costs of LTSS.

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

This package has no relationship to the capital budget.

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

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

Please see attachment M1 93 Mandatory Caseload for calculations and assumptions.

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

All costs are ongoing and will be carried forward into future biennia based on future caseload forecasts. Cost estimates will change in response to forecast updates.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	(789,000)	1,388,000	599,000

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

DSHS Source Code Detail

Overall Funding		<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	(610,000)	445,000	(165,000)
<i>Total for Fund 001-1</i>		(610,000)	445,000	(165,000)
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u> <u>Title</u>				
19TA	Title XIX Assistance (FMAP)	(179,000)	943,000	764,000
<i>Total for Fund 001-C</i>		(179,000)	943,000	764,000
Total Overall Funding		(789,000)	1,388,000	599,000

2016 Supplemental Budget

M1 93 Mandatory Caseload

		Due to Caseload		
		<u>Total</u>	<u>State</u>	<u>Federal</u>
FY16 - Summer 2015 Update				
X01	Nursing Facilities	\$ (6,458,000)	\$ (3,198,000)	\$ (3,260,000)
X40	Adult Day Health	-	-	-
X43	NF Discharge	-	-	-
X48	Private Duty Nurse	-	-	-
X49	Recoveries	-	-	-
X61	In-Home	4,041,000	1,794,000	2,247,000
J85	Caregiver Training	-	-	-
J86	Agency Health Insurance	-	-	-
E8947	Background Check	-	-	-
X62	Adult Family Homes	159,000	74,000	85,000
X63	Adult Residential Centers	875,000	371,000	504,000
X64	Assisted Living	(754,000)	(326,000)	(428,000)
X65	Managed Care	103,000	52,000	51,000
FY16 Subtotal		\$ (2,034,000)	\$ (1,233,000)	\$ (801,000)
FY17 - Summer 2015 Update				
X01	Nursing Facilities	\$ (6,001,000)	\$ (2,973,000)	\$ (3,028,000)
X40	Adult Day Health	-	-	-
X43	NF Discharge	-	-	-
X48	Private Duty Nurse	-	-	-
X49	Recoveries	-	-	-
X61	In-Home	4,526,000	2,008,000	2,518,000
J85	Caregiver Training	-	-	-
J86	Agency Health Insurance	-	-	-
E8947	Background Check	-	-	-
X62	Adult Family Homes	181,000	84,000	97,000
X63	Adult Residential Centers	884,000	374,000	510,000
X64	Assisted Living	(763,000)	(329,000)	(434,000)
X65	Managed Care	106,000	53,000	53,000
FY17 Subtotal		\$ (1,067,000)	\$ (783,000)	\$ (284,000)
Additional Adjustments outside forecast				
FY16 - Summer 2015 Update				
J82	AAA Case Management and Nur	\$ 1,245,000	\$ 623,000	\$ 622,000
FY17 - Summer 2015 Update				
J82	AAA Case Management and Nur	\$ 2,455,000	\$ 1,228,000	\$ 1,227,000
Budget Steps:				
TOTAL FY16		\$ (789,000)	\$ (610,000)	\$ (179,000)
TOTAL FY17		\$ 1,388,000	\$ 445,000	\$ 943,000

Department of Social and Health Services

DP Code/Title: M1-94 Mandatory Workload Adjustments
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Aging and Long-Term Support Administration (AL TSA) requests \$14,962,000 Total Funds (\$10,708,000 GF State) and 71.0 FTEs for mandatory workload adjustments associated with summer 2015 caseload forecasts. Home and Community Services (HCS) and Residential Care Services (RCS) use the outcome of the caseload forecast in conjunction with a system of established workload standards to project future staffing needs.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	4,826,000	5,882,000	10,708,000
001-C General Fund - Basic Account-Medicaid Federal	1,943,000	2,311,000	4,254,000
Total Cost	6,769,000	8,193,000	14,962,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	62.8	79.1	71.0

Package Description:

The Aging and Long-Term Support Administration (AL TSA) requests \$14,962,000 Total Funds (\$10,708,000 GF State) and 71.0 FTEs for mandatory workload adjustments associated with caseload changes identified through the summer 2015 caseload forecast process. Home and Community Services (HCS) and Residential Care Services (RCS) use the outcome of the caseload forecast in conjunction with a system of established workload standards to project future staffing needs. The workload standards take into account different staffing needs based on setting and position type. Financial, supervisory, clerical, and managerial staffing needs are factored into the staffing request based upon established ratios of these positions to social service staff.

Agency Contact: Bryan Way (360) 902 7769
 Program Contact: Eric Mandt (360) 725 2579

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Adjusting staffing levels based on the caseload forecast allows AL TSA to maintain existing performance.

Performance Measure Detail

Agency Level

Activity: E051 Program Support for Long Term Care No measures linked to package	Incremental Changes <u>FY 1</u> <u>FY 2</u> 0.00 0.00
Activity: E052 Eligibility/Case Management Services No measures linked to package	Incremental Changes <u>FY 1</u> <u>FY 2</u> 0.00 0.00
Activity: E054 Investigations/Quality Assurance for Vulnerable Adults No measures linked to package	Incremental Changes <u>FY 1</u> <u>FY 2</u> 0.00 0.00
Activity: E055 Residential Community Services 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: M1-94 Mandatory Workload Adjustments
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

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

This decision package is essential to implementing AL TSA's Strategic Objectives:

- 2.1: Affirm Adult Family Homes, Assisted Living Facilities, and Nursing Homes are providing quality care and residents are safe through timely licensing re-inspections.
- 3.1: Protect adults who are vulnerable who live in their own homes and in facilities through timely responses to allegations of abuse and neglect.
- 4.3: Ensure individuals who apply for services receive them timely so they are supported in the setting of their choice.

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

This decision package supports Results Washington:

Goal 4: Healthy and Safe Communities - Fostering the health of Washingtonians from a healthy start to a safe and supported future.

Goal 5: Effective, Efficient and Accountable Government Fostering a Lean culture that drive accountability and results for the people of Washington and help the most vulnerable people become independent and self sufficient.

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?

Due to the specific nature of this request, no alternatives were explored by the agency.

What are the consequences of adopting or not adopting this package?

The consequence of adopting this package is that AL TSA will receive staff adjustments to maintain existing performance in response to caseload changes.

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

This request has no impact on the capital budget.

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

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

Please see attachment: M1 94 Mandatory Workload for calculations and assumptions.

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

All costs are ongoing and will carry forward into future biennia. Costs will be modified in the future in response to forecast updates.

Department of Social and Health Services

DP Code/Title: M1-94 Mandatory Workload Adjustments
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	3,855,000	4,906,000	8,761,000
B Employee Benefits	1,350,000	1,694,000	3,044,000
E Goods\Other Services	880,000	1,108,000	1,988,000
G Travel	266,000	243,000	509,000
J Capital Outlays	355,000	163,000	518,000
T Intra-Agency Reimbursements	63,000	79,000	142,000
Total Objects	6,769,000	8,193,000	14,962,000

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	4,826,000	5,882,000	10,708,000
<i>Total for Fund 001-1</i>	4,826,000	5,882,000	10,708,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources</u> <u>Title</u>			
19UL Title XIX Admin (50%)	1,943,000	2,311,000	4,254,000
<i>Total for Fund 001-C</i>	1,943,000	2,311,000	4,254,000
Total Overall Funding	6,769,000	8,193,000	14,962,000

2016 Supplemental Budget M1 94 Mandatory Workload

November 2015 CFC Forecast

Home and Community Services (HCS)

	FTE'S		TOTAL		GF-State		GF-Federal
FY16	48.1	\$	4,998,000	\$	3,924,000	\$	1,074,000
FY17	61.8		6,207,000		4,870,000		1,337,000
15-17 Biennium	55.0	\$	11,205,000	\$	8,794,000	\$	2,411,000

Residential Care Services (RCS)

	FTE'S		TOTAL		GF-State		GF-Federal
FY16	14.7	\$	1,771,000	\$	902,000	\$	869,000
FY17	17.3		1,986,000		1,012,000		974,000
15-17 Biennium	16.0	\$	3,757,000	\$	1,914,000	\$	1,843,000

TOTAL

	FTE'S		TOTAL		GF-State		GF-Federal
FY16	62.8	\$	6,769,000	\$	4,826,000	\$	1,943,000
FY17	79.1		8,193,000		5,882,000		2,311,000
15-17 Biennium	71.0	\$	14,962,000	\$	10,708,000	\$	4,254,000

Department of Social and Health Services

DP Code/Title: M2-8L Lease Rate Adjustments
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Recommendation Summary Text:

DSHS requests lease rate adjustments to correct funding discrepancies between programs and to fully support lease obligations.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	46,000	(22,000)	24,000
001-C General Fund - Basic Account-Medicaid Federal	(46,000)	(109,000)	(155,000)
Total Cost	0	(131,000)	(131,000)

Staffing

Package Description:

Problem Statement

DSHS' 2015-17 agency-wide lease budget requires the following adjustments to eliminate funding discrepancies and shortfalls: Everett - OFM Facility Oversight redistributed funds between programs to account for square footage changes that will occur in Fiscal Year 2017 between programs. This duplicated an adjustment that DSHS had already made.

Tacoma - OFM Facility Oversight removed funding for Fiscal Year 2017 related to an outdated plan to reduce space at the Centennial Complex. The leased space will continue to be needed to house DSHS programs for the foreseeable future.

The Developmental Disabilities Administration expedited three expansion projects that were scheduled for completion during Fiscal Year 2017. These projects will now be completed in Fiscal Year 2016 to make additional space available for new hires anticipated in Fiscal Year 2017. An exchange of funds between fiscal years will be necessary to meet program need. These projects and the expedited timing were approved by OFM Facility Oversight via the Modified Predesign process.

Proposed Solution

Everett - Reverse the program redistribution between programs. The net change is an addition of \$24,074 because the Department of Early Learning (DEL), who is also a tenant in this building, was inadvertently included in OFM's calculation.

Tacoma - Second year funding for the Centennial II facility must be added. The net increase is \$762,892.71. Please see the Lease Rate Adjustment worksheet for amounts by program.

Developmental Disabilities Administration (DDA) redistribution of funds between fiscal years adds \$280,000 to Fiscal Year 2016 and reduces Fiscal Year 2017 by the same amount.

Agency Contact: Denise Kopel (360)902-7707

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Funding this request will enable DSHS programs to continue serving clients in these existing facilities with adequate lease funding.

Performance Measure Detail

Agency Level

Activity: E051 Program Support for Long Term Care

Incremental Changes

FY 1

FY 2

Department of Social and Health Services

DP Code/Title: M2-8L Lease Rate Adjustments
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

No measures linked to package	0.00	0.00
	Incremental Changes	
Activity: E052 Eligibility/Case Management Services	<u>FY 1</u>	<u>FY 2</u>
No measures linked to package	0.00	0.00
	Incremental Changes	
Activity: E054 Investigations/Quality Assurance for Vulnerable Adults	<u>FY 1</u>	<u>FY 2</u>
No measures linked to package	0.00	0.00

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

Safety - Each individual and each community will be safe.

Public Trust - Strong management practices will be used to ensure quality and efficiency.

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

This Decision package supports the Result Washington:

Goal 4: Healthy & Safe Communities - Safe People - Help keep people safe in their homes, on their jobs, and in their communities.

Goal 5: Efficient, Effective & Accountable Government - Customer Satisfaction and Confidence - 1.1 Increase customer services.

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

This request supports nearly all DSHS programs. Lack of funding will cause programs to overspend their budgets which will negatively impact the clients they serve.

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

No alternatives were explored as the lease space is necessary to house increased staffing with in DSHS.

What are the consequences of adopting or not adopting this package?

DSHS will be forced to cover these costs as the space is needed. Without additional funding, cuts in service will negatively impact the clients they serve.

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

This request has no impact on the capital budget.

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

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: AW M2-8L Lease Adjustment Costs.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.

Department of Social and Health Services

DP Code/Title: M2-8L Lease Rate Adjustments
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
E Goods\Other Services	0	(131,000)	(131,000)

DSHS Source Code Detail

Overall Funding	<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	46,000	(22,000)	24,000
<i>Total for Fund 001-1</i>	46,000	(22,000)	24,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources</u> <u>Title</u>			
19UL Title XIX Admin (50%)	(46,000)	(109,000)	(155,000)
<i>Total for Fund 001-C</i>	(46,000)	(109,000)	(155,000)
Total Overall Funding	0	(131,000)	(131,000)

**2016 Supplemental Budget
M2-8L Lease Adjustments**

Department of Social & Health Services

Program	State			Other			Total		
	2016	2017	Total	2016	2017	Total	2016	2017	Total
010 - CA	\$0	\$672,000	\$672,000	\$0	\$70,000	\$70,000	\$0	\$742,000	\$742,000
020 - JRA	\$0	(\$115,000)	(\$115,000)	\$0	\$0	\$0	\$0	(\$115,000)	(\$115,000)
040 - DDD	\$165,000	(\$247,000)	(\$82,000)	\$115,000	(\$172,000)	(\$57,000)	\$280,000	(\$419,000)	(\$139,000)
050 - LTC	\$46,000	(\$22,000)	\$24,000	(\$46,000)	(\$109,000)	(\$155,000)	\$0	(\$131,000)	(\$131,000)
060 - ESA	\$0	\$276,000	\$276,000	\$0	\$166,000	\$166,000	\$0	\$442,000	\$442,000
100 - DVR	\$0	(\$18,000)	(\$18,000)	\$0	\$0	\$0	\$0	(\$18,000)	(\$18,000)
110 - ADMIN	\$0	\$5,000	\$5,000	\$0	\$1,000	\$1,000	\$0	\$6,000	\$6,000
Total	\$211,000	\$551,000	\$762,000	\$69,000	(\$44,000)	\$25,000	\$280,000	\$507,000	\$787,000

Total Request			
2015-17 Biennium Request (Incremental)			
Program	FY 2016	FY 2017	Total
010 - CA	\$ -	\$ 742,000	\$ 742,000
020 - JRA	\$ -	\$ (115,000)	\$ (115,000)
040 - DDD	\$ 280,000	\$ (419,000)	\$ (139,000)
050 - LTC	\$ -	\$ (131,000)	\$ (131,000)
060 - ESA	\$ -	\$ 442,000	\$ 442,000
100 - DVR	\$ -	\$ (18,000)	\$ (18,000)
110 - ADMIN	\$ -	\$ 6,000	\$ 6,000
Total	\$280,000	\$507,000	\$787,000

2016 Supplemental Budget M2-8L Lease Adjustments

City	Bldg_Address	Use_Primary	Program	Total FY2016	Total FY2017
Everett	840 N Broadway	Office	010	-	457,013.00
Tacoma	2121 S State St	Office	010	-	254,043.27
Tacoma	2121 S State St	Office	010	-	31,327.43
010 Total				-	742,383.70
Everett	840 N Broadway	Office	020	-	(117,757.00)
Tacoma	2121 S State St	Office	020	-	1,061.95
Tacoma	2121 S State St	Office	020	-	1,238.94
020 Total				-	(115,456.12)
Everett	840 N Broadway	Office	040	-	(146,247.00)
Tacoma	2121 S State St	Office	040	-	7,256.64
	See DDA Redistribution	Office	050	280,000.00	(280,000.00)
040 Total				280,000.00	(418,990.36)
Everett	840 N Broadway	Office	050	-	(144,307.00)
Tacoma	2121 S State St	Office	050	-	12,920.35
050 Total				-	(131,386.65)
Everett	840 N Broadway	Office	060	-	42,960.00
Tacoma	2121 S State St	Office	060	-	364,662.72
Tacoma	2121 S State St	Office	060	-	34,690.26
060 Total				-	442,312.97
Everett	840 N Broadway	Office	100	-	(18,279.00)
100 Total				-	(18,279.00)
Everett	840 N Broadway	Office	110	-	(49,309.00)
Tacoma	2121 S State St	Office	110	-	3,814.46
Tacoma	2121 S State St	Office	110	-	51,876.70
110 Total				-	6,382.17
Grand Total				280,000.00	506,966.71

Department of Social and Health Services

DP Code/Title: **M2-9T Transfers**

Program Level - **050 Aging and Long-Term Support Admin**

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Recommendation Summary Text:

DSHS requests the shift of FTEs and funding among programs in the 2015 17 Biennial Budget. This transfer will align FTEs and funds with the programs where the costs are incurred. The net impact is zero.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	194,000	349,000	543,000
001-C General Fund - Basic Account-Medicaid Federal	179,000	281,000	460,000
Total Cost	373,000	630,000	1,003,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	14.4	16.8	15.6

Package Description:

DSHS requests internal transfers among several program budgets resulting in a net zero funding change for the department. This request aligns program appropriations with planned expenditures. DSHS requests the following adjustments for the 2015 17 Biennial Budget:

Information System Services Division (ISSD) Compensation Adjustment
(Program 110 to Programs 010, 020, 030, 040, 050, 060, 070, 100, 135):

Program 110 Administration and Supporting Services (ADMIN) will transfer compensation adjustments for staff in the Information Systems Services Division (Program 150) to other DSHS programs. ISSD is a chargeback program where the funding resides in program's Sub Object TZ budget. ADMIN will transfer GF State in the amount of \$468,000 for Fiscal Year 16 (FY16) and \$1,005,000 for FY17 to the other programs. The transfer will realign the funding with the correct DSHS programs to be charged by ISSD.

Communications Manager
(Program 010 to Program 110):

Program 010 Children's Administration will transfer 0.40 of an FTE and \$70,000 in GF State Funding (\$86,000 total) to administration Program 110. This transfer will result in the communications position being funded all from one program.

Consolidated Support Services (CSS) Funding
(Program 030 to Program 040):

When the Compensation Impact Model was developed the staff from CSS were included in the Mental Health Division Program 030. The CSS staff support both Eastern State Hospital and Lakeland Village. Transfer \$381,000 GF State / \$459,000 total funds for the staff providing services to Lakeland Village to the Developmental Disabilities Administration (DDA) Program 040.

DDA to Aging and Long Term Support Administration (ALTSA) Transfer
(Program 040 to Program 050):

Transfer of 17.1 FTEs and \$1,943,000 GF State / \$3,784,000 Total funds from DDA to ALTSA for Individual & Family Services (IFS) / Basic Plus / Community First Choice Option (CFCO) / Mandatory Workload Step as well as IT and Program staff.

DDA Category 2000 to Category 1000 Transfer
(Program 040):

Within DDA transfer three (3) Nursing Care Consultants from Category 2000 to Category 1000 and one (1) training position from

Department of Social and Health Services

DP Code/Title: M2-9T Transfers

Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Category 1000 to Category 2000. Net transfer between categories is 2.0 FTEs, \$320,000 GF State / \$534,000 total in funding.

ALTSA to ADMIN Board of Appeals
(Program 050 to Program 110):

When the Health Care Authority (HCA) was created a number of positions were transferred from DSHS to HCA. There were two (2) Review Judges that were transferred from ADMIN, with a Review Judge and Paralegal 2 (50%) remaining that are charged to ALTSA. The work being done by these positions is for all DSHS programs. Transfer 1.5 FTEs and \$177,000 GF State / \$339,000 Total funds from ALTSA to ADMIN for the work that is being performed that benefits all programs within DSHS.

Fleet Rate Reduction

(Program 145 to Programs 010, 020, 030, 040, 050, 060, 070, 100 and 110):

The 2015 17 Biennial Budget included a reduction in funding for Fleet Services. This reduction was placed in the PTOA (Program 145) budget. Fleet Costs are charged to each program using the Fleet Services. The reduction needs to be transferred from PTOA to the affected programs.

Office of the Chief Information Officer (OCIO)

(Programs 010, 020, 030, 040, 050, 060, 070, 100, 110 and 135 to Program 145):

OCIO monthly costs are currently being distributed to all the programs. The 2015 17 Biennial Budget included a reduction for the OCIO costs that was placed in the PTOA budget. When reviewing the reduction and process for the monthly payment, it was determined that the funding should be transferred from all programs to PTOA (Program 145). This is a payment to another state agency so it should reside in the PTOA budget and expenditures.

WaTech

(Programs 010, 020, 030, 040, 050, 060, 070, 100, 110 and 135 to Program 145):

WaTech monthly costs are currently being distributed to all the programs. The 2015 17 Biennial Budget included some adjustments to the WaTech funding that was placed in the PTOA budget. When reviewing the adjustments, as well a change in the monthly invoice process from WaTech, it was determined that the funding should be transferred from all programs to PTOA (Program 145) for Security Gateway, Enterprise Security, Secure File & State Data Network, and HRMS Production Support. This is a payment to another state agency so it should reside in the PTOA budget and expenditures.

ISSD Reorganization

(Programs 010, 020, 030, 040, 050, 060, 070, 100, 110, 135 and 150):

ISSD has reorganized resulting in a transfer of FTEs from ISSD to Admin for the Technology Services Division. This transfer results in a change in the amount of TZ that should be allocated in each program. TZ and other objects are adjusted in Admin and ISSD to reflect this change in ISSD.

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

Agency Contact: Bill Jordan (360) 902 8183

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

These transfers will realign the funding with the DSHS programs that are charged for the services.

Performance Measure Detail

Agency Level

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: M2-9T Transfers

Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

The budget request supports DSHS Goals: Health - Each individual and each community will be healthy, and Public Trust - Strong management practices will be used to ensure quality and efficiency.

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

This decision package supports the Results Washington goals to: Goal 5: Efficient, Effective & Accountable Government - Resource Stewardship - Ensure that funding is used responsibly, and Goal 5: Efficient, Effective & Accountable Government - Transparency and Accountability - Ensure efficiency, performance, and accountability to the public by providing transparency and accountability in state agency operations.

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 request transfers funding between programs so that the needs can be met within existing resources.

What are the consequences of adopting or not adopting this package?

These transfers will realign the funding with the DSHS programs that are charged for the services.

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

This request has no impact on the capital budget.

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

This request has no impact to existing statutes, rules or contracts.

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, and then all costs associated with it will be ongoing and will carry-forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	1,035,000	1,150,000	2,185,000
B Employee Benefits	351,000	395,000	746,000
E Goods\Other Services	(614,000)	(582,000)	(1,196,000)
G Travel	(7,000)	(1,000)	(8,000)
J Capital Outlays	12,000	13,000	25,000
P Debt Service	5,000	5,000	10,000
T Intra-Agency Reimbursements	(409,000)	(350,000)	(759,000)
Total Objects	373,000	630,000	1,003,000

Department of Social and Health Services

DP Code/Title: **M2-9T Transfers**

Program Level - **050 Aging and Long-Term Support Admin**

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

DSHS Source Code Detail

Overall Funding		<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	194,000	349,000	543,000
<i>Total for Fund 001-1</i>		194,000	349,000	543,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u> <u>Title</u>				
19UL	Title XIX Admin (50%)	179,000	281,000	460,000
<i>Total for Fund 001-C</i>		179,000	281,000	460,000
Total Overall Funding		373,000	630,000	1,003,000

**2016 Supplemental Budget
AW M2-9T Transfers**

Program	FTEs			FY 2016										FY 2017										2015-17 Biennium									
	FY16	FY17	Total	A	B	E	ED	G	J	P	TZ	Total	A	B	E	ED	G	J	P	TZ	Total	A	B	E	ED	G	J	P	TZ	Total			
110 Administration & Supporting Services																																	
1. ISSD Compensation Adjustments			0.0		(236,000)						(232,000)	(468,000)		(524,000)							(481,000)	(1,005,000)	0	(760,000)	0	0	0	0	0	(713,000)	(1,473,000)		
2. Communications Manager	0.4	0.4	0.4	32,000	10,000						42,000		33,000	11,000								44,000		65,000	21,000	0	0	0	0	0	0	86,000	
6. ALTA to ADMIN - Board of Appeals	1.5	1.5	1.5	116,000	43,000	8,000					2,000	169,000	116,000	44,000	8,000						2,000	170,000		232,000	87,000	16,000	0	0	0	4,000	339,000		
7. Fleet Program Rate Reduction			0.0					(6,000)			(6,000)						(6,000)				(6,000)		0	0	0	0	(12,000)	0	0	0	(12,000)		
8. OCIO Funding Transfer			0.0			(33,000)					(33,000)				(33,000)						(33,000)		0	0	0	0	0	0	0	0	(66,000)		
9. WaTech Funding Transfer			0.0			(161,000)					(156,000)				(161,000)						(156,000)		0	0	(66,000)	0	0	0	0	0	(66,000)		
10. ISSD Reorganization	55.8	55.8	55.8	4,142,000	1,324,000	1,070,000			310,000		(3,244,000)	3,602,000	4,509,000	1,516,000	759,000			310,000			(3,380,000)	3,714,000	8,651,000	2,840,000	1,829,000	0	0	620,000	0	(6,624,000)	7,316,000		
110 Total	57.7	57.7	57.7	4,290,000	1,141,000	884,000	0	(6,000)	310,000	0	(3,469,000)	3,150,000	4,658,000	1,047,000	573,000	0	(6,000)	310,000	0	(3,854,000)	2,728,000	8,948,000	2,188,000	1,457,000	0	(12,000)	620,000	0	(7,323,000)	5,878,000			
135 Special Commitment Center																																	
1. ISSD Compensation Adjustments			0.0								7,000	7,000									15,000	15,000	0	0	0	0	0	0	22,000	22,000			
8. OCIO Funding Transfer			0.0			(2,000)					(2,000)				(2,000)						(2,000)		0	0	(4,000)	0	0	0	0	0	(4,000)		
9. WaTech Funding Transfer			0.0			(104,000)					3,000	(101,000)			(104,000)						3,000	(101,000)	0	0	(208,000)	0	0	0	0	6,000	(202,000)		
10. ISSD Reorganization			0.0								(73,000)	(73,000)									(73,000)	(73,000)	0	0	0	0	0	0	0	0	(146,000)		
135 Total	0.0	0.0	0.0	0	0	(106,000)	0	0	0	0	(63,000)	(169,000)	0	0	(106,000)	0	0	0	0	(55,000)	(161,000)	0	0	(212,000)	0	0	0	0	(118,000)	(330,000)			
145 Payments to Other Agencies																																	
7. Fleet Program Rate Reduction			0.0			133,000			0			133,000			133,000			0				133,000	0	0	266,000	0	0	0	0	0	266,000		
8. OCIO Funding Transfer			0.0			327,000						327,000			327,000							327,000	0	0	654,000	0	0	0	0	0	654,000		
9. WaTech Funding Transfer			0.0			6,960,000						6,960,000			6,960,000							6,960,000	0	0	13,920,000	0	0	0	0	0	13,920,000		
145 Total	0.0	0.0	0.0	0	0	7,420,000	0	0	0	0	0	7,420,000	0	0	7,420,000	0	0	0	0	0	0	7,420,000	0	0	14,840,000	0	0	0	0	0	14,840,000		
150 Information System Services Division																																	
1. ISSD Compensation Adjustments			0.0		236,000						(236,000)	0		524,000							(524,000)	0	0	760,000	0	0	0	0	0	(760,000)	0		
9. WaTech Funding Transfer			0.0			232,000					(232,000)	0			232,000						(232,000)	0	0	0	464,000	0	0	0	0	0	(464,000)		
10. ISSD Reorganization	(55.8)	(55.8)	(55.8)	(4,142,000)	(1,324,000)	(1,070,000)	0	0	(310,000)	0	6,846,000	0	(4,509,000)	(1,516,000)	(759,000)	0	0	(310,000)	0	0	7,094,000	0	(8,651,000)	(2,840,000)	(1,829,000)	0	0	(620,000)	0	13,940,000	0		
150 Total	(55.8)	(55.8)	(55.8)	(4,142,000)	(1,088,000)	(838,000)	0	0	(310,000)	0	6,378,000	0	(4,509,000)	(992,000)	(527,000)	0	0	(310,000)	0	0	6,338,000	0	(8,651,000)	(2,080,000)	(1,365,000)	0	0	(620,000)	0	12,716,000	0		
160 Consolidated Field Services																																	
160 Total	0.0	0.0	0.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Agency-Wide Total:	0	0	0.0	0	0	266,000	0	(266,000)	0	0	0	0	0	0	266,000	0	(266,000)	0	0	0	0	0	0	0	532,000	0	(532,000)	0	0	0	0		

NOTES:

- Information System Services Division (ISSD) compensation adjustments from Administration & Supporting Services (Admin). Item adjusts object TZ costs. No Carry Forward Level (CFL) adjustment needed for the 2017-19 Biennial budget.
- Children's Administration transfer of Communications Manager funding (40%) to Administration and Supporting Services.
- Transfer Compensation Impact Model (CIM) funding from Mental Health Division to Developmental Disabilities Administration for Consolidated Support Services (CSS). All CSS positions were included in the Mental Health Division when the CIM file was created.
- Transfer FTEs and Funding from Developmental Disability Administration (DDA) to Aging and Long-Term Support Administration (ALTA) for IFS / Basic+ / CFCC / Mandatory Workload Step / IT staff and Program Staff.
- Transfer FTEs and Funding from Category 2000 to Category 1000 within the Developmental Disabilities Administration (DDA). Three (3) Nursing Care Consultants from Category 2000 to Category 1000 and One (1) Training position from Category 1000 to Category 2000.
- Transfer FTEs and Funding from Aging and Long-Term Support Administration (ALTA) to Administration and Supporting Services (ADMIN) for the Board of Appeals. This adjustment is needed because of a previous transfer to the Health Care Authority that should have come out of ALTA instead of ADMIN. No CFL Adjustment needed for the 2017-19 Biennial budget.
- Transfer the Fleet Program Rate Reduction from Payments to Other Agencies (PTOA) to all other DSHS Programs.
- Transfer the costs of the Office of the Chief Information Officer (OCIO) from the DSHS Programs to PTOA.
- Transfer the costs for WaTech from DSHS Programs to PTOA.
- ISSD has been reorganized, with a portion of the staff being transferred to Admin. This results in a change of TZ funding at the program level.

Department of Social and Health Services

DP Code/Title: M2-DQ IP Overtime

Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Aging and Long Term Support Administration (AL TSA) requests \$77.4 million (\$34.9 million GF-State) to pay Individual Provider (IP) homecare worker overtime in accordance with the Department of Labor (DOL) rule requiring overtime to be paid to homecare workers that was recently upheld by the US Federal Court of Appeals and will be in effect October 2015, with enforcement beginning January 1, 2016. This also includes funding for Agency Provider parity costs resulting from IPs receiving additional overtime pay.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	14,485,000	20,393,000	34,878,000
001-C General Fund - Basic Account-Medicaid Federal	17,399,000	25,081,000	42,480,000
Total Cost	31,884,000	45,474,000	77,358,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	16.7	21.6	19.2

Package Description:

Problem Statement

Currently, Washington State is the only employer of Individual Providers (IP) for the purposes of collective bargaining. They are employed by the aged and disabled clients who receive personal care services in their homes. Last year the Department of Labor modified a "Domestic Service Rule" that requires third party employers to pay overtime when homecare workers such as IPs provide over 40 hours a week of authorized care. Additional appropriation will be necessary to pay the overtime. There is an accompanying request for IP overtime costs from the Developmental Disabilities Administration (DDA).

As a result of legal challenges, implementation of the DOL rule has been delayed for approximately a year. On August 21, 2015 the Federal Court of Appeals upheld the DOL rule decision, and it will likely be made effective October, following an automatic stay after the decision to allow for appeals. If there is not an appeal to the US Supreme Court or the entire District of Columbia Circuit (beyond the three-judge panel that upheld the rule), overtime must be paid, by third party employers.

Proposed Solution

Beginning January 1, 2016, the department will pay overtime hours for IPs and agency providers for all authorized hours over 40 hours per week. In the 2015 session, the legislature considered House Bill 1725 (RCW 74.39A.270), which would give the department the ability to control overtime by creating and enforcing rules to limit "windshield" time and require pre-approval for hours over 45 hours per week. However, that bill did not pass.

In response to the DOL rule being upheld, AL TSA will adjust care plan authorizations, change from monthly to weekly authorization of personal care hours and manage overtime exceptions on a case by case basis. This will reduce the cost of overtime hours to approximately \$52 million per year by taking away the option of front-loading hours. This requires additional staff time to manage the exceptions on a case-by-case basis. The FY 2016 cost estimate includes an assumption that 15 percent of the overtime costs that should not be paid will be paid in the first four months of implementation as a result of errors (see backup for calculation detail). The department does not believe it has the legal authority to deny the overtime. The only recourse for enforcement is to terminate the IP's contract if they claim over 40 hours per week a second time after a warning.

If legislative authority (such as HB 1725 introduced in the 2015 session) is granted, the department can further control the level of

Department of Social and Health Services

DP Code/Title: M2-DQ IP Overtime

Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

overtime by requiring pre-authorization for any hours above 45 hours per week, reducing the cost of overtime hours to approximately \$26 million per year. However, it will take approximately 18 months and an investment of approximately \$10 million to make the information technology system changes in CARE, ProviderOne, and Individual ProviderOne to achieve the additional savings. The work has to occur in the current biennium to be able to control overtime in the 2017-19 biennium.

Once that is done, case managers may arrange personal care hours beyond 40 hours per week to be worked by another provider. The pre-authorization for overtime above 45 hours per week would be granted only if there is not another provider available to provide personal care. This will be a staff-intensive effort, requiring an ongoing 25.5 FTE between AL TSA and DDA combined when fully implemented.

Agency Contact: Bryan Way 360-902-7769
Program Contact: Assistant Secretary Bill Moss 360-725-2311

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The department will pay overtime to IPs and Agency Providers (AP) beginning January, 2016 with only a change to client care plans to 40 hours of personal care per week, but no underlying statutory authority to further restrict overtime. In the meantime, work on the technology to be able to implement pre-authorization is under way.

Performance Measure Detail

Agency Level

Activity: E051 Program Support for Long Term Care

No measures linked to package

Incremental Changes

FY 1 **FY 2**

0.00 0.00

Activity: E053 In-Home Services

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 is essential to implementing AL TSA's Strategic Objective 4.1: Ensure seniors and individuals with a disability who are in need of long-term services and supports are supported in their community.

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

This decision package supports the Results Washington Goal 5: Efficient, Effective & Accountable Government - Resource Stewardship - Ensure that funding is used responsibly. If the department waits implement the DOL rule without statutory authority to limit overtime, compliance with the DOL rule may result in much higher costs to the state.

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

In addition to discussions with IPs and APs on the mechanics of paying overtime, the state will need to demonstrate to DOL that we are in compliance with the new rule.

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

We have received strong indication from the U.S. Department of Labor that the overtime rule would apply to the state. Failure to follow this rule by paying overtime to IPs would likely result in litigation and there is a risk of an adverse finding.

Department of Social and Health Services

DP Code/Title: M2-DQ IP Overtime

Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

What are the consequences of adopting or not adopting this package?

The state will have to pay IP overtime if federal rules apply to the state. If this occurs without an appropriation, AL TSA will either have to overspend its appropriation or drastically reduce services.

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

This request has no relationship to the state's capital budget.

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

The department previously requested HB 1725 (RCW 74.39A.270) in the 2015 legislative session to allow the authority to limit overtime above 45 hours per week to only pre-authorized hours where there is not another provider available to provide care.

Expenditure and revenue calculations and assumptions

Please see attachment M2 DQ IP Overtime for calculations and assumptions.

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.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	979,000	1,361,000	2,340,000
B Employee Benefits	376,000	513,000	889,000
C Professional Svc Contracts	3,550,000	3,997,000	7,547,000
E Goods\Other Services	100,000	132,000	232,000
G Travel	6,000	6,000	12,000
J Capital Outlays	100,000	0	100,000
N Grants, Benefits & Client Services	26,751,000	39,436,000	66,187,000
P Debt Service	5,000	7,000	12,000
T Intra-Agency Reimbursements	17,000	22,000	39,000
Total Objects	31,884,000	45,474,000	77,358,000

Department of Social and Health Services

DP Code/Title: **M2-DQ IP Overtime**

Program Level - **050 Aging and Long-Term Support Admin**

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

DSHS Source Code Detail

Overall Funding		<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	14,485,000	20,393,000	34,878,000
<i>Total for Fund 001-1</i>		14,485,000	20,393,000	34,878,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	14,709,000	21,874,000	36,583,000
19UL	Title XIX Admin (50%)	2,690,000	3,207,000	5,897,000
<i>Total for Fund 001-C</i>		17,399,000	25,081,000	42,480,000
Total Overall Funding		31,884,000	45,474,000	77,358,000

Department of Social and Health Services

DP Code/Title: M2-DS MSA Rate Increase
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Aging and Long Term Support Administration (AL TSA) requests \$1,764,000 Total Funds (\$779,000 GF-State) in order to adjust Medicaid rates for home and community services and nursing homes in areas that have transitioned to Metropolitan Statistical Areas (MSA) because of population increases based on federal census data.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	779,000	779,000
001-C General Fund - Basic Account-Medicaid Federal	0	985,000	985,000
Total Cost	0	1,764,000	1,764,000

Staffing

Package Description:

Problem Statement

Census data confirms that population increases in the state have moved 19 counties from Non-Metropolitan Statistical Areas (NMSA) to MSA. Medicaid rates for home and community services, as well as nursing homes, are higher for providers located in a MSA to recognize the higher business operational costs. The federal Office of Management and Budget also recognizes Micropolitan Statistical Areas, which are most often located between two MSAs. AL TSA and the Developmental Disabilities Administration (DDA) have also been using slightly different designations of statistical areas in their rate structures due to differences in when each was last updated. When rates do not match the statistical area, it results in access issues for Medicaid residents. Only nine counties are left in the Non-MSA classification.

Proposed Solution

Nineteen counties change from NMSA to MSA or Micropolitan. Changing the associated rates more accurately reflects underlying assumptions of the rate structure, and aligns the county statistical area designations between AL TSA and DDA. For an additional \$76,000 per year, the other nine Non-MSA counties can also be brought up to the MSA rate, thus, mitigating potential access issues and simplifying the rate structure by only having King and MSA rates across the state.

Agency Contact: Bryan Way 360-902-7769
 Program Contact: Assistant Secretary Bill Moss 360-725-2311

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The department will be able to retain a viable number of providers to ensure sufficient access for Medicaid clients throughout the state.

Performance Measure Detail

Agency Level

Activity: E050 Adult Family Home Community Services

Incremental Changes
FY 1 FY 2

Department of Social and Health Services

DP Code/Title: M2-DS MSA Rate Increase
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

No measures linked to package	0.00	0.00
	Incremental Changes	
Activity: E055 Residential Community Services	<u>FY 1</u>	<u>FY 2</u>
No measures linked to package	0.00	0.00
	Incremental Changes	
Activity: E064 Nursing Home Services	<u>FY 1</u>	<u>FY 2</u>
No measures linked to package	0.00	0.00

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

This decision package is essential to implementing ALTSA's Strategic Objectives:

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

4.3: Ensure individuals who apply for services receive them timely so they are supported in the setting of their choice.

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

This decision package supports the Results Washington Goal 4: Healthy & Safe Communities - Support People - Help the most vulnerable people become independent and self-sufficient.

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

All of the provider associations and advocate groups are expected to support this change, including LeadingAge, Washington Health Care Association, Providence, Washington Residential Care Council, the ARC of Washington, the Developmental Disabilities Council, and the Eldercare Alliance.

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

The option of increasing rates of only the 19 counties that have transitioned to MSA status was considered, leaving a three-tier system (King, MSA, Non-MSA). However, an additional \$76,000 per year in ALTSA (and \$46,000 per year in DDA) will alleviate access issues in the remaining nine counties, simplify the rate system, and avoid complaints from the nine providers in those counties that do not receive the rate increase.

What are the consequences of adopting or not adopting this package?

The department risks both loss of access to necessary Medicaid providers, and being in violation of RCW 74.46, which defines urban counties as those meeting the federal criteria for being an MSA.

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

This request has no impact on the capital budget.

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

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

Please see attachment M2 DS MSA Rate Increase for calculations and assumptions.

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.

Department of Social and Health Services

DP Code/Title: M2-DS MSA Rate Increase
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	0	1,764,000	1,764,000

DSHS Source Code Detail

Overall Funding	<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	0	779,000	779,000
<i>Total for Fund 001-1</i>	0	779,000	779,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources</u> <u>Title</u>			
19TA Title XIX Assistance (FMAP)	0	985,000	985,000
<i>Total for Fund 001-C</i>	0	985,000	985,000
Total Overall Funding	0	1,764,000	1,764,000

2016 Supplemental Budget
M2 DS MSA Rate Increase

FY17 & Ongoing Rate Increase for MSA

Cost by Setting	ALTSA	DDA	Total
Adult Family Homes/ Assisted Living/ Adult Residential Care	\$ 1,727,000	\$ 70,000	\$ 1,797,000
Nursing Homes	37,000	-	37,000
Community Residential	-	489,000	489,000
Total Request	\$ 1,764,000	\$ 559,000	\$ 2,323,000

Medicaid Match by Setting	GF-State	Federal	Total
Nursing Homes	50%	50%	100%
AFH/AL/ARC	44%	56%	100%
Community Residential	50%	50%	100%

Cost with Fund Split	ALTSA	DDA	Total
GF-State	\$ 779,000	\$ 276,000	\$ 1,055,000
Federal	985,000	283,000	1,268,000
Total Request	\$ 1,764,000	\$ 559,000	\$ 2,323,000

Department of Social and Health Services

DP Code/Title: M2-EL 1115 Statewide Medicaid Project
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Aging and Long Term Support Administration (ALTSA) requests federal appropriation authority (\$0 GF-State) to implement a demonstration waiver to target services to eligible individuals who choose to receive supports for their unpaid caregiver that will help them remain in their own homes as an alternative to nursing home or home and community based services funded through existing Medicaid authorities. The state will also offer a limited benefit package to individuals "at risk" of spending down to Medicaid eligibility. These demonstrations address the unprecedented aging of the state's population and divert or delay individuals from more costly services. This request is a placeholder and cost estimates will not be available until after CMS approves the state's 1115 demonstration waiver.

Fiscal Detail:

Operating Expenditures

FY 1

FY 2

Total

Overall Funding

Program Cost

Total Cost

Staffing

Package Description:

Problem Statement

The number of individuals ages 65 and older is growing. There is a direct correlation between age and the need for support with daily living activities. Unpaid caregivers provide over 80 percent of these daily services; however, stress and burnout lead to out-of-home placements and risk of abuse and neglect. The majority of Washingtonians are not insured for long-term services and supports (LTSS), have no affordable options for coverage, and no practical way to prepare except the path to impoverishment and reliance on Medicaid. Washington needs new solutions to address increased demand while also ensuring access to more intensive Medicaid funded LTSS for those who need it.

Proposed Solution

Section 1115 of the Social Security Act provides the federal government authority to approve experimental, pilot or demonstration projects, including expenditure authority for designing and implementing improved Medicaid programs including changes in eligibility, benefits, cost sharing and provider payments. It can also include services for people not typically covered by Medicaid. Washington is seeking approval from CMS for an 1115 demonstration waiver to leverage savings achieved from past rebalancing efforts.

The funding will be used to implement services designed to avoid or delay the need for more intensive Medicaid funded LTSS by providing a menu of services similar to the ALTSA's Family Caregiver Support Program and the Senior Citizens Services Act. Services will include needs assessments, options counseling, caregiver assistance services, training and education, equipment and supplies, health maintenance and therapies.

Agency Contact: Bryan Way 360-902-7769

Program Contact: Assistant Secretary Bill Moss 360-725-2311

Department of Social and Health Services

DP Code/Title: M2-EL 1115 Statewide Medicaid Project
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The benefits and eligibility will be funded with 100 percent federal funds during the course of the waiver, inclusive of services and staffing. The 5-year demonstration is designed to test whether the delay or diversion from intensive long-term services is significant enough to support its continued funding post-waiver. The waiver does not commit additional state resources in the short or long-term.

Performance Measure Detail

Agency Level

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

This decision package is essential to implementing AL TSA's Strategic Objective:

- 4.1: Ensure seniors and individuals with a disability who are in need of long-term services and supports are supported in their community.
- 4.4: Support families and informal caregivers who provide unpaid support to those in need.

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

This decision package supports the Results Washington goal(s) to:

- Goal 4: Healthy & Safe Communities - Safe People - Quality of Life - 3.2.a Increase percentage of long-term service and support clients served in home and community-based settings.
- Goal 5: Efficient, Effective & Accountable Government - Resource Stewardship - Ensure that funding is used responsibly.

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

The draft waiver application has been vetted through two 30-day public comment periods, public forums and a number of individual meetings with interested stakeholders. Tribes have also been engaged and are interested in ensuring access and cultural competence to their tribal members. Interested stakeholders include the Area Agencies on Aging, Elder Care Alliance, Senior Lobby, State Council on Aging, Lifespan Respite Alliance, provider associations, labor partners and legal advocates. Advocates are interested in expanding services to unpaid family caregivers and those "at risk" of Medicaid spend-down and understand the need to continue to innovate as the needs of a growing population of older adults result in greater demand for long-term services and supports. They are interested in ensuring that eligible clients are fully informed about the options and choices available as they select and consent how to receive services for which they are eligible.

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

This is one aspect of the state's 1115 demonstration request. There are other options being pursued by the Health Care Authority (HCA) and Behavioral Health and Service Integration Administration (BHSIA).

What are the consequences of adopting or not adopting this package?

The state would miss out on federal money to provide services for people who need them, but currently do not have access to them. It also is a rare opportunity to "bend the cost curve" of the age wave hitting the state's long-term care system by redirecting low acuity people from nursing homes to home and community care by adjusting the Nursing Facility Level of Care (NFLOC) functional eligibility requirement.

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

Department of Social and Health Services

DP Code/Title: M2-EL 1115 Statewide Medicaid Project
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

This request has no relationship to the state's capital budget.

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

This requires CMS approval of the 1115 demonstration waiver. The application has been submitted, and while it is on a relatively fast timeline for approval, it is difficult to say when it will receive final approval.

Expenditure and revenue calculations and assumptions

This request is a placeholder and cost estimates will not be available until after CMS approves the 1115 demonstration waiver.

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

These costs would be ongoing and would carry forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			

Program Totals

DSHS Source Code Detail

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund ,			
<u>Sources</u> <u>Title</u>			

Total for Fund

Total Overall Funding

Totals for all funds

Department of Social and Health Services

DP Code/Title: M2-EM TBI Council projects
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Aging and Long Term Support Administration (ALTSA) requests a \$572,000 increase in spending authority from the Traumatic Brain Injury (TBI) Account on behalf of the Traumatic Brain Injury Council. This will allow the TBI Council to meet new goals in their revised comprehensive plan, including continuing to fund Seattle's TBI Clubhouse and creating a new mobile app for veterans with a TBI.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
12T-1 Traumatic Brain Injury Account-State	0	572,000	572,000
Total Cost	0	572,000	572,000

Staffing

Package Description:

Problem Statement

Nearly 145,000 people live with a TBI-related disability in the state of Washington. The TBI Council, which is administratively housed at ALTSA, has updated its strategic plan and wants to continue Provail's Seattle TBI Clubhouse services and expand its capacity, as well as provide a new mobile app for veterans who have experienced a TBI. The TBI Council has committed their current 2015-17 appropriation to ongoing programs.

Proposed Solution

The TBI Council, which consists of 26 people representing state agencies, advocates and service providers, is proposing to increase the scope of their activities, including:

- \$300,000 - construction of new 14-bed facility for individuals with TBI in Seattle
- \$93,000 - mobile app tool for veterans who have experienced a TBI
- \$150,000 - continue Provail TBI Clubhouse services
- \$29,000 - University of Washington contract

The TBI Account is appropriated, so while there is sufficient fund balance in the account to pay for more outreach, education and services, the authorized appropriation needs to be increased. There is no GF-State expenditure requested.

Agency Contact: Bryan Way 360-902-7769
Program Contact: Assistant Secretary Bill Moss 360-725-2311

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

More people with traumatic brain injuries, and their families, will be aware of services available and benefit from those services, increasing their independence and quality of life while potentially decreasing the time and money spent on the level of care necessary without those targeted services and supports. The new projects, in particular, will result in the new veterans app creating 500 profiles, help 200 eligible veterans receive direct client services, and 400 new eligible veterans

Department of Social and Health Services

DP Code/Title: M2-EM TBI Council projects

Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

receive referrals for services in their communities. The Provail TBI Clubhouse in Seattle serves 83 total members, about 10 per day with 25 visiting at least once per month. This capacity will be expanded with the new facility being constructed.

Performance Measure Detail

Agency Level

Activity: E052 Eligibility/Case Management Services

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 is essential to implementing ALTSA's Strategic Objective 4.1: Ensure seniors and individuals with a disability who are in need of long-term services and supports are supported in their community.

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

This decision package supports the Results Washington Goal 4: Healthy & Safe Communities - Support People - Help the most vulnerable people become independent and self-sufficient.

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

The Washington Department of Veterans Affairs, Department of Employment Security, Governor's Council on Disabilities, and community activists will all support the increased efforts of the TBI Council.

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

The alternative for the TBI Council is to continue to operate within the existing appropriation and not expand and improve services. This option was discarded in light of the fact that the TBI Account balance is growing - and it can only be used to improve the lives of people who have suffered a TBI.

What are the consequences of adopting or not adopting this package?

Fewer people with TBI will be aware of services and continue to not receive them.

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

This request has no relationship to the state's capital budget.

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

This request has no impact to existing statutes, rules, or contracts.

Expenditure and revenue calculations and assumptions

The TBI Council, which consists of 26 people representing state agencies, advocates and service providers, is proposing to increase the scope of their activities, including:

--\$300,000 - construction of new 14-bed facility for individuals with TBI in Seattle

--\$93,000 - mobile app tool for veterans who have experienced a TBI

--\$150,000 - continue Provail TBI Clubhouse services

--\$29,000 - University of Washington contract

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

Department of Social and Health Services

DP Code/Title: M2-EM TBI Council projects
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

These costs are ongoing and will carry forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
C Professional Svc Contracts	0	286,000	286,000
E Goods\Other Services	0	286,000	286,000
Total Objects	0	572,000	572,000

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 12T-1, Traumatic Brain Injury Account-State				
<u>Sources</u>	<u>Title</u>			
12T1	Traumatic Brain Injury Account	0	572,000	572,000
<i>Total for Fund 12T-1</i>		0	572,000	572,000
Total Overall Funding		0	572,000	572,000

Department of Social and Health Services

DP Code/Title: M2-EO RCS Quality Assurance
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Aging and Long Term Support Administration (ALTSA) requests 6.0 FTE and \$613,000 (\$307,000 GF-State) to continue the Residential Care Services (RCS) Quality Assurance Unit to maintain the quality assurance system now in place. An ongoing Quality Assurance Unit will be dedicated to consistent, measurable quality assurance practices, increased risk management practices, and independent internal reviews to ensure state performance measures and Centers for Medicaid and Medicare Services (CMS) expectations around quality management are met.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	307,000	307,000
001-C General Fund - Basic Account-Medicaid Federal	0	306,000	306,000
Total Cost	0	613,000	613,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	0.0	6.0	3.0

Package Description:

Problem Statement

RCS received grant funding from CMS in order to develop and implement a structured, comprehensive quality assurance management system. The grant is for the funding of 6.0 FTEs (1.0 QA Nurse Manager and 5.0 Social and Health Quality Assurance Program Consultants) for approximately 24 months. Prior quality assurance activities in place were not coordinated or consistent across the division and did not encompass all core work areas. With project grant funds ending in Fiscal Year 2016, new coordinated practices will be unable to be maintained through current staffing. Failure to continue new quality assurance measures will result in potential increased risk to vulnerable adults and deficiencies in meeting CMS quality management requirements and state performance measures. There is a potential for repeat audit findings and loss of federal funds.

Proposed Solution

Permanent funding is requested to maintain the quality assurance system now in place. An ongoing Quality Assurance Unit will be dedicated to consistent, measurable quality assurance practices, increased risk management practices, and independent internal reviews to ensure state performance measures and CMS expectations around quality management are consistently met. The QA unit will implement accountability review mechanisms and monitor proficiency improvement plans to prevent the recurrence of repeat audit findings.

Agency Contact: Bryan Way 360-902-7769
Program Contact: Assistant Secretary Bill Moss 360-725-2311

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The quality and timeliness of RCS services, including timely inspections and investigations, will be assured. In its approval of Home and Community Based Services waivers, a CMS-stated expectation about quality management is that "the State

Department of Social and Health Services

DP Code/Title: M2-EO RCS Quality Assurance
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

verifies that providers initially and continually meet required licensure and/or certification standards and adhere to other standards prior to their furnishing waiver services."

There are three primary benefits that result from a systematic approach to quality assurance:

- Internal and independent reviews objectively inform assessments of program performance and effectiveness;
- Effective QA ensures the implementation of robust risk management to address potential problems before they occur; and
- Residents who live in the licensed and certified long-term care settings will also benefit by ensuring the services provided by the division are in compliance with federal, state and agency rules and regulations; thereby improving their quality of life.

Performance Measure Detail

Agency Level

Activity: E052 Eligibility/Case Management Services

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 is essential to implementing AL TSA's Strategic Objectives:

- 3.3: Ensure investigations are thorough, documented properly, and completed timely to maintain an efficient work flow that eliminates re-work caused by investigations which remain open longer than necessary.
- 5.4: Timely quality assurance and oversight activities to ensure evidence of compliance with federal, state and program requirements.

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

This decision package supports the Results Washington Goal 4: Healthy & Safe Communities - Safe People - Help keep people safe in their homes, on their jobs, and in their communities.

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

Stakeholders including residential providers and advocates for vulnerable people will support a solution that maintains quality assurance without increasing provider license fees. Stakeholders have been open and receptive to partner with RCS to create opportunities for positive program and system change.

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

Continuing the grant funding under Roads to Community Living is not an option. The only other alternative is to end the Quality Assurance program for RCS.

What are the consequences of adopting or not adopting this package?

The quality of RCS services cannot be assured. RCS' mission is to promote and protect the rights, security and well-being of individuals living in licensed or certified residential settings. Not funding the continuation of the quality assurance unit will result in the potential risk of the health and safety of residents being jeopardized since there will be no consistent internal objective body checking to see that business operations are meeting the federal and state performance standards.

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

This request has no relationship to the state's capital budget.

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

Department of Social and Health Services

DP Code/Title: M2-EO RCS Quality Assurance
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

This request would require no changes to existing statutes, rules, or contracts.

Expenditure and revenue calculations and assumptions

The DSHS staffing model was used to calculate these costs, which include one WMS Band 2 FTE and five Social and Health Program Consultant 4 FTE. All positions would begin in FY 2017 and it is assumed that these costs would be eligible for a 50 percent Federal Medical Assistance Percentage (FMAP) fund split.

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

These costs are ongoing and would carry forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	0	397,000	397,000
B Employee Benefits	0	150,000	150,000
E Goods\Other Services	0	37,000	37,000
G Travel	0	21,000	21,000
P Debt Service	0	2,000	2,000
T Intra-Agency Reimbursements	0	6,000	6,000
Total Objects	0	613,000	613,000

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 Title</u>			
0011 General Fund State	0	307,000	307,000
<i>Total for Fund 001-1</i>	0	307,000	307,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19UL Title XIX Admin (50%)	0	306,000	306,000
<i>Total for Fund 001-C</i>	0	306,000	306,000
Total Overall Funding	0	613,000	613,000

Department of Social and Health Services

DP Code/Title: M2-ER Critical Nursing Services
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Aging and Long Term Support Administration (ALTSA) requests \$441,000 (\$221,000 GF-State) to increase the rates for Medicaid service providers whose services are instrumental to keeping people in home and community settings rather than nursing homes. Nurse delegation, skilled nursing services and home delivered meals have not had rate increases for years, and the number of providers willing to contract at the offered rates is not keeping pace with the demand for services, leaving clients without access to these critical services. These proposed nursing rates are consistent with rates paid by the Health Care Authority.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	221,000	221,000
001-C General Fund - Basic Account-Medicaid Federal	0	220,000	220,000
Total Cost	0	441,000	441,000

Staffing

Package Description:

Problem Statement

The state is losing the ability to attract and retain contracted providers for skilled nursing services, nurse delegation services (such as insulin injections) and home delivered meals as DSHS reimbursement rates for these services are lower than what the Health Care Authority pays for similar services. Low payment rates have not increased in years and are below rates paid by other Medicaid payers. There are now areas in the state without these services available. This results in clients having to be served in more costly institutional settings or receive services through a provider who does not have clinical expertise and without clinical oversight to ensure safe and appropriate care.

Proposed Solution

Increase the rates for these contracted Medicaid providers (consistent with rates paid by the Health Care Authority) in order to maintain access to the vital, low-cost services that help vulnerable people maintain some independence in their own homes rather than be forced to move to a residential or even institutional setting to obtain proper medical care and/or nutrition. The proposed increases are as follows:

- Skilled nursing services rate from \$51.00 to \$54.57 per visit (\$40,000 total funds)
- Nurse delegation rate from \$32.96 to \$34.58 (\$330,000 total funds)
- Home delivered meal rate from \$6.80 to \$7.17 per meal (\$ 71,000 total funds)

Agency Contact: Bryan Way 360-902-7769
Program Contact: Assistant Secretary Bill Moss 360-725-2311

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Eligible clients will be able to access these critical services in the community and therefore will:

Department of Social and Health Services

DP Code/Title: M2-ER Critical Nursing Services
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

- Not go without care or move to a residential/institutional setting.
- Experience an increase in providers of skilled nursing services, nurse delegation, and home delivered meals in underserved areas.
- Have consistent rates for similar services across Medicaid.

Performance Measure Detail

Agency Level

Activity: E053 In-Home 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 decision package is essential to implementing AL TSA's Strategic Objective 4.1: Ensure seniors and individuals with a disability who are in need of long-term services and supports are supported in their community.

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

This decision package supports the Results Washington Goal 4: Healthy & Safe Communities - Healthy People - Provide access to good medical care to improve people's lives.

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

This proposal is expected to have support from Area Agencies on Aging, the Eldercare Alliance and providers of other services. There is no known opposition.

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

The alternative is to make a smaller rate increase in the hopes that it will at least stop the decrease of provider availability.

What are the consequences of adopting or not adopting this package?

Lack of available nursing care will limit the options for residents to choose the community setting of their choice and will result in residents staying in the hospital or nursing homes for extended stays.

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

This request has no relationship to the state's capital budget.

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

This request would require no changes to existing statutes, rules, or contracts.

Expenditure and revenue calculations and assumptions

Please see attachment M2 ER Critical Nursing Services for calculations and assumptions.

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

These costs are ongoing and would carry forward into future biennia.

Department of Social and Health Services

DP Code/Title: M2-ER Critical Nursing Services
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	0	441,000	441,000

DSHS Source Code Detail

Overall Funding		<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	0	221,000	221,000
<i>Total for Fund 001-1</i>		0	221,000	221,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	0	220,000	220,000
<i>Total for Fund 001-C</i>		0	220,000	220,000
Total Overall Funding		0	441,000	441,000

2016 Supplemental Budget
M2 ER Critical Nursing Services

Skilled Nursing

Number of Clients	465
Visits per Client per Year	24
Total Visits	11,160
Rate per Visit Increase	\$3.57
Subtotal	\$40,000

Nurse Delegation

Number of Clients	8,960
Hours per Client	22.44
Total Hours	201,062
Hourly Rate Increase	\$1.64
Subtotal	\$330,000

COPES Home Delivered Meals

Number of Clients	670
Meals per Client per Year	286
Total Meals Served	191,620
Rate per Meal Increase	\$0.37
Subtotal	\$71,000

State (50%)	50%	\$221,000
Federal		\$220,000
TOTAL FUNDING REQUEST		\$441,000

Department of Social and Health Services

DP Code/Title: M2-ES RCS Fund Split Adjustment
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Aging and Long Term Supports Administration (AL TSA) requests an additional \$2,000,000 GF-State to eliminate the long standing fund source imbalance in the Residential Care Services (RCS) program. The department does not collect enough revenue from provider license fees to cover the costs of the RCS program. The funding is requested to allow RCS to perform its required functions without continuing to overspend its GF-State appropriation.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	2,000,000	2,000,000
Total Cost	0	2,000,000	2,000,000

Staffing

Package Description:

Problem Statement

RCS is responsible for the licensing and oversight of adult family homes, assisted living facilities, intermediate care facilities for individuals with intellectual disabilities, and certified residential programs. RCS programs regulate approximately 3,800 licensed or certified long-term care residential providers who care for approximately 67,000 vulnerable residents of the State of Washington. Their mission is to promote and protect the rights, security, and well-being of individuals living in these licensed or certified residential settings.

According to RCW chapters 18.51, 18.20, 70.128, 70.97 and 43.135, the Legislature intends for the RCS program funding to be largely self-sufficient by collecting revenue in the form of provider fees to cover operational costs. However, while the budget assumes that RCS will collect approximately \$14 million per year in fees as private/local revenue, the actual revenue is consistently less than \$12 million. The Legislature has declined consecutive years of budget requests for increased license fees, leading to an ongoing \$2 million annual GF-State overspend.

Proposed Solution

Rather than request license fee increases to collect the revenue to meet the private/local appropriation, RCS is requesting a GF-State appropriation to continue providing licensing, certification, inspection, and investigations without over spending GF-State dollars.

Agency Contact: Bryan Way 360-902-7769
Program Contact: Assistant Secretary Bill Moss 360-725-2311

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

RCS needs the ability to fulfill its oversight functions, including licensing and inspecting residential facilities, and investigating complaints of abuse and neglect of the vulnerable people who live there. It is not feasible to continue to do so running an annual deficit of \$2 million GF-State. The 2015 Legislature chose to fund additional nursing home investigators, but they did so with an increased GF-State appropriation rather than increase the NH license fee as proposed by the

Department of Social and Health Services

DP Code/Title: M2-ES RCS Fund Split Adjustment
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Governor's 2015-17 budget. That indicates the fund source imbalance in the RCS program is more likely to be solved with an additional GF-State appropriation than increased license fees.

Performance Measure Detail

Agency Level

Activity: E054 Investigations/Quality Assurance for Vulnerable Adults

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 is essential to implementing ALTSA's Strategic Objective:

2.1: Affirm Adult Family Homes, Assisted Living Facilities and Nursing Homes are providing quality care and residents are safe through timely licensing re-inspections.

2.2: Affirm Residential Habilitation Centers and Supported Living Facilities are providing quality care and residents are safe through timely quality assurance activities.

5.4: Timely quality assurance and oversight activities to ensure evidence of compliance with federal, state and program requirements.

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

This decision package supports the Results Washington Goal 5: Efficient, Effective & Accountable Government - Transparency and Accountability - Ensure efficiency, performance, and accountability to the public by providing transparency and accountability in state agency operations.

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

Residential providers and client advocates will likely support the fund swap, which allows RCS to continue its current level of oversight without increasing license fees.

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

The alternative that has been tried repeatedly is to increase residential provider license fees. The other alternative is to continue to operate the RCS program with an approximately \$2 million over-expenditure of GF-State funds. However, as ALTSA overall has less and less remaining GF-State balance at the end of each year, it is not a feasible alternative.

What are the consequences of adopting or not adopting this package?

The RCS program will either continue to overspend their GF-State appropriation, or RCS will have to reduce the licensing, certification, inspection and investigation activities for institutional and community residential settings.

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

This request has no relationship to the state's capital budget.

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

This request would not require changes to existing statutes, rules, or contracts.

Expenditure and revenue calculations and assumptions

Please see attachment M2 ES RCS Fund Split Adjustment for calculations and assumptions.

Department of Social and Health Services

DP Code/Title: M2-ES RCS Fund Split Adjustment
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

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

These costs are ongoing and would carry forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	0	2,000,000	2,000,000

DSHS Source Code Detail

Overall Funding	<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	0	2,000,000	2,000,000
<i>Total for Fund 001-1</i>	0	2,000,000	2,000,000
Total Overall Funding	0	2,000,000	2,000,000

2016 Supplemental Budget
M2 ES RCS Fund Split Adjustments

	<u>Allotment</u>	<u>Expenditures</u>	<u>Variance</u>
FY 2015			
GF-State	1,217,000	3,241,930	(2,024,930)
Federal	17,503,000	17,331,042	171,958
Local	13,740,000	11,514,196	2,225,804
Total	32,460,000	32,087,168	372,832

FY 2014			
GF-State	1,976,227	3,162,413	(1,186,186)
Federal	17,493,058	18,067,286	(574,228)
Local	13,938,405	12,180,733	1,757,672
Total	33,407,690	33,410,432	(2,742)

FY 2013			
GF-State	2,224,000	2,949,875	(725,875)
Federal	17,399,000	17,214,511	184,489
Local	13,203,000	11,005,513	2,197,487
Nonapprop	311,477	92,052	219,425
Total	33,137,477	31,261,951	1,875,526

FY 2012			
GF-State	2,708,000	3,508,508	(800,508)
Federal	17,153,000	16,324,630	828,370
Local	12,165,000	9,577,011	2,587,989
Total	32,026,000	29,410,149	2,615,851

Department of Social and Health Services

DP Code/Title: M2-WC Building Access Control System
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests funding to support the upgrade of access control systems, panic alarms and intrusion alarms for multiple leased facilities statewide. DSHS is currently in the process of upgrading 32 sites whose access control systems had been running on the Windows XP operating system. While upgrading these sites with a Windows 7 compliant enterprise wide access control system, it became apparent that wiring needed to also be replaced. Another significant issue that has arisen is the incompatibility of existing panic and intrusion alarms that tie into the access control system. Most of these systems are obsolete and must be replaced.

Funding will be used to pay for two contracts; one for the additional wiring costs for the access control system, and one for the panic and intrusion alarm upgrades. The expected result is optimal security for staff and clients at 32 DSHS leased sites.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	33,000	0	33,000
001-C General Fund - Basic Account-Medicaid Federal	31,000	0	31,000
Total Cost	64,000	0	64,000

Staffing

Package Description:

Problem:

By State policy (<https://www.ocio.wa.gov/policies/142-windows-xp-end-life>), all systems running Windows XP must be removed from State offices and from the State network. All remaining Windows XP devices must be removed and replaced with current Windows 7 or later systems.

Existing systems are obsolete and not compatible with Windows 7. Current hardware is failing in a way that jeopardizes both building security as well as posing a potential fire hazard.

Solution:

Procurement of modern security systems will produce continued security even when the network connection is lost as well as mitigate the potential fire hazard; provide management of badges from any of the sites, improving options for support; provide a single, but distributed database, reducing the management of badges for staff who do this in addition to their full time jobs (currently, staff have to be removed from every location they have access to; with this improvement, they only have to be removed or added once).

Agency Contact: Charles Wang (360) 902-8154

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Procurement of modern security systems will:

Produce continued security even when the network connection is lost;

Mitigate the potential fire hazard;

Department of Social and Health Services

DP Code/Title: M2-WC Building Access Control System
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Provide management of badges from any of the sites, improving options for support;

Provide a single, but distributed database, reducing the management of badges for staff who do this in addition to their full time jobs (currently, staff have to be removed from every location they have access to; with this improvement, they only have to be removed or added once);

Addresses DSHS' non compliance with state policy (<https://www.ocio.wa.gov/policies/142-windows-xp-end-life>) by replacing Windows XP devices with Windows 7 or later systems.

Performance Measure Detail

Agency Level

Activity: E051 Program Support for Long Term 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?

Safety - Each individual and each community will be safe.

Public Trust - Strong management practices will be used to ensure quality and efficiency.

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

This Decision package supports the Result Washington:

Goal 4: Healthy & Safe Communities - Safe People - Help keep people safe in their homes, on their jobs, and in their communities.

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

All DSHS programs and management are in support of these upgrades to ensure security for staff and the clients they serve.

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

Existing funding is not available to cover these one-time costs.

What are the consequences of adopting or not adopting this package?

Existing systems are obsolete and not compatible with Windows 7. Current hardware is failing in a way that jeopardizes both building security as well as posing a potential fire hazard.

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

This request has no impact on the capital budget.

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

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: AW M2-WC Building Access Controls.xlsx

Department of Social and Health Services

DP Code/Title: M2-WC Building Access Control System
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

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

These costs are one-time and will not carry forward.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
E Goods\Other Services	64,000	0	64,000

DSHS Source Code Detail

Overall Funding	<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	33,000	0	33,000
<i>Total for Fund 001-1</i>	33,000	0	33,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources</u> <u>Title</u>			
19UL Title XIX Admin (50%)	31,000	0	31,000
<i>Total for Fund 001-C</i>	31,000	0	31,000
Total Overall Funding	64,000	0	64,000

**2016 Supplemental Budget
M2-WC Building Access Controls**

Program	FY 2016			FY 2017			2015-17 Biennium		
	State	Other	Total	State	Other	Total	State	Other	Total
010	\$ 200,000	\$ 20,000	\$ 220,000	\$ -	\$ -	\$ -	\$ 200,000	\$ 20,000	\$ 220,000
020	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ 1,000
040	\$ 17,000	\$ 12,000	\$ 29,000	\$ -	\$ -	\$ -	\$ 17,000	\$ 12,000	\$ 29,000
050	\$ 33,000	\$ 31,000	\$ 64,000	\$ -	\$ -	\$ -	\$ 33,000	\$ 31,000	\$ 64,000
060	\$ 265,000	\$ 155,000	\$ 420,000	\$ -	\$ -	\$ -	\$ 265,000	\$ 155,000	\$ 420,000
070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
100	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ 75,000
110	\$ 2,000	\$ 1,000	\$ 3,000	\$ -	\$ -	\$ -	\$ 2,000	\$ 1,000	\$ 3,000
Total	\$ 593,000	\$ 219,000	\$ 812,000	\$ -	\$ -	\$ -	\$ 593,000	\$ 219,000	\$ 812,000

Program	FY 2016	FY 2017	2015-17	State %
010	\$ 220,000	\$ -	\$ 220,000	91%
020	\$ 1,000	\$ -	\$ 1,000	100%
040	\$ 29,000	\$ -	\$ 29,000	59%
050	\$ 64,000	\$ -	\$ 64,000	52%
060	\$ 420,000	\$ -	\$ 420,000	63%
070	\$ -	\$ -	\$ -	81%
100	\$ 75,000	\$ -	\$ 75,000	100%
110	\$ 3,000	\$ -	\$ 3,000	82%
Total	\$ 812,000	\$ -	\$ 812,000	

2016 Supplemental Budget
M2-WC Building Access Controls

City	Bldg_Address	Program	Division	Cost
Forks	421 5TH Ave	010	DCFS	\$ 9,655.50
Seattle	3600 S Graham ST	010	DCFS	\$ 21,960.00
Walla Walla	206 -208 W Poplar St	010	DCFS	\$ 15,600.00
Omak	S 126 Main St	010	DCFS	\$ 6,320.00
Kent	1313 W Meeker ST	010	DCFS	\$ 20,328.00
Shelton	2505 Olympic Hwy N Ste 440	010	DCFS	\$ 10,675.00
Mount Vernon	900 E College Way Ste 100	010	DCFS	\$ 4,837.50
South Bend	307 Robert Bush Dr W	010	DCFS	\$ 8,190.00
Port Angeles	201-5 W 1St	010	DCFS	\$ 13,130.00
Arlington	3906 172ND ST NE	010	DCFS	\$ 22,800.00
Tumwater	6840 & 6860 Capitol Blvd Se Bld 2 & 3	010	DCFS	\$ 27,500.00
Long Beach	2601 Pacific Ave NW	010	DCFS	\$ 4,650.00
Monroe	953 Village Way Ste 25	010	DCFS	\$ 25,000.00
Port Townsend	915 Sheridan Ave	010	DCFS	\$ 9,300.00
Bellevue	805 156Th Ave Ne	010	DCFS	\$ 20,304.00
		010 Total		\$ 220,250.00
Bellingham	4101 Meridian St	020	JRA	\$ 881.50
Mount Vernon	900 E College Way Ste 100	020	JRA	\$ 87.50
		020 Total		\$ 969.00
Omak	S 126 Main St	040	DDA	\$ 700.00
Kent	1313 W Meeker ST	040	DDA	\$ 4,116.00
Walla Walla	416 E Main St	040	DDA	\$ 1,988.00
Shelton	2505 Olympic Hwy N Ste 440	040	DDA	\$ 1,775.00
Mount Vernon	900 E College Way Ste 100	040	DDA	\$ 725.00
South Bend	307 Robert Bush Dr W	040	DDA	\$ 330.00
Port Angeles	201-5 W 1St	040	DDA	\$ 2,990.00
Long Beach	2601 Pacific Ave NW	040	DDA	\$ 112.50
Port Townsend	915 Sheridan Ave	040	DDA	\$ 3,075.00
Kennewick	500 N Morain St	040	DDA	\$ 11,275.00
Oak Harbor	275 Pioneer Way Se Ste 101, 201,202 &	040	DDA	\$ 1,650.00
		040 Total		\$ 28,736.50
Tumwater	6639 Capitol Blvd	050	HCS	\$ 5,840.00
Tumwater	6639 Capitol Blvd	050	RCS	\$ 2,220.00
Walla Walla	206 -208 W Poplar St	050	HCS	\$ 4,400.00
Omak	S 126 Main St	050	HCS	\$ 1,260.00
Bremerton	4710 Auto Center Blvd	050	HCS	\$ 9,320.00
Spokane	1313 N Maple St	050	RCS	\$ 225.00
Shelton	2505 Olympic Hwy N Ste 440	050	HCS	\$ 1,775.00
Mount Vernon	900 E College Way Ste 100	050	HCS	\$ 1,612.50
Mount Vernon	900 E College Way Ste 100	050	RCS	\$ 37.50
South Bend	307 Robert Bush Dr W	050	HCS	\$ 330.00
Arlington	3906 172ND ST NE	050	HCS	\$ 8,400.00
Arlington	3906 172ND ST NE	050	RCS	\$ 8,800.00
Long Beach	2601 Pacific Ave NW	050	HCS	\$ 325.00
Port Townsend	915 Sheridan Ave	050	HCS	\$ 1,000.00
Kennewick	500 N Morain St	050	HCS	\$ 13,725.00
Oak Harbor	275 Pioneer Way Se Ste 101, 201,202 &	050	HCS	\$ 4,600.00
		050 Total		\$ 63,870.00
Bellingham	4101 Meridian St	060	CSD	\$ 14,247.50
Bellingham	4101 Meridian St	060	DCS	\$ 1,045.50
Bellingham	4101 Meridian St	060	DEL	\$ 1,148.00
Forks	421 5TH Ave	060	CSO	\$ 10,844.50
Seattle	3600 S Graham ST	060	CSO	\$ 17,680.00
Seattle	2106 Second Ave	060	CSO	\$ 23,000.00
Omak	S 126 Main St	060	CSO	\$ 11,380.00
Bremerton	4710 Auto Center Blvd	060	CSD	\$ 29,440.00

2016 Supplemental Budget
M2-WC Building Access Controls

City	Bldg_Address	Program	Division	Cost
Bremerton	4710 Auto Center Blvd	060	ESA	\$ 1,000.00
Kent	1313 W Meeker ST	060	CSO	\$ 14,070.00
Kent	1313 W Meeker ST	060	DCS	\$ 210.00
Spokane	1313 N Maple St	060	CSO	\$ 22,275.00
Walla Walla	416 E Main St	060	CSO	\$ 10,024.00
Shelton	2505 Olympic Hwy N Ste 440	060	CSO	\$ 9,075.00
Mount Vernon	900 E College Way Ste 100	060	CSO	\$ 4,025.00
Mount Vernon	900 E College Way Ste 100	060	DCS	\$ 225.00
Mount Vernon	900 E College Way Ste 100	060	DEL	\$ 212.50
South Bend	307 Robert Bush Dr W	060	CSO	\$ 5,865.00
Port Angeles	201-5 W 1St	060	CSD	\$ 10,952.50
Port Angeles	201-5 W 1St	060	DEL	\$ 585.00
Renton	500 SW 7th St	060	CSO	\$ 30,177.00
Federal Way	616 S 348Th St	060	CSO	\$ 25,500.00
Tumwater	6840 & 6860 Capitol Blvd Se Bld 2 & 3	060	CSO	\$ 22,500.00
Long Beach	2601 Pacific Ave NW	060	CSO	\$ 7,300.00
Port Townsend	915 Sheridan Ave	060	CSO	\$ 8,625.00
Chehalis	151 NE Hampe Way Ste 151	060	CSO	\$ 10,000.00
Puyallup	201 W Main St	060	CSO	\$ 25,000.00
Seattle	9650 15Th Ave SW	060	CSO	\$ 40,000.00
Bellevue	805 156Th Ave Ne	060	CSO	\$ 19,536.00
Bellevue	805 156Th Ave Ne	060	DEL	\$ 3,744.00
Oak Harbor	275 Pioneer Way Se Ste 101, 201,202 &	060	CSO	\$ 17,650.00
Lakewood	5712 Main St SW	060	CSO	\$ 23,000.00
		060 Total		\$ 420,336.50
Bellingham	4101 Meridian St	100	DVR	\$ 3,177.50
Tumwater	6639 Capitol Blvd	100	DVR	\$ 1,940.00
Kent	1313 W Meeker ST	100	DVR	\$ 3,276.00
Walla Walla	416 E Main St	100	DVR	\$ 1,988.00
Shelton	2505 Olympic Hwy N Ste 440	100	DVR	\$ 1,325.00
Mount Vernon	900 E College Way Ste 100	100	DVR	\$ 650.00
South Bend	307 Robert Bush Dr W	100	DVR	\$ 165.00
Port Angeles	201-5 W 1St	100	DVR	\$ 4,290.00
Long Beach	2601 Pacific Ave NW	100	DVR	\$ 112.50
Port Townsend	915 Sheridan Ave	100	DVR	\$ 3,000.00
Seattle	400 Mercer St STE 508	100	DVR	\$ 12,500.00
Lacey	4565 7Th Ave SE	100	DVR	\$ 23,511.00
Lacey	4565 7Th Ave SE	100	DVR	\$ 994.50
Lacey	4565 7Th Ave SE	100	DVR	\$ 994.50
Silverdale	3888 Randall Way Stes 101 201	100	DVR	\$ 11,500.00
Bellevue	805 156Th Ave Ne	100	DVR	\$ 4,416.00
Oak Harbor	275 Pioneer Way Se Ste 101, 201,202 &	100	DVR	\$ 1,100.00
		100 Total		\$ 74,940.00
Seattle	3600 S Graham ST	110	EM	\$ 360.00
Omak	S 126 Main St	110	OFA	\$ 340.00
Bremerton	4710 Auto Center Blvd	110	OFA	\$ 240.00
Shelton	2505 Olympic Hwy N Ste 440	110	OFA	\$ 375.00
Mount Vernon	900 E College Way Ste 100	110	OFA	\$ 87.50
South Bend	307 Robert Bush Dr W	110	OFA	\$ 120.00
Port Angeles	201-5 W 1St	110	OIP	\$ 552.50
Renton	500 SW 7th St	110	OFA	\$ 1,323.00
		110 Total		\$ 3,398.00
		Grand Total		\$ 812,500.00

Department of Social and Health Services

DP Code/Title: M2-WK IT Systems Infrastructure
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Recommendation Summary Text:

DSHS requests funding in the 2016 Supplemental Budget for the replacement of information technology (IT) equipment that has passed end of useable life and provides critical support data network infrastructure needed to maintain data transport across the agency and to business partners in support of DSHS clients. This request is to support the lease-purchase of IT equipment through a certificate of participation (COP).

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	52,000	52,000
001-C General Fund - Basic Account-Medicaid Federal	0	48,000	48,000
Total Cost	0	100,000	100,000

Staffing

Package Description:

Problem Statement:

The department requires the replacement of necessary IT infrastructure equipment to meet the day-to-day operational needs of the department. These needs exceed the department's base equipment funding levels. Not replacing this end of life equipment greatly increases risk to the agency in both loss of vendor support for critical IT infrastructure resulting in increased outages and the loss of security updates which provides protection for confidential and sensitive client data. These risks put the agency in jeopardy of failed federal compliance audits and/or lawsuits if confidential client data is compromised. Factors that motivate this project include federal and state laws, statutes and policies such as the following:

- o Federal requirements mandate protection of Federal Tax Information (FTI) under IRS 1075
- o Internal Revenue Code (IRC) 6103 - Confidentiality and disclosure of returns and return information
- o State law (Chapter 19.255 RCW PERSONAL INFORMATION - NOTICE OF SECURITY BREACHES)
- o OCIO Policy 141 - securing Information Technology Assets

Proposed Solution:

Services and Enterprise Support Administration (SESA)

SESA staff and IT systems support mission critical network services of DSHS. SESA requests funding to procure replacement of end of life equipment that supports mission critical network services of DSHS; consisting of the border firewall, servers, routers and switches. This funding request will support data network infrastructure needed to maintain data transport across the agency and business partners supporting and serving citizens of Washington State. This funding request represents DSHS infrastructure needed to integrate with WaTech statewide network shared services, which is used for data transport. One of the components of this request refers to procuring the DSHS enterprise perimeter firewall. This equipment acts as a gatekeeper to control access between the internal DSHS network and the WaTech-managed networks including the State Government Network (SGN) and Inter-government network (IGN) as well as the public Internet. Equipment included in this funding request is: DSHS agency border firewall, statewide routing and switching equipment, and equipment supporting agency wide security authentication. Any disruption in infrastructure services impacts agency staff, business partners, clients, and the public when contacting the agency for services. DSHS will not be able to retire existing end of life systems, which are now at high risk of failure and prevents the department from transforming its service delivery model to one that can improve its service capabilities without continued increases in the cost of providing those services. The result will be compromises and heightened risk to client safety and wellbeing along with case workers diminished ability to serve them as the population at risk increases.

Department of Social and Health Services

DP Code/Title: M2-WK IT Systems Infrastructure

Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

This request funds the replacement of necessary IT systems equipment to meet the day-to-day needs of the youth placed into Juvenile Rehabilitation (JR) custody. Requested equipment items are critical to ensure operation of the program case management. Equipment beyond its useful life has been shown to become a risk to client confidentiality. Recovery software is currently used for backup and recovery of two of our virtual hosts, which support the operations and maintenance of our Automated Client Tracking (ACT) system, which supports operations in 24/7 direct care facilities. Renewing these licenses ensures the ability to continue to be able to successfully exercise the disaster recovery plan. Failure to renew these licenses would seriously degrade our ability to exercise our disaster recovery plan, resulting in the long-term outage of the ACT system in the event of a disaster.

The Dell EqualLogic Storage Area Network (SAN) addresses two problems. JR currently has a slower SAN, which is causing a performance bottleneck, which causes database "timeouts" due to deadlocks between transactions. Because the current SAN has limited storage due to increased utilization, the ACT system transferred to the requested faster SAN which would avoid the errors associated with the performance bottleneck of the current SAN, and free up space on the current slower SAN. The additional space is needed to accommodate the ever-increasing size of the application, database and file server backups.

Aging and Long Term Services Administration (AL TSA) and Developmental Disabilities Administration (DDA)
AL TSA and DDA currently have inadequate server capacity to support SharePoint. Currently, they use SharePoint 2007 in a production environment, which is running at near capacity in terms of a Central Processing Unit (CPU), Memory and Storage. If the administrations migrated to SharePoint 2013 without any server/memory/storage increases they will run into performance issues, which will affect applications such as the Comprehensive Assessment Reporting Evaluation (CARE) and Tracking Incidents of Vulnerable Adults (TIVA). The administrations are trying to avoid this by isolating SharePoint 2013 into its own environment. The migration to SharePoint 2013 will start in September 2016.

CARE is the main case management tool, which is used by 4,500+ case managers to intake, assess and authorize services for 60,000+ clients. Performance degradation in CARE could potentially mean clients not getting the services in a timely manner. TIVA is the main Incident Reporting tool, which contains Residential Complaints as well as Adult Protective Services Incidents. Performance degradation in TIVA could potentially mean not being able to get the investigations taken care of in a timely manner.

This request includes personal computers at end of usable life for DDA which would put the program on the same funding stream for personal computers as in AL TSA.

Special Commitment Center (SCC)

SCC provides a specialized mental health treatment program on McNeil Island for civilly committed sex offenders who have completed their prison sentences. The majority of equipment used at the Total Confinement Facility (TCF) and Secure Community Transition Facilities (SCTF) has exceeded its useful life. The IT infrastructure supports institution and island security such as the i.LON server replacement of NCB parts that control communications. This system allows communication between staff through intercom buttons throughout the facility and between residents (in their rooms) to staff in case of personal medical emergency or lockdown. The network switches, laptops and desktops are eight years old and are used to document security, clinical, resident treatment and progress notes as well as administrative tasks.

Agency Contact: Ken Brown (360) 902-7583

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Procurement will involve tracking all levels of this project; deployment schedules, Quality Assurance reviews and post-performance service metric analysis. Funding this request will strengthen the foundation for the current continuum of care and access to client services. Client support systems will continue to operate as designed.

Performance Measure Detail

Agency Level

Department of Social and Health Services

DP Code/Title: M2-WK IT Systems Infrastructure
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Activity: E051 Program Support for Long Term Care	Incremental Changes	
	<u>FY 1</u>	<u>FY 2</u>
No measures linked to package	0.00	0.00

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

This decision package is essential to implementing SESA's Strategic Objective.

- 1.1 Provide data, analyses, and information to support innovations that improve the effectiveness of services to clients.
- 1.3: Fiscal stewardship of programs and activities.
- 1.1 Provide data, analyses, and information to support innovations that improve the effectiveness of services to clients.

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

This decision package supports the Results Washington Goal 5: Efficient, Effective & Accountable Government - Resource Stewardship - Ensure that funding is used responsibly.

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

This funding request supports the agency and Washington State citizens it serves with updated, consistent and reliable network infrastructure and systems.

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

One alternative is to continue to use systems infrastructure equipment well beyond the end of its usable life. This alternative would greatly increase the risk to the department of system failure and possible breaches in client confidentiality. Repairing equipment, when practical, is an option, but is not always feasible or cost effective. This alternative was chosen because it provides funding for immediate replacement of necessary equipment to maintain safety and security for clients and staff.

What are the consequences of adopting or not adopting this package?

Failure to provide funding for the replacement of information technology equipment presents a risk to program operations. Programs have already exceeded their base equipment budgets and do not have the capacity to support this need. Insufficient funding for essential equipment exposes clients, staff, and the department to excessive risk.

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?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: AW M2-WK IT Systems Infrastructure.xlsx

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

These costs are ongoing and carry forward into future biennia.

Department of Social and Health Services

DP Code/Title: M2-WK IT Systems Infrastructure
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
P Debt Service	0	100,000	100,000

DSHS Source Code Detail

Overall Funding		<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	0	52,000	52,000
<i>Total for Fund 001-1</i>		0	52,000	52,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19UL	Title XIX Admin (50%)	0	48,000	48,000
<i>Total for Fund 001-C</i>		0	48,000	48,000
Total Overall Funding		0	100,000	100,000

2016 Supplemental Budget
AW M2-WK IT Systems Infrastructure

Department of Social & Health Services

Program	Year				ISSD - TZ				Total		
	2016	2017	Total		2016	2017	Total		2016	2017	Total
010	\$ -	\$ 55,000	\$ 55,000		\$ -	\$ -	\$ -		\$ -	\$ 55,000	\$ 55,000
020	\$ -	\$ 21,000	\$ 21,000		\$ -	\$ -	\$ -		\$ -	\$ 21,000	\$ 21,000
030	\$ -	\$ 39,000	\$ 39,000		\$ -	\$ -	\$ -		\$ -	\$ 39,000	\$ 39,000
040	\$ 470,000	\$ 968,000	\$ 1,438,000		\$ -	\$ -	\$ -		\$ 470,000	\$ 968,000	\$ 1,438,000
050	\$ -	\$ 100,000	\$ 100,000		\$ -	\$ -	\$ -		\$ -	\$ 100,000	\$ 100,000
060	\$ -	\$ 191,000	\$ 191,000		\$ -	\$ -	\$ -		\$ -	\$ 191,000	\$ 191,000
070	\$ -	\$ 1,000	\$ 1,000		\$ -	\$ -	\$ -		\$ -	\$ 1,000	\$ 1,000
100	\$ -	\$ 12,000	\$ 12,000		\$ -	\$ -	\$ -		\$ -	\$ 12,000	\$ 12,000
110	\$ -	\$ 70,000	\$ 70,000		\$ -	\$ -	\$ -		\$ -	\$ 70,000	\$ 70,000
135	\$ -	\$ 52,000	\$ 52,000		\$ -	\$ -	\$ -		\$ -	\$ 52,000	\$ 52,000
160	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Total	\$ 470,000	\$ 1,509,000	\$ 1,979,000		\$ -	\$ -	\$ -		\$ 470,000	\$ 1,509,000	\$ 1,979,000

State/Other Split

Program	State				Federal				Total		
	2016	2017	Total		2016	2017	Total		2016	2017	Total
010	\$ -	\$ 50,000	\$ 50,000		\$ -	\$ 5,000	\$ 5,000		\$ -	\$ 55,000	\$ 55,000
020	\$ -	\$ 21,000	\$ 21,000		\$ -	\$ -	\$ -		\$ -	\$ 21,000	\$ 21,000
030	\$ -	\$ 35,000	\$ 35,000		\$ -	\$ 4,000	\$ 4,000		\$ -	\$ 39,000	\$ 39,000
040	\$ 282,000	\$ 586,000	\$ 868,000		\$ 188,000	\$ 382,000	\$ 570,000		\$ 470,000	\$ 968,000	\$ 1,438,000
050	\$ -	\$ 52,000	\$ 52,000		\$ -	\$ 48,000	\$ 48,000		\$ -	\$ 100,000	\$ 100,000
060	\$ -	\$ 113,000	\$ 113,000		\$ -	\$ 78,000	\$ 78,000		\$ -	\$ 191,000	\$ 191,000
070	\$ -	\$ 1,000	\$ 1,000		\$ -	\$ -	\$ -		\$ -	\$ 1,000	\$ 1,000
100	\$ -	\$ -	\$ -		\$ -	\$ 12,000	\$ 12,000		\$ -	\$ 12,000	\$ 12,000
110	\$ -	\$ 52,000	\$ 52,000		\$ -	\$ 18,000	\$ 18,000		\$ -	\$ 70,000	\$ 70,000
135	\$ -	\$ 52,000	\$ 52,000		\$ -	\$ -	\$ -		\$ -	\$ 52,000	\$ 52,000
160	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Total	\$ 282,000	\$ 962,000	\$ 1,244,000		\$ 188,000	\$ 547,000	\$ 735,000		\$ 470,000	\$ 1,509,000	\$ 1,979,000

Department of Social and Health Services

DP Code/Title: M2-WM Technical Corrections
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Recommendation Summary Text:

DSHS requests technical corrections in the 2016 Supplemental Budget for the Children's Administration (CA), Rehabilitation Administration (RA), Behavioral Health and Service Integration Administration (BHSIA) Mental Health Division (MHD), Developmental Disability Administration (DDA), Aging & Long Term Support Administration (ALTSA), Economic Services Administration (ESA), Division of Vocational Rehabilitation (DVR), Administration & Supporting Services (Admin), Special Commitment Center (SCC), and Consolidated Field Services (CFS).

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	131,000	338,000	469,000
001-C General Fund - Basic Account-Medicaid Federal	121,000	310,000	431,000
Total Cost	252,000	648,000	900,000

Staffing

Package Description:

Research and Data Analysis (RDA) FTEs only
(Program 110):

RDA provides support to DSHS programs as well as other state agencies for special projects needing data and analytical skills. There are Memorandums of Understanding with the programs or other state agencies for the special projects. Funding for the projects is provided by the programs and other state agencies. The costs for projects within DSHS are charged to the program providing the funding. For other state agencies reimbursement is based on monthly invoices sent to the benefiting agency. In either case, the FTE expenditures are not recovered. This request would provide for 16.0 FTEs for the Special Projects.

Admin Special Projects FTEs only
(Program 110):

Funding was provided for Improving Service Delivery. During the Carry Forward Level process the FTEs related to the funding were removed. The funding allows RDA to design, test, implement, maintain and enhance highly complex programming processes integrating disparate data sources into analytical processes that meet legislatively required health care quality and outcome metric reporting requirements. This request would restore the 2.0 FTEs for the program.

Consolidated Field Services (CFS) Regional Business Centers (RBCs) FTE only
(Program 160):

When the CFS budget was determined for the RBCs it was based on funding for 22 FTEs. Only 21 FTEs were transferred from the programs to CFS. This request is for 1.0 FTE to align the number of FTEs with the funding for the RBCs.

DDA Specialized Services
(Program 040):

The 2015 17 Biennial Budget placed all of the funding for Specialized Services in Category 2000. Some of the services are provided by professional services, Budget Unit H54, Category 1000. This request moves the funding between Categories within DDA the net impact is zero.

Reconciliation of Lease Facilities
(Program 010, 060, 100 and 110):

The Total Need for Leases for the 2015 17 Biennium is \$122,180,000. The amount provided in the 2015 17 Biennial Budget was

Department of Social and Health Services

DP Code/Title: M2-WM Technical Corrections
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

\$87,000. This leaves a Carry Forward Level (CFL) of \$122,093,000. The DSHS Agency Request CFL was \$122,040,000. This request is for \$53,000 to bring the funding for Lease Facilities into line with the Total Need for Leases. GF State \$84,000 / GF Federal (\$21,000)

Compensation for New FTEs
(Programs 010, 020, 030, 040, 050, 060 and 135)

There were several steps in the 2015 17 Biennial Budget that either added or removed FTEs and related salaries and benefits to the DSHS programs. These FTE changes are not reflected in the Compensation Impact Model file so any increases in compensation (3% + 1.8%, Health Insurance Premium and Pension Rates) would not have been included in the funding provided to the agency for the FTEs. This request is for \$3,670,000 GF State, \$4,865,000 Total funds.

Compensation Impact Model Correction
(Programs 020, 160):

When reconciling the funding provided to the agency for the various compensation steps (WFSE, Coalition, SEIU, Non Rep, etc.) it was determined that the amount of funding in two programs was incorrect. Working with the Office of Financial Management compensation staff, the following was determined: For JRA there was a reallocation of the Juvenile Rehabilitation classifications. OFM calculated the increase on 572 affected positions. The actual number of positions affected was 649. The JRA request is for \$263,000 for the biennium. In the Admin budget, the amount of funding provided should have been the amount needed for Admin, Information Support Services Division, and CFS. The CFS information was not included in the output that was used to enter the funding into the DSHS budget. The Admin request is for \$764,000 for the biennium. The CFS funding is distributed out to the programs based on the chargeback methodology for CFS. The total request is for \$881,000 GF State, \$1,027,000 Total Funds.

DDA Financial Eligibility
(Program 040):

DDA requests 3.3 FTE and \$571,000 Total Funds, \$144,000 GF State, for financial eligibility workers for new workload due to the caseload increase resulting from implementing the Community First Choice (CFC) Medicaid state plan option. These positions were inadvertently left out of the budget appropriation for DDA to implement the CFC initiative.

MHD Category Correction
(Program 030):

MHD requests the transfer of \$2,000 in FY18 and \$5,000 in FY19, General Fund State funding from Category 1000 to Category 9000. This transfer will correct the category for the Carry Forward Level G05 Biennialize Employee PEBB Rate.

These technical corrections will bring the funding into line with anticipated expenditures throughout the agency.

Agency contact: Bill Jordan 360 902 8183.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Funding this request will prevent any negative impact on client services.

Performance Measure Detail

Agency Level

Activity: E051 Program Support for Long Term Care

No measures linked to package

Incremental Changes

FY 1 FY 2

0.00 0.00

Activity: E052 Eligibility/Case Management Services

No measures linked to package

Incremental Changes

FY 1 FY 2

0.00 0.00

Department of Social and Health Services

DP Code/Title: M2-WM Technical Corrections
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

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

The budget request supports DSHS Goals: Health - Each individual and each community will be healthy, and Public Trust - Strong management practices will be used to ensure quality and efficiency.

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

This decision package supports the Results Washington goals to: Goal 5: Efficient, Effective & Accountable Government - Resource Stewardship - Ensure that funding is used responsibly, and Goal 5: Efficient, Effective & Accountable Government - Transparency and Accountability - Ensure efficiency, performance, and accountability to the public by providing transparency and accountability in state agency operations.

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 request cannot be absorbed within existing resources without reducing the funding for services to clients.

What are the consequences of adopting or not adopting this package?

Funding this request will prevent any negative impact on client services.

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

This request has no impact on the capital budget.

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

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment AW M2 WM Technical Corrections.xlsx.

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

These technical corrections are one time, and then all costs associated with it will be ongoing and will carry forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	165,000	403,000	568,000
B Employee Benefits	87,000	245,000	332,000
Total Objects	252,000	648,000	900,000

Department of Social and Health Services

DP Code/Title: M2-WM Technical Corrections
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

DSHS Source Code Detail

Overall Funding		<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	131,000	338,000	469,000
<i>Total for Fund 001-1</i>		131,000	338,000	469,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19UL	Title XIX Admin (50%)	121,000	310,000	431,000
<i>Total for Fund 001-C</i>		121,000	310,000	431,000
Total Overall Funding		252,000	648,000	900,000

2016 Supplemental Budget
M2-WM Technical Corrections
COMPENSATION FOR NEW FTEs

FY 2016	PROGRAM							TOTAL
	010 CA	020 RA	030 MHD	040 DDA	050 ALTSA	060 ESA	135 SCC	
SALARY	58,000	2,000	343,000	216,000	148,000	196,000	(2,000)	961,000
BENEFITS	32,000	-	194,000	108,000	87,000	105,000	-	526,000
TOTAL	90,000	2,000	537,000	324,000	235,000	301,000	(2,000)	1,487,000
STATE	88,000	2,000	500,000	191,000	122,000	223,000	(2,000)	1,124,000
FEDERAL	2,000	-	37,000	133,000	113,000	78,000	-	363,000
TOTAL	90,000	2,000	537,000	324,000	235,000	301,000	(2,000)	1,487,000

FY 2017	PROGRAM							TOTAL
	010 CA	020 RA	030 MHD	040 DDA	050 ALTSA	060 ESA	135 SCC	
SALARY	118,000	(5,000)	788,000	442,000	369,000	318,000	(9,000)	2,021,000
BENEFITS	78,000	(4,000)	527,000	303,000	245,000	215,000	(7,000)	1,357,000
TOTAL	196,000	(9,000)	1,315,000	745,000	614,000	533,000	(16,000)	3,378,000
STATE	191,000	(9,000)	1,225,000	440,000	320,000	395,000	(16,000)	2,546,000
FEDERAL	5,000	-	90,000	305,000	294,000	138,000	-	832,000
TOTAL	196,000	(9,000)	1,315,000	745,000	614,000	533,000	(16,000)	3,378,000

BIENNIAL TOTAL	PROGRAM							TOTAL
	010 CA	020 RA	030 MHD	040 DDA	050 ALTSA	060 ESA	135 SCC	
SALARY	206,000	(3,000)	1,288,000	633,000	491,000	541,000	(11,000)	3,145,000
BENEFITS	80,000	(4,000)	564,000	436,000	358,000	293,000	(7,000)	1,720,000
TOTAL	286,000	(7,000)	1,852,000	1,069,000	849,000	834,000	(18,000)	4,865,000
STATE	279,000	(7,000)	1,725,000	631,000	442,000	618,000	(18,000)	3,670,000
FEDERAL	7,000	-	127,000	438,000	407,000	216,000	-	1,195,000
TOTAL	286,000	(7,000)	1,852,000	1,069,000	849,000	834,000	(18,000)	4,865,000

Department of Social and Health Services

DP Code/Title: M2-WN State Data Center Adjustments
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Recommendation Summary Text:

DSHS requests funding in the 2016 Supplemental Budget for the increase in facility charges by WaTech for information technology (IT) equipment enclosures in the new State Data Center. Revised Code of Washington (RCW) 43.41A.150 states, "state agencies shall locate all existing and new servers in the State Data Center". The equipment located in the State Data Center provides critical IT infrastructure needed to support and serve DSHS clients.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	26,000	26,000	52,000
001-C General Fund - Basic Account-Medicaid Federal	24,000	24,000	48,000
Total Cost	50,000	50,000	100,000

Staffing

Package Description:

Problem:

RCW 43.41A.150 requires all state agencies to locate all existing and new IT equipment into the new State Data Center. The facility costs for locating this equipment in the new State Data Center has significantly increased for DSHS. These increased costs exceed the agency's current funding levels for this service due to this required change. The IT equipment moved into the new State Data Center supports IT infrastructure needed to provide critical support to serve the citizens of Washington State.

Solution:

DSHS recently completed the required migration of moving existing and new Information Technology equipment from the OB2 Data Center to the new State Data Center by the June 30, 2015 deadline to comply with RCW 43.41A.150. The facility costs have increased from \$53,000 for FY15 using the OB2 Data Center to \$511,200 for FY16 and future years (based on current usage) using the new State Data Center.

The new State Data Center rates are based on both enclosure space and electrical usage. The new rate formula is:

- \$1000 per 42 RU enclosures per month @5KW and \$500 per 2.5KW increase up to a maximum of 12.5 KW or

- \$650 per 21 RU maximum per month @2.5KW for a partially filled enclosure.

DSHS has 4 enclosures costing \$650, 20 enclosures costing \$1000, 8 enclosures costing \$1500, and 4 enclosures costing \$2000 per month.

Agency Contact: Don Petrich 360-902-7831

Program Contact: Pat Marsh 360-902-7721

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

DSHS is utilizing the new State Data Center in compliance with RCW 43.41A.150. The new State Data Center reduces security risks for state agencies and provides a robust and reliable facility environment for IT equipment providing critical client services. Funding this request will strengthen the foundation for delivering these critical services to citizens in need.

Department of Social and Health Services

DP Code/Title: M2-WN State Data Center Adjustments
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Performance Measure Detail

Agency Level

Activity: E051 Program Support for Long Term Care

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 is essential in supporting strategic objects:

- 1.1 Provide data, analyses, and information to support innovations that improve the effectiveness of services to clients.
- 1.3: Fiscal stewardship of programs and activities.

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

This decision package support Results Washington Goal 5: Efficient, Effective & Accountable Government - Resource Stewardship - Ensure that funding is used responsibly.

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

This funding request supports the agency and Washington State citizens it serves with updated, consistent and reliable information technology infrastructure and systems.

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

DSHS consolidated and virtualized as much of the DSHS information technology equipment as possible prior to the migration from the OB2 Data Center to the new State Data Center to reduce the total costs and footprint at the new State Data Center.

No other alternatives were available as this migration was required by law (RCW 43.41A.150).

What are the consequences of adopting or not adopting this package?

Failure to provide funding for the increased mandatory costs presents a risk to program operations. Programs have already exceeded their base information technology budgets and do not have the capacity to support this need. Insufficient funding for essential information technology services exposes clients, staff, and the department to excessive risk.

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?

This request allows DSHS to comply with RCW 43.41A.150 without negatively impacting funding for direct client services.

Expenditure and revenue calculations and assumptions

Please see attached M2-WN State Data Center Adjustment workbook.

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

All costs are one-time; however, if there are adjustments in rates, DSHS will ask for an adjustment to compensate for that future rate adjustment.

Department of Social and Health Services

DP Code/Title: M2-WN State Data Center Adjustments
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
E Goods\Other Services	33,000	33,000	66,000
T Intra-Agency Reimbursements	17,000	17,000	34,000
Total Objects	50,000	50,000	100,000

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 Title</u>			
0011 General Fund State	26,000	26,000	52,000
<i>Total for Fund 001-1</i>	26,000	26,000	52,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19UL Title XIX Admin (50%)	24,000	24,000	48,000
<i>Total for Fund 001-C</i>	24,000	24,000	48,000
Total Overall Funding	50,000	50,000	100,000

Department of Social and Health Services
M2-WN State Data Center Adjustment Workbook

Program	FY2016	FY2017	Total
010	71,000	71,000	142,000
020	13,000	13,000	26,000
030	11,000	11,000	22,000
040	15,000	15,000	30,000
050	50,000	50,000	100,000
060	276,000	276,000	552,000
070	2,000	2,000	4,000
100	5,000	5,000	10,000
110	12,000	12,000	24,000
135	3,000	3,000	6,000
150	0	0	0
Total	458,000	458,000	916,000

Program	FY2016 EL	FY2016 TZ	FY2017 EL	FY2017 TZ
010	38,000	33,000	38,000	33,000
020	6,000	7,000	6,000	7,000
030	0	11,000	0	11,000
040	0	15,000	0	15,000
050	33,000	17,000	33,000	17,000
060	173,000	103,000	173,000	103,000
070	0	2,000	0	2,000
100	0	5,000	0	5,000
110	0	12,000	0	12,000
135	0	3,000	0	3,000
150	208,000	(208,000)	208,000	(208,000)
Total	458,000	0	458,000	0

Program	FY2016 GFS	FY2016 FED	FY2016 Total	FY2017 GFS	FY2017 FED	FY2017 Total	2015-17 GFS	2015-17 FED	2015-17 Total
010	69,000	2,000	71,000	69,000	2,000	71,000	138,000	4,000	142,000
020	13,000	0	13,000	13,000	0	13,000	26,000	0	26,000
030	10,000	1,000	11,000	10,000	1,000	11,000	20,000	2,000	22,000
040	9,000	6,000	15,000	9,000	6,000	15,000	18,000	12,000	30,000
050	26,000	24,000	50,000	26,000	24,000	50,000	52,000	48,000	100,000
060	172,000	104,000	276,000	172,000	104,000	276,000	344,000	208,000	552,000
070	2,000	0	2,000	2,000	0	2,000	4,000	0	4,000
100	5,000	0	5,000	5,000	0	5,000	10,000	0	10,000
110	10,000	2,000	12,000	10,000	2,000	12,000	20,000	4,000	24,000
135	3,000	0	3,000	3,000	0	3,000	6,000	0	6,000
150	0	0	0	0	0	0	0	0	0
Total	319,000	139,000	458,000	319,000	139,000	458,000	638,000	278,000	916,000

Department of Social and Health Services

DP Code/Title: M2-WP MS Office 365

Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Recommendation Summary Text:

DSHS requests funding in the 2016 Supplemental Budget for the purchase of Microsoft Office 365 and Enterprise CAL Suite software license for the department. By funding this request, the department will be able to improve productivity, reduce legal exposure regarding license tracking, provide enhanced abilities for legal discovery and public disclosure requests, and remain in compliance with federal Health Insurance Portability and Accountability Act (HIPAA) and Internal Revenue Service (IRS) 1075 Category 3 and Category 4 data requirements.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	66,000	66,000	132,000
001-C General Fund - Basic Account-Medicaid Federal	59,000	59,000	118,000
Total Cost	125,000	125,000	250,000

Staffing

Package Description:

Problem:

DSHS currently operates using minimal basic licenses for the primary business tools used across the Department. Without this critical upgrade, the Department continues to fall further behind in IT advancements which limits capabilities in developing an enterprise cloud strategy to enable the Department to remain in alignment with the broader overall state strategy and direction for information technology. Without needed upgrades to key business tools utilized enterprise-wide, the Department is at risk for federal audit findings in relation to HIPPA and IRS 1075 laws, which could result in significant monetary penalties for crucial federal funding streams. The Department is further at risk to legal exposure around license tracking, legal discovery and public disclosure requests.

The Department currently is unable to utilize such features as delivering key performance indicators on SharePoint dashboards, enhanced search of documents, and automated document routing and approvals, which could reduce time to delivery of services. Currently there is no ability to integrate Office documents and Business Analytics Reporting. This prevents the use of intelligent dashboards for making better business decisions and tracking performance indicators. In addition, the Department will incur additional licensing and other fees for the use of Skype for Business conferencing.

With the upgrade to Microsoft Office 365 and the Enterprise CAL Suite, DSHS Programs can realize the full business productivity features of SharePoint, Office, Skype for Business conferencing and applications developed using the Microsoft environment. This software will always operate on the latest release giving users immediate access to ever-changing technological advancements. Office 365 and the Enterprise CAL Suite moves DSHS from a per device licensing to a per user licensing method for some products. In field offices, this means that fewer licenses are likely to be required. This will position DSHS stakeholders to access critical e-mails, schedules, tasks, etc. from anywhere, thereby increasing productivity from the latest workflow and collaboration based office tools. Platform enhancements will result in zero productivity loss and reduced time to value realization. The Department can save key resources by significantly reducing capital investments and increasing transparency in terms of service cost and improved billing processes.

Solution:

DSHS would upgrade 19,181 user licenses from the current basic license of the Microsoft Enterprise Agreement to the Microsoft Office 365 and Enterprise CAL Suite. This upgrade requires no organizational change management requirements, is technically

Department of Social and Health Services

DP Code/Title: **M2-WP MS Office 365**

Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

simple, will not require any change in business operations, and will not introduce any new technical complexity into the environment. This will provide new capabilities to improve security across the Department's enterprise, and is designed to significantly modernize a core part of state IT infrastructure using a cloud-based approach with primary goals and outcomes well defined, and results that can be measured immediately upon completion.

Agency Contact: Don Petrich 360-902-7831
Program Contact: Kristine Marree Williams 360-902-8040

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Procurement of the Microsoft Office 365 and Enterprise CAL Suite license offers upgrades to SharePoint, Skype for Business conferencing and other features that provide the ability to implement improvements such as management dashboards tied to key indicators (providing real time decision data), search for documents across all DSHS SharePoint sites (improving ability to locate documents for public disclosure and the like), direct editing of files from SharePoint web pages (improving productivity and reducing duplication of files), and conferencing features (reducing the need for travel costs and time), among many other features.

Performance Measure Detail

Agency Level

	Incremental Changes	
	<u>FY 1</u>	<u>FY 2</u>
Activity: D065 Office of Deaf and Hard of Hearing No measures linked to package	0.00	0.00
	Incremental Changes	
	<u>FY 1</u>	<u>FY 2</u>
Activity: E051 Program Support for Long Term Care No measures linked to package	0.00	0.00
	Incremental Changes	
	<u>FY 1</u>	<u>FY 2</u>
Activity: E053 In-Home Services No measures linked to package	0.00	0.00
	Incremental Changes	
	<u>FY 1</u>	<u>FY 2</u>
Activity: E054 Investigations/Quality Assurance for Vulnerable Adults No measures linked to package	0.00	0.00

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

This decision package is essential to implement the following strategic objectives:
1.1 Provide data, analyses, and information to support innovations that improve the effectiveness of services to clients.
5.14 Ensure technology investments meet current and emerging business needs.

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

This decision package supports the following Result Washington Goals:

Goal 5: Efficient, Effective & Accountable Government - by reducing future ongoing costs while continuously improving services; supporting a more productive workforce and increasing/maintaining the timely delivery of state services; ensuring funding is used responsibly by increasing the percentage of projects with measured improvements in cost, quality, time and customer and employee satisfaction; keeping the Microsoft service platform efficient, nimble, and cost-effective; improving service, and providing increased options to partners and clients.

Goal 5: Efficient, Effective & Accountable Government - Resource Stewardship - Ensure that funding is used responsibly.

Department of Social and Health Services

DP Code/Title: M2-WP MS Office 365

Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Goal 5: Efficient, Effective & Accountable Government - Transparency and Accountability - Ensure efficiency, performance, and accountability to the public by providing transparency and accountability in state agency operations.

Goal 5: Efficient, Effective & Accountable Government - Customer Satisfaction and Confidence - 1.1 Increase customer services.

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

The stakeholders are the DSHS users who will benefit from Microsoft Office 365 and Enterprise CAL Suite. Some of the agencies that DSHS interacts/partners with have developed applications that require Office 365 and the Enterprise CAL Suite to be able to connect and use. WaTech is implementing some communication services that require users to have Office 365. This Office 365 and Enterprise CAL Suite procurement will enhance the work efficiency of our internal stakeholders by providing the ability to use document workflow for initiating, tracking, document review and approval, issue tracking, and signature collection. DSHS stakeholders will also have access to Systems Center data protection manager to secure their desktops.

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

The Department considered the alternative of continuing with minimal basic licenses through the Microsoft Enterprise Agreement and not upgrading to the Microsoft Office 365 and Enterprise CAL Suite software license. However, minimal basic licenses for the primary business tools used across the Department impede productivity, expose the agency to legal and financial risks around license tracking, legal discovery and public disclosure requests, and limit the Department's abilities to move to a shared service cloud model, improve communications and support workflow automation.

By funding this request, the Department will be able to improve productivity, reduce legal exposure regarding license tracking, provide enhanced abilities for legal discovery and public disclosure requests, and remain in compliance with a strategic stance for federal HIPAA and IRS 1075 Category 3 and Category 4 data requirements.

What are the consequences of adopting or not adopting this package?

Consequences of not funding this package include reduced productivity and increased legal and financial risk around license tracking, legal discovery and public disclosure requests.

Not upgrading the primary business tools used enterprise-wide limits the Department's abilities to move to a shared service cloud model, improve communications and support workflow automation.

Without upgrades to the key business tools utilized enterprise-wide, the Department is also at risk for federal audit findings in relation to HIPAA and IRS 1075 Category 3 and 4 data requirements, which could result in significant monetary penalties and loss of crucial federal funding streams.

Without this upgrade, the Department is also unable to utilize such features as:

- Automated document routing and approval workflows, which could reduce time for delivering services.
- Improved communications between staff and across programs through tools such as Skype for Business conferencing service (without incurring additional licensing and other fees).
- Collaboration between SharePoint and other applications such as Microsoft Dynamics CRM.
- Intelligent dashboards for making better business decisions and tracking performance indicators.
- Enhanced search and electronic discovery of documents for improved efficiencies in work processes and in response to public disclosure and investigative requests.

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

None.

Department of Social and Health Services

DP Code/Title: M2-WP MS Office 365

Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

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

None.

Expenditure and revenue calculations and assumptions

Please see attached M2-WP MS Office 365 workbook.

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

Costs are one-time but need to continue forward in the 2017-19 Carry Forward Level.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
J Capital Outlays	125,000	125,000	250,000

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 Title</u>			
0011 General Fund State	66,000	66,000	132,000
<i>Total for Fund 001-1</i>	66,000	66,000	132,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19UL Title XIX Admin (50%)	59,000	59,000	118,000
<i>Total for Fund 001-C</i>	59,000	59,000	118,000
Total Overall Funding	125,000	125,000	250,000

Department of Social and Health Services

M2-WP MS Office 365 Workbook

Program	FY2016	FY2017	Total
010	250,000	250,000	500,000
020	99,000	69,000	168,000
030	256,000	184,000	440,000
040	336,000	228,000	564,000
050	125,000	125,000	250,000
060	533,000	533,000	1,066,000
070	7,000	7,000	14,000
100	37,000	37,000	74,000
110	93,000	93,000	186,000
135	62,000	40,000	102,000
Total	1,798,000	1,566,000	3,364,000

Program	FY2016 GFS	FY2016 FED	FY2016 Total	FY2017 GFS	FY2017 FED	FY2017 Total	2015-17 GFS	2015-17 FED	2015-17 Total
010	244,000	6,000	250,000	244,000	6,000	250,000	488,000	12,000	500,000
020	99,000	0	99,000	69,000	0	69,000	168,000	0	168,000
030	239,000	17,000	256,000	171,000	13,000	184,000	410,000	30,000	440,000
040	198,000	138,000	336,000	135,000	93,000	228,000	333,000	231,000	564,000
050	66,000	59,000	125,000	66,000	59,000	125,000	132,000	118,000	250,000
060	333,000	200,000	533,000	333,000	200,000	533,000	666,000	400,000	1,066,000
070	6,000	1,000	7,000	6,000	1,000	7,000	12,000	2,000	14,000
100	37,000	0	37,000	37,000	0	37,000	74,000	0	74,000
110	76,000	17,000	93,000	76,000	17,000	93,000	152,000	34,000	186,000
135	62,000	0	62,000	40,000	0	40,000	102,000	0	102,000
Total	1,360,000	438,000	1,798,000	1,177,000	389,000	1,566,000	2,537,000	827,000	3,364,000

Information Technology Addendum

Recsum Code and Title **Agency Wide – DSHS M2-WP MS Office 365**

Brief Description: The Services and Enterprise Support Administration (SESA) requests funding in the 2016 Supplemental Budget for the purchase of Microsoft Office 365 and Enterprise CAL Suite software license for the Department. By funding this request, the Department will be able to improve productivity, reduce legal exposure regarding license tracking, provide enhanced abilities for legal discovery and public disclosure requests, and remain in compliance with federal HIPAA and IRS 1075 Category 3 and Category 4 data requirements.

If this investment includes the use of servers, do you plan to use the state data center?

- Yes No, waiver received No, waiver not received Does not apply

Business Transformation - This criteria is used to assess the IT proposals supporting business changes made to improve service or access to information for agency customers or citizens.

Business Process Improvement: Primary goal of the proposal is to transform an agency business process -- This criterion will be used to assess the transformative nature of the project (INTENT: to incent agencies to take transformative projects that may include risk).

By moving to the Microsoft Office 365 and Enterprise CAL Suite software license for the Department, we will obtain additional features that will allow us to transform our business processes and enhance our services through the use of enhanced desktop productivity tools across the agency.

- There is an increasing need for the SharePoint ECAL as part of the SharePoint 2013 Project. These features include:
 - Business Intelligence to allow for enterprise wide use of scorecards and trending analysis, using real time data.
 - Enterprise Search features to allow for more efficient response to discovery requests.
 - Could be cost offsets from current BI expenditures.
- As we move towards an Enterprise System Center Configuration Manager solution we will require the System Center Suite CAL, included with the ECAL, which will allow us to better manage workstations and better align with recent OCIO policy and standards for products reaching end of life.
- Exchange Enterprise benefits:
 - Help support the mobility initiative by giving us the ability to apply advanced ActiveSync policies, which will give a higher level of management of mobile devices.

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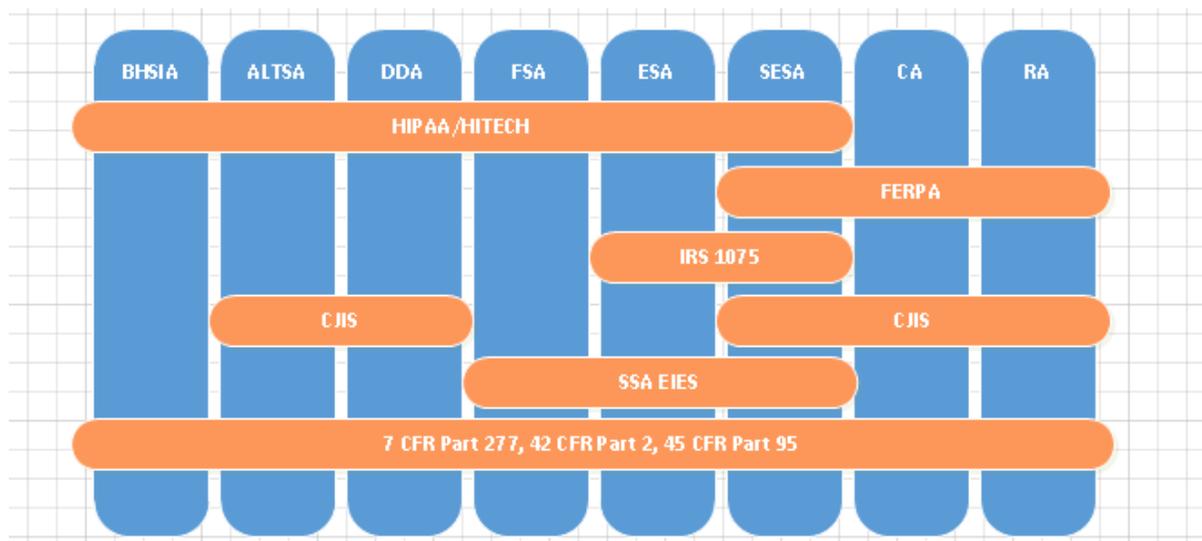
- Data Loss Prevention will provide the Department with the ability to control the release of sensitive data, such as PII, credit cards, or any data determined to be sensitive.

Procurement of the Microsoft Office 365 and Enterprise CAL Suite license offers upgrades to SharePoint, Skype for Business conferencing and other features that provide the ability to transform business processes by implementing improvements such as management dashboards tied to key indicators (providing real time decision data), searching for documents across all DSHS SharePoint sites (improving ability to locate documents for public disclosure and the like), direct editing of files from SharePoint web pages (improving productivity and reducing duplication of files), and conferencing features (reducing the need for travel costs and time), among many other features.

Risk Mitigation: Primary goal is to mitigate risks associated with transformative initiatives. This criterion will be used to determine if the initiative provides adequate resources to mitigate risks associated with a transformative initiative. Risk planning may include budgeting for independent Quality Assurance, organizational change management, training, staffing, etc. (INTENT: Drive business value by encouraging risk taking that is well managed.)

Without upgrades to the key business tools utilized enterprise-wide, the Department is at risk for federal audit findings in relation to HIPAA and IRS 1075 category 3 and 4 data requirements, which could result in significant monetary penalties and loss of crucial federal funding streams.

DSHS Federal Privacy and Information Security Compliance Requirements



Customer Facing Value: Add value in short increments -- This criterion will be used to determine if the initiative provides “customer-facing value” in small increments, quickly to drive our agile strategy. (INTENT: drive agencies to producing value more quickly and incrementally).

The customers immediately receiving value from this investment are the DSHS users who will quickly benefit from Microsoft Office 365 and Enterprise CAL Suite.

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Procurement of the Microsoft Office 365 and Enterprise CAL Suite license offers upgrades to SharePoint, Skype for Business conferencing and other features that provide customers the ability to implement improvements such as management dashboards tied to key indicators (providing real time decision data), search for documents across all DSHS SharePoint sites (improving ability to locate documents for public disclosure and the like), direct editing of files from SharePoint web pages (improving productivity and reducing duplication of files), and conferencing features (reducing the need for travel costs and time), among many other features.

This Office 365 and Enterprise CAL Suite procurement will enhance the work efficiency of our internal customers by providing the ability to use document workflow for initiating, tracking, document review and approval, issue tracking, and signature collection. DSHS customers will also have access to Systems Center data protection manager to secure their desktops.

As some of the agencies that DSHS interacts/partners with have developed applications that require Office 365 and the Enterprise CAL Suite to be able to connect and use, customers will quickly receive value by being able to use these partners' applications.

Customers will also see value through reduced future ongoing costs and continuously improving services; supporting a more productive workforce and increasing/maintaining the timely delivery of state services; ensuring funding is used responsibly by increasing the percentage of projects with measured improvements in cost, quality, time and customer and employee satisfaction; keeping the Microsoft service platform efficient, nimble, and cost-effective; improving service, and providing increased options to partners and clients

Open Data: New datasets exposed -- This criterion will be used to assess if the initiative will increase public access to searchable, consumable machine readable data from state agencies. (INTENT: to drive agencies to make more data available to citizens. We also value make data available internally for better decision making).

This Office 365 and Enterprise CAL Suite procurement will make data available internally for better decision making.

The Department will be able to take advantage of features such as SharePoint dashboards to speed and improve decision making through delivery of key performance indicators and integration of Office documents and Business Analytics Reporting; enhanced document searches, which would assist in timelier response to legal discovery and public disclosure requests; as well as automated workflows for document routing and approvals, which could speed and improve decisions as well as reduce time to delivery of services.

Transparency/Accountability: Project is clear, measurable, and immediate -- This criterion will be used to assess if the initiative specifies the following: 1. Are the goals articulated? 2. Are performance outcomes identified, quantified and measurable? (INTENT: agency with better project and outcome performance measure get more points).

The investment's goals for procuring Microsoft Office 365 and Enterprise CAL Suite include:

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- reducing future ongoing costs while improving services
- supporting a more productive workforce
- providing enhanced abilities for legal discovery and public disclosure requests
- strengthening compliance with federal HIPAA and IRS 1075 Category 3 and Category 4 data security requirements
- reducing legal exposure regarding license tracking, legal discovery and public disclosure requests
- keeping the Microsoft service platform efficient, nimble, and cost-effective
- improving service and providing increased options to partners and clients

The functionality resulting from productivity software licensing at the Office 365 and Enterprise CAL Suite level includes improved communication, collaboration, presence, synchronous communications (instant messaging), enterprise content management, information rights management, client workstation security, server and Web security, client and server real-time monitoring and updates, conferencing, Web-based forms solutions, and business data connectors, among many other features.

Sample performance outcomes include:

- Time/productivity gains through improved ability to locate documents across current information boundaries and overcome lack of search features across sister organizations (without which documents are unnecessarily duplicated and cause increased IT storage requirements and costs)
- Reduced travel time and associated costs by using multi-point group video conferencing through Skype for Business conferencing, and eliminating the need to pay for additional licenses for WebEx, GoToMeeting, or other conferencing services currently used in the Department
- Better/faster decision-making as a result of access to real-time decision support through key performance indicators highlighted in management dashboards posted on SharePoint webpages or sent via e-mails directly to management wherever they can access Outlook
- Improved collaboration and productivity, and reduced duplication of files, through direct editing of files from SharePoint webpages

Sample performance measures include:

- Improved response times for public disclosure requests as a result of better document search capabilities
- Reduction in IT storage costs for documents as a result of reduced duplication of files
- Reduction in license costs for WebEx, GoToMeeting and other conferencing services as a result of using Skype for Business conferencing included in the Microsoft Enterprise CAL Suite of products.

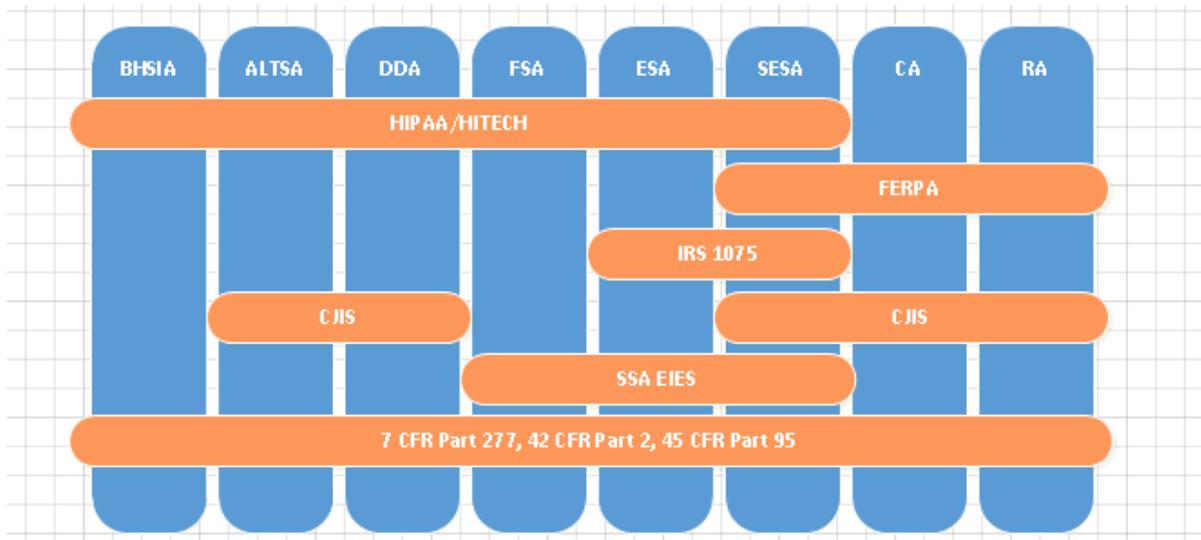
Technology Strategy Alignment – This criteria is used to assess the alignment of the request to the larger technology strategy of the state.

Security: Improve agency security - This criterion will be used to assess the improvements to the overall security posture for an agency. (INTENT: to award additional points to projects where intent is to improve the security across an agency).

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Department of Social and Health Services**

The investment enhances the overall security posture for DSHS through the use of key business tools across the enterprise that allow for better protection of Category 3 and Category 4 data covered by regulations such as HIPAA, IRS 1075 and others pictured below. The Department’s data is at risk without the improved infrastructure security provided by these software products.

DSHS Federal Privacy and Information Security Compliance Requirements



Modernization of state government: Cloud first -- This criterion will be used to assess if the initiative will result in replacing legacy systems with contemporary solutions that drive our cloud-first strategy. (INTENT: to drive agencies to look more intently at leveraging cloud based solutions).

This will be a key step for DSHS to develop an enterprise cloud strategy in alignment with broader state strategy; to identify and move key workloads to the cloud; to always be on the latest software release, and to allow seamless upgrades as part of service.

This investment allows the Department to move forward in adoption of Cloud services. This Microsoft Office 365 software license helps position the Department to take advantage of Cloud-based business tools and processes, promotes innovative delivery of services by allowing for more Cloud adoption to increase agility and pace of government, and improves security by allowing integration of Cloud technology with the Department’s infrastructure.

This investment will reduce our dependency on legacy systems. It will also enhance and modernize our current desktop productivity tools, allowing for a more efficient and secure computing environment. These enhanced toolsets will increase the availability of business analytical tools to all staff for improved decision making.

Mobility: New mobile services for citizens -- This criterion will be used to assess the contribution of the initiative to support mobile government services for citizens and a mobile workforce. (INTENT: to drive agencies to look for ways to deliver results and

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services that are accessible to citizen from mobile devices. We value mobility for employees as well but value mobility for citizens more).

This investment does not directly improve mobile access to services for customers.

Interoperability: Adds value in 6 months -- This criterion will be used to determine if the initiative provides a technology system or software application that distributes, consumes, or exchanges data. (INTENT: drive agencies to acquiring and/or developing systems that are interoperable across the state enterprise).

This investment provides a suite of Microsoft software applications that are interoperable across the state enterprise and promote improved communication, collaboration, presence, synchronous communications (instant messaging), enterprise content management, information rights management, client security, server and Web security, client and server real-time monitoring and updates, conferencing, Web-based forms solutions, and business data connectors, among many other features.

The shared Microsoft platform also enables development of more interoperable applications across the state enterprise.

Financial - This criterion will be used to assess the initiatives financial contribution. The extent the initiative uses other fund sources, reduces cost for the state, or captures new or unrealized revenue.

Captures new or unrealized revenue: This criteria is calculated based on the amount of new or unrealized revenue captured by the end of biennium 17-19 as a proportion of total investment. To get the full points in this criteria projects must capture at least 5x the amount of the investment by the end of biennium 17-19.

This investment does not generate new revenue or capture additional revenue left “on the table” by current solutions.

Reduces Costs: This criteria is calculated based on the amount of cost reduction by the end of biennium 17-19 as a proportion of total investment. To get the full points in this criteria projects must reduce costs by at least 2x the amount of the investment by the end of biennium 17-19.

This investment could eliminate the need for additional agreements with other software vendors (McAfee; WebEx) which could result in a cost savings of over \$150,000 per year. This will also reduce the number of CRM licenses required as the Enterprise CAL would allow reports to be generated from CRM data and viewed in SharePoint. Users could view these reports via the SharePoint site, eliminating the need of an explicit CRM license.

Leverages Federal/Grant Funding: This criteria is to calculate the degree in which projects are funded by federal or grant dollars. Projects that are fully funded by federal or grant sources receive full points.

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Many program areas in DSHS receive federal or grant dollars and have requested the expansion of the licensing agreement to support management of documents within their workflow processes, and other features that the Office 365 and Enterprise CAL Suite provide to meet their business needs. We estimate approximately 30% of the cost is expected to be federally funded.

The following chart shows the federal/state funding splits for these licensing costs.

Program	Number of Users based on Jan 2015 Renewal Counts	PROJECTED COSTS TO MOVE TO O365			FY16 State	FY16 Federal	FY17 State	FY17 Federal	FY16 State Rounded	FY16 Federal Rounded	FY17 State Rounded	FY17 Federal Rounded
		Year 1 True Up Payment - Feb 2016 (FY16) One Time Payment - to bring remaining 259 Users to ECAL Suite and readiness for O365 Add On - Covers thru end of term	O365 Increase for Year 2 (March 2016)	O365 Increase for Year 3 (March 2017)								
TOTALS	19181	\$233,080.87	\$1,565,896.48	\$1,565,896.48	1,360,814	438,164	1,176,973	388,923	1,360,000	438,000	1,177,000	389,000
010 CA	2878	\$0.00	\$250,558.39	\$250,558.39	244,294	6,264	244,294	6,264	244,000	6,000	244,000	6,000
020 JRA	1108	\$29,697.69	\$69,361.24	\$69,361.24	99,059	0	69,361	0	99,000	0	69,000	0
030 MH HQ	60	\$0.00	\$5,986.20	\$5,986.20	5,577	409	5,577	409	6,000	0	6,000	0
030 MH CSTC	153	\$5,399.58	\$8,897.79	\$8,897.79	13,319	978	8,289	609	13,000	1,000	8,000	1,000
030 MH ESH	706	\$19,798.46	\$43,934.68	\$43,934.68	59,374	4,359	40,930	3,005	59,000	4,000	41,000	3,000
030 MH WSH	1958	\$47,696.29	\$124,917.79	\$124,917.79	160,807	11,807	116,373	8,544	161,000	12,000	116,000	9,000
040 DDA	3749	\$107,990.60	\$227,727.82	\$227,727.82	198,141	137,577	134,405	93,323	198,000	138,000	135,000	93,000
050 AAS	1502	\$0.00	\$123,509.46	\$123,509.46	64,324	59,186	64,324	59,186	64,000	59,000	64,000	59,000
060 ESA	4974	\$0.00	\$533,151.37	\$533,151.37	333,380	199,772	333,380	199,772	333,000	200,000	333,000	200,000
070 DASA	55	\$0.00	\$6,846.70	\$6,846.70	5,548	1,299	5,548	1,299	6,000	1,000	6,000	1,000
100 DVR	321	\$0.00	\$37,051.38	\$37,051.38	37,051	0	37,051	0	37,000	0	37,000	0
050 ODDH	13	\$0.00	\$1,595.19	\$1,595.19	1,595	0	1,595	0	2,000	0	2,000	0
110 /150	1024	\$0.00	\$92,403.47	\$92,403.47	75,891	16,513	75,891	16,513	76,000	17,000	76,000	17,000
135 SCC	680	\$22,498.25	\$39,955.00	\$39,955.00	62,453	0	39,955	0	62,000	0	40,000	0

Department of Social and Health Services

DP Code/Title: M2-WV Vancouver Furniture COP
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Recommendation Summary Text:

DSHS requests funding to cover the ongoing costs of a Certificate of Participation (COP) for new furnishings purchased for the new leased facility in Vancouver which opened November 1, 2014.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	41,000	41,000	82,000
001-C General Fund - Basic Account-Medicaid Federal	38,000	38,000	76,000
Total Cost	79,000	79,000	158,000

Staffing

Package Description:

Problem Statement

DSHS requested one-time relocation costs for Fiscal Year 2015 in the 2014 Supplemental Budget to cover the first of seven annual COP payments for furniture at the new Vancouver site. The department planned on including the six remaining annual COP payments in the agency's ongoing lease budget. While OFM Facility Oversight supported the furniture purchase and funding request, they determined that the ongoing lease budget was not the appropriate place to make a request for furniture financing. Subsequently, OFM Facility Oversight removed the amount from DSHS' lease adjustment request prior to making their recommendation in the Governor's budget.

Proposed Solution

DSHS is committed to six annual payments to the State Treasurer of \$301,500 beginning Fiscal Year 2016 and ending Fiscal Year 2021. This cost cannot be absorbed within existing resources without a negative impact to client services. New funding will be necessary.

Agency Contact: Denise Kopel (360)902-7707

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Funding this request will allow DSHS to meet its financial obligation to the State Treasurer.

Performance Measure Detail

Agency Level

Activity: E052 Eligibility/Case Management Services
 No measures linked to package

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

Activity: E054 Investigations/Quality Assurance for Vulnerable Adults
 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-WV Vancouver Furniture COP
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Health - Each individual and each community will be healthy.

Safety - Each individual and each community will be safe.

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

This Decision package supports the Result Washington:

Goal 4: Healthy & Safe Communities - Safe People - Help keep people safe in their homes, on their jobs, and in their communities.

Goal 5: Efficient, Effective & Accountable Government - Customer Satisfaction and Confidence - 1.1 Increase customer services.

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

Lack of funding will negatively impact client services.

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

DSHS considered used and/or pre-owned systems furniture for this facility. The availability was insufficient to provide the clean and uniform appearance for 387 workstations. While DSHS will most likely occupy this newly constructed facility for twenty or more years, this was a prime opportunity to introduce new furnishings into the agency inventory and dispose of old broken furniture systems.

What are the consequences of adopting or not adopting this package?

DSHS will not meet its financial obligation to the State Treasurer without overspending program budgets or cutting services to clients.

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

This request has no impact on the capital budget.

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

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: AW M2-WV Vancouver Furniture COP.xlsx

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

These costs are financed over six years and will carry forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
P Debt Service	79,000	79,000	158,000

Department of Social and Health Services

DP Code/Title: M2-WV Vancouver Furniture COP
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

DSHS Source Code Detail

Overall Funding		<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	41,000	41,000	82,000
<i>Total for Fund 001-1</i>		41,000	41,000	82,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19UL	Title XIX Admin (50%)	38,000	38,000	76,000
<i>Total for Fund 001-C</i>		38,000	38,000	76,000
Total Overall Funding		79,000	79,000	158,000

**2016 Supplemental Budget
M2-WV Vancouver Furniture COP**

Furniture Certificate of Participation for Vancouver Facility

Program	State			Other Funds			Total		
	2016	2017	Total	2016	2017	Total	2016	2017	Total
050 - LTC	\$ 41,000	\$ 41,000	\$ 82,000	\$ 38,000	\$ 38,000	\$ 76,000	\$ 79,000	\$ 79,000	\$ 158,000
060 - ESA	\$ 132,000	\$ 132,000	\$ 264,000	\$ 78,000	\$ 78,000	\$ 156,000	\$ 210,000	\$ 210,000	\$ 420,000
100 - DVR	\$ 8,000	\$ 8,000	\$ 16,000	\$ 4,000	\$ 4,000	\$ 8,000	\$ 12,000	\$ 12,000	\$ 24,000
TOTAL	\$ 181,000	\$ 181,000	\$ 362,000	\$ 120,000	\$ 120,000	\$ 240,000	\$ 301,000	\$ 301,000	\$ 602,000

Financed Amount is \$1,606,353 over six years (FY2016-FY2021)

**2016 Supplemental Budget
M2-WV Vancouver Furniture COP**

Furniture Certificate of Participation for Vancouver DSHS Collocation

Division	Program	Fund	Approp	SProgram	Org Code	Allocation	Total		
							2016	2017	Total
HCS 77%	050	001	EA*	E4391	E43X	9533	\$ 61,188	\$ 61,188	\$ 122,376
RCS 23%	050	001	EA*	E3729	E73X	9529	\$ 18,277	\$ 18,277	\$ 36,554
TOTAL 050							\$ 79,465	\$ 79,465	\$ 158,930
DCS	060	001	FA*	F4211	M6B0	9999	\$ 75,570	\$ 75,570	\$ 151,140
CSD	060	001	FA*	F9711	R6E1	9999	\$ 134,779	\$ 134,779	\$ 269,558
TOTAL 060							\$ 210,349	\$ 210,349	\$ 420,698
DVR	100	001	KA*	J1811	J607	P26B	\$ 11,686	\$ 11,686	\$ 23,372
TOTAL 100							\$ 11,686	\$ 11,686	\$ 23,372
TOTAL OBJECT P							\$ 301,500	\$ 301,500	\$ 603,000

Financed Amount is \$1,606,353 over six years (FY2016-FY2021)

Department of Social and Health Services

DP Code/Title: PL-EJ Behavior Support Intervention
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Aging and Long Term Support Administration (ALTSA) requests \$1,311,000 (\$656,000 GF-State) to add new Medicaid waiver services for positive behavioral support resources and technical assistance for 500 clients during times of behavioral escalation, including those that occur outside typical business hours. This will improve the ability of Home and Community Services (HCS) to find placements when clients are discharged from state psychiatric and acute care hospitals and the likelihood that clients can remain stable in these placements.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	656,000	656,000
001-C General Fund - Basic Account-Medicaid Federal	0	655,000	655,000
Total Cost	0	1,311,000	1,311,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	0.0	4.0	2.0

Package Description:

Problem Statement

To maintain community options for ALTSA residential clients at risk for unnecessary psychiatric hospitalization, clients and providers need access to in-person positive behavioral support resources and technical assistance during times of behavioral escalation, including those that occur outside typical business hours. Behavioral escalation is a frequent cause of re-hospitalizations, which are expensive and often not the most effective way to support the resident to remain in the community. Behaviors that create a major challenge for the residential provider include yelling, elopement, an individual making statements that threaten assault, spontaneous aggressive posturing or other actions that could put the client, provider or other residents at risk.

Access to these timely supports will provide stability for clients and providers, and improve the skills of providers to identify triggers and successful de-escalation strategies. These services will support ALTSA to meet the goals of increasing the capacity for residential providers to respond effectively to behavioral challenges and reducing unnecessary emergency room and psychiatric hospitalization for individuals who do not meet the criteria of crisis as defined in the mental health system.

Proposed Solution

ALTSA will amend an existing 1915(c) Medicaid Waiver to allow contracted services that offer enhanced behavior support intervention services that allow response to residential clients at times of behavior escalation, cross-system transition and crisis planning. This will include clients in assisted living facilities, enhanced service facilities, and - primarily - adult family homes. The additional contracted services will include: pre-transition behavior support planning that occurs while clients are still in institutional settings, and capability to provide after-hours, in-person response to residential providers when clients are exhibiting escalating behaviors. In addition, funds will support enhanced cross-system coordination and training for residential providers, state staff and community partners.

The additional waiver services would be available to approximately 500 individuals per year. To manage this new service, four new positions are created in the department to develop and manage the new set of waiver services and to provide additional capacity at the local level to support the clients to remain in the community. These include one Behavior Support Specialist at headquarters, and one Social Service Specialist 3 in each of the department's regions.

Department of Social and Health Services

DP Code/Title: PL-EJ Behavior Support Intervention
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

In addition, AL TSA will collaborate with the department's Division of Behavioral Health and Recovery (DBHR) to develop a training plan for partners across the systems of care.

Agency Contact: Bryan Way 360-902-7769
Program Contact: Assistant Secretary Bill Moss 360-725-2311

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The length of time individuals wait for discharge options at the state hospital will be reduced. The number of AL TSA clients who are diverted from or transition out of state or local psychiatric beds will be less likely to be re-admitted to emergency rooms or one of the state hospitals, allowing state hospital ward space to be repurposed for other types of mental health clients more appropriate for hospital settings.

Performance Measure Detail

Agency Level

Activity: E050 Adult Family Home Community Services

No measures linked to package

Incremental Changes

FY 1 **FY 2**

0.00 0.00

Activity: E051 Program Support for Long Term Care

No measures linked to package

Incremental Changes

FY 1 **FY 2**

0.00 0.00

Activity: E052 Eligibility/Case Management Services

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 is essential to implementing AL TSA's Strategic Objective 4.1: Ensure seniors and individuals with a disability who are in need of long-term services and supports are supported in their community; and, Strategic Objective 4.2: Increase the number of individuals AL TSA is able to assist in transitioning to their homes or the community from nursing homes.

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

This decision package supports the Results Washington Goal 4: Healthy and Safe Communities - Supported People - Increase the percentage of long-term services and support clients served in home and community-based settings from 83.9% to 85% by June 2017.

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

Residential providers and client advocates are expected to support the additional services to promote successful residential transitions.

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

Another avenue explored was adding funding to the existing contracts with the Regional Support Networks (RSNs) through the Behavioral Health and Service Integration Administration (BHSIA). However, given that the clients in need of these services are clients of AL TSA with specific behavioral support needs that fall outside of what the RSNs typically provide, it was deemed more effective to contract with the service providers and manage the program directly.

Department of Social and Health Services

DP Code/Title: PL-EJ Behavior Support Intervention
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

What are the consequences of adopting or not adopting this package?

Current rate of emergency room visits and re-hospitalizations will remain unchanged. This disrupts the lives of the clients and decreases the number of residential providers willing to accept clients with challenging behavioral profiles.

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

This request has no relationship to the state's capital budget.

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

The Residential Supports Waiver will need to be amended effective July 1, 2016 to add these additional services for an estimated 500 clients.

Expenditure and revenue calculations and assumptions

Please see attachment PL EJ Behavior Support Intervention for calculations and assumptions.

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

These costs are ongoing and will continue into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	0	241,000	241,000
B Employee Benefits	0	93,000	93,000
E Goods\Other Services	0	34,000	34,000
G Travel	0	1,000	1,000
J Capital Outlays	0	24,000	24,000
N Grants, Benefits & Client Services	0	913,000	913,000
P Debt Service	0	1,000	1,000
T Intra-Agency Reimbursements	0	4,000	4,000
Total Objects	0	1,311,000	1,311,000

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 Title</u>			
0011 General Fund State	0	656,000	656,000
<i>Total for Fund 001-1</i>	0	656,000	656,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19TA Title XIX Assistance (FMAP)	0	456,000	456,000
19UL Title XIX Admin (50%)	0	199,000	199,000
<i>Total for Fund 001-C</i>	0	655,000	655,000
Total Overall Funding	0	1,311,000	1,311,000

2016 Supplemental Budget
PL EJ Behavior Support Intervention

	FY17	FY18	FY19	TOTAL	
				2015-17	2017-19
Service Cost					
GF-State	\$ 457,000	\$ 457,000	\$ 457,000	\$ 457,000	\$ 914,000
Federal	456,000	456,000	456,000	456,000	912,000
Subtotal	\$ 913,000	\$ 913,000	\$ 913,000	\$ 913,000	\$ 1,826,000
Train the Trainer					
GF-State	\$ 5,000	\$ -	\$ -	\$ 5,000	\$ -
Federal	5,000	-	-	5,000	-
Subtotal	\$ 10,000	\$ -	\$ -	\$ 10,000	\$ -
Staffing					
FTE	4.0	4.0	4.0	2.0	4.0
GF-State	\$ 194,000	\$ 182,000	\$ 182,000	\$ 194,000	\$ 364,000
Federal	194,000	182,000	182,000	194,000	364,000
Subtotal	\$ 388,000	\$ 364,000	\$ 364,000	\$ 388,000	\$ 728,000
Total Request					
FTE	4.0	4.0	4.0	2.0	4.0
GF-State	\$ 656,000	\$ 639,000	\$ 639,000	\$ 656,000	\$ 1,278,000
Federal	655,000	638,000	638,000	655,000	1,276,000
TOTAL REQUEST	\$ 1,311,000	\$ 1,277,000	\$ 1,277,000	\$ 1,311,000	\$ 2,554,000

Department of Social and Health Services

DP Code/Title: PL-EN Expand Family Caregiver Support
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Aging and Long-Term Support Administration (AL TSA) requests four FTE program staff and \$6,875,000 GF-State to expand the Family Caregiver Support Program (FCSP) that will delay or divert individuals from entering the more expensive Medicaid long term care system. FCSP has been shown to reduce or delay the cost of people entering Medicaid by providing services such as respite, consultation and options counseling, training, equipment, and evidence-based interventions. It addresses the growth of the aging population and helps manage the state's financial pressure from increasing demand for community based supports due to age, disability or dementia.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	6,875,000	6,875,000
Total Cost	0	6,875,000	6,875,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	0.0	4.0	2.0

Package Description:

Problem Statement

Washington's Age Wave is here, as illustrated by a 25 percent increase in the number of Washingtonians identifying as caregivers in a recent two year span. 830,000 caregivers provide services estimated worth \$10.6 billion/year compared to Medicaid LTC services of \$1.5 billion/year. If current demand for Medicaid Long Term Care (LTC) services matches the demographic increase, the state budget will be significantly impacted. Current funding levels for FCSP reach about one percent of Washington's caregiver population each year. Due to the lack of dedicated program staff, the programs do not have a chance of expanding to meet the growing service needs of individuals.

A report issued by DSHS Research and Data Analysis in April 2014 found that caregivers who had greater access to an evidence-based caregiver assessment (TCARE®) and FCSP services helped families delay entrance to Medicaid LTC services by 20% as compared to caregivers who had more stringent eligibility program access. In addition, TCARE service data (CY2013) shows that caregivers with any level of TCARE intervention cut their risk of entering Medicaid LTC to less than half of those who did not receive TCARE. A TCARE data evaluation report from University of Wisconsin concludes that some caregivers whose care receiver did enter Medicaid did so because help came too late in the caregiver's journey. Supporting caregivers earlier before stress, depression and burnout take its toll could give them the skills and support to continue caregiving in a longer, healthier way, with better outcomes for themselves and the people for whom they care. Approximately 40 percent of the FCSP service dollars go to respite for unpaid caregivers. Some investment is needed to upgrade the TCARE system, connecting it to the state's options counseling and client management system, thus allowing insights to and valuable data regarding effective interventions and outcomes.

Individuals who need supports and services including family members caring for them need access to unbiased options counseling. Many individuals have the ability to pay privately for help, but don't know the best mix of personalized services and supports or how to access and pay for them. Lack of this information means they often spend more for services and supports than necessary and spend down to Medicaid earlier than they need to. Unbiased options counseling and assistance helps individuals understand their options and use their private resources most wisely to maintain independent living without resorting to Medicaid-funded LTC. Access to Chronic Disease and Chronic Pain Self-Management classes help individuals learn to take charge of improving their health and quality of life outcomes. Washington has a good federal grant-funded infrastructure built, but needs a modest state investment to sustain it.

Department of Social and Health Services

DP Code/Title: PL-EN Expand Family Caregiver Support
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

People with dementia and multiple chronic conditions often present significant challenges for both family and paid providers. Evidence-based or evidence-informed interventions such as Memory Care and Wellness (MCWS), Enhance Mobility and STAR-C are pilot programs that have a positive impact on the health of individuals served, can offer a break from caregiving, and teach understanding and strategies to caregivers and clients. Current state funding for MCWS sustains small programs in two geographical areas. Federal grant funds for a third area have run out. Funding is needed to sustain and expand these programs to serve more families.

Proposed Solution

The funding would expand FCSP services to roughly 5,500 additional caregivers and persons struggling without family caregivers support. Options counseling and direct assistance would be available to more people to understand options, plan for outcomes and access available resources (private and public) to meet long term care needs. Evidence-based programs would be sustained and expanded, providing staff training, service dollars and a dedicated program manager. The ratio of around 40 percent of the service dollars going to respite care would continue. The TCARE IT update would make critical data upload between systems efficient and enhance usability and reporting.

In addition up to 40,000 more individuals may be briefly assisted with information and simple referrals while screening for those needing more in depth services. The dementia related Evidence-Based programs would have modest expansion and the Chronic Disease and Pain Self-Management programs will be sustained and more widely available. Exploration of new Evidence Based Practices will also be explored to improve the health and well-being of Washingtonians, helping them avoid needing Medicaid services in the future. IT enhancements would begin to release at the end of Fiscal Year 2017, making data entry and collection more efficient. The four dedicated staff positions would be divided into two focused on evidence based programs and interventions and two focused on family caregiver Access services.

Agency Contact: Bryan Way 360-902-7769
Program Contact: Assistant Secretary Bill Moss 360-725-2311

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The budget request supports DSHS Goal 4: Quality of Life - Each individual in need will be supported to attain the highest possible quality of life. This decision package is essential to implementing AL TSA Strategic Objective 4.4 - Support families and informal caregivers that provide unpaid support to those in need and Objective 4.1 Ensure seniors and individuals with a disability who are in need of long-term services and supports are supported in their community.

This request supports the Results Washington Healthy People Goal 3.2.a: Increase percentage of long-term service and support clients served in home and community-based settings. This group of services will support more people to not only stay out of expensive institutional settings, but it will support them to delay or avoid reliance on Medicaid LTC funding. In addition to the bottom line of funding, this is a win-win prospect that will improve their quality of life.

Performance Measure Detail

Agency Level

Activity: E051 Program Support for Long Term Care

No measures linked to package

Incremental Changes

FY 1 **FY 2**

0.00 0.00

Activity: E053 In-Home Services

No measures linked to package

Incremental Changes

FY 1 **FY 2**

0.00 0.00

Department of Social and Health Services

DP Code/Title: PL-EN Expand Family Caregiver Support
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

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

This decision package is essential to implementing AL TSA's Strategic Objective:

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

4.4: Support families and informal caregivers who provide unpaid support to those in need.

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

This decision package supports the Results Washington goal(s) to:

Goal 4: Healthy and Safe Communities - Fostering the health of Washingtonians for a healthy start to a safe and supported future.

Goal 4: Healthy & Safe Communities - Support People - Help the most vulnerable people become independent and self-sufficient.

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

The counties, AAAs, senior advocates such as AARP, Eldercare Alliance and Senior Lobby; and disability advocates such as Centers for Independent Living, the TBI Resource Center, and PAVE are expected to strongly support fully funding this service package. There are no known opponents.

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

AL TSA is also pursuing a 1115 demonstration project with the federal Centers for Medicare and Medicaid to try to claim federal matching funds by demonstrating that the Family Caregiver Support Program is a long-term cost-effective investment for both the state and the federal government in providing quality care for people in their own homes as long as possible in the face of the rapidly expanding over-65 population.

This alternative complements the proposed 1115 demonstration project by serving, on a sliding scale basis, caregivers of people not eligible for the 1115. It also supports the access component for both, which is the first activity of Medicaid diversion.

What are the consequences of adopting or not adopting this package?

The program will continue to reach only about one percent of eligible unpaid caregivers who support tomorrow's potential Medicaid recipients. Washingtonians will have less access to supports and services that will help enable them to remain living in their homes and make best use of their private funds.

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

This request has no relationship to the state's capital budget.

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

This request would require no changes to existing statutes, rules, or contracts.

Expenditure and revenue calculations and assumptions

Please see attachment PL EN Expand Family Caregiver Support for calculations and assumptions.

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

Department of Social and Health Services

**DP Code/Title: PL-EN Expand Family Caregiver Support
 Program Level - 050 Aging and Long-Term Support Admin**

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

These costs would be ongoing and carry forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	0	278,000	278,000
B Employee Benefits	0	94,000	94,000
E Goods\Other Services	0	57,000	57,000
G Travel	0	1,000	1,000
J Capital Outlays	0	24,000	24,000
N Grants, Benefits & Client Services	0	6,416,000	6,416,000
P Debt Service	0	1,000	1,000
T Intra-Agency Reimbursements	0	4,000	4,000
Total Objects	0	6,875,000	6,875,000

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	0	6,875,000	6,875,000
<i>Total for Fund 001-1</i>	0	6,875,000	6,875,000
Total Overall Funding	0	6,875,000	6,875,000

2016 Supplemental Budget
PL EN Expand Family Caregiver Support

Program	FTE	FY2017 & Ongoing
Family Caregiver Support Includes Respite, Information & Options Counseling	2.0	\$ 5,780,000
Evidence Based Programs Includes Memory Care Wellness and Chronic Disease Self-Management/Pain	2.0	1,095,000
TOTAL (GF-State Only)	4.0	\$ 6,875,000

Department of Social and Health Services

DP Code/Title: PL-EP Expand Kinship Care Navigator
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Aging and Long-Term Support Administration (AL TSA) requests \$468,000 GF-State in Fiscal Year 2017 to expand the Kinship Navigator program to the Colville Indian Reservation, the Yakama Nation, and other tribal areas currently without services. This expansion will allow more children to stay with their families, helping family members continue to care for children when the parents are not able to do so, will divert them from foster care.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	468,000	468,000
Total Cost	0	468,000	468,000

<u>Staffing</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	0.0	0.5	0.3

Package Description:

Problem Statement

Grandparents or other relatives often step in to raise children when parents are unable. In FY14, the Kinship Caregiver program supported nearly 2,000 caregivers raising over 3,300 children. Often these children have special needs due to earlier trauma. Many caregivers live on limited incomes, are overwhelmed, isolated and do not know where to turn for support and information to keep the children safe and well cared for. This problem is especially critical in Indian Country where elders are more often responsible for kin children. Without this support, families are less able to provide care and the child may enter the formal child welfare system.

Proposed Solution

Expand Current Kinship Navigator program to the unserved Colville Indian Reservation, Yakama Nation and other tribal areas through Area Agencies on Aging offices in their vicinities. A total of four FTE contracted Kinship Navigator positions are requested, along with 0.5 FTE to manage the \$2 million annual program (once expanded).

Agency Contact: Bryan Way 360-902-7769
 Program Contact: Assistant Secretary Bill Moss 360-725-2311

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

By assisting family members, usually grandparents, to continue to raise a child with the family even though the parents cannot do so, the child is much less likely to enter the foster care system. This keeps the family together, and prevents the direct and legal services costs of a foster care placement.

Performance Measure Detail

Agency Level

Activity: E051 Program Support for Long Term Care

Incremental Changes
FY 1 FY 2

Department of Social and Health Services

DP Code/Title: PL-EP Expand Kinship Care Navigator
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

No measures linked to package

0.00 0.00

Incremental Changes

Activity: E053 In-Home Services

FY 1 FY 2

No measures linked to package

0.00 0.00

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

This decision package is essential to implementing AL TSA's Strategic Objective 1.3: Improve health outcomes for children in foster care through delivery of care coordination services.

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

This decision package supports the Results Washington Goal 4: Healthy and Safe Communities - Fostering the health of Washingtonians for a healthy start to a safe and supported future.

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

Children's advocates, the Colville Reservation, Yakama Nation and other tribes will support additional funding for the program. There is no anticipated opposition.

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

Expanding the Kinship Navigator program was considered, but deemed too expensive for a supplemental budget compared to only targeting the areas of highest critical need.

What are the consequences of adopting or not adopting this package?

More Kinship Caregivers, mainly grandparents, will not be able to maintain custody of a child within the family, resulting in increased foster care placements.

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

This request has no relationship to the state's capital budget.

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

This request would require no changes to existing statutes, rules, or contracts.

Expenditure and revenue calculations and assumptions

The DSHS staffing model was used for the 0.5 FTE, estimated to cost \$68,000 GF-State per year and contracted FTE estimated to be \$400,000 GF-State per year.

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

These costs are ongoing and would carry forward into future biennia.

Department of Social and Health Services

DP Code/Title: PL-EP Expand Kinship Care Navigator
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	0	40,000	40,000
B Employee Benefits	0	19,000	19,000
E Goods\Other Services	0	5,000	5,000
J Capital Outlays	0	3,000	3,000
N Grants, Benefits & Client Services	0	400,000	400,000
T Intra-Agency Reimbursements	0	1,000	1,000
Total Objects	0	468,000	468,000

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	0	468,000	468,000
<i>Total for Fund 001-1</i>	0	468,000	468,000
Total Overall Funding	0	468,000	468,000

Department of Social and Health Services

DP Code/Title: PL-EQ Reduce Institutional Stays
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Aging and Long Term Support Administration (ALTSA) requests \$2,145,000 GF-State to increase the number of slots for individuals with significant needs who are not Medicaid eligible. There are currently 45 slots available, and this increase would serve an additional 27 long-term care clients and five additional Developmental Disabilities Administration (DDA) clients who are scheduled to lose services as they age out of foster care eligibility without a safe discharge option.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	2,145,000	2,145,000
Total Cost	0	2,145,000	2,145,000

Staffing

Package Description:

Problem Statement

The Legislature funded 45 slots to provide needed long-term services and supports to individuals with significant needs who are not Medicaid eligible. The program has a wait list of 27 individuals, and the average wait time for access is 14 months. An additional five clients currently served by DDA will need access to this program in the fiscal year or they will lose the services they currently receive. This is a critical program serving clients with heavy care needs who otherwise receive care in acute care settings because there is not a safe discharge option for them.

Proposed Solution

Increase the funding for this program to serve an additional 32 people with long-term services and supports. This number of slots will get all those waiting in the hospital a slot and cover the number of clients aging out DDA. The average daily cost of long-term care services per client is estimated at \$207.09 per day. No additional staff are required to manage the increase caseload. The Health Care Authority (HCA) is submitting a companion request to fund the medical services for these clients.

Agency Contact: Bryan Way 360-902-7769
 Program Contact: Assistant Secretary Bill Moss 360-725-2311

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

An additional 32 people will continue to receive necessary care to continue living with serious conditions such as cancer, kidney failure and other chronic long-term medical needs that require long-term services and supports. They can be transitioned from hospitals where they currently are a cost to the hospitals as charity care. The waitlist for people needing the services will be reduced to nearly zero based on current demand.

Performance Measure Detail

Agency Level

Activity: E050 Adult Family Home Community Services

Incremental Changes
FY 1 FY 2

Department of Social and Health Services

DP Code/Title: PL-EQ Reduce Institutional Stays
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

No measures linked to package	0.00	0.00
	Incremental Changes	
Activity: E053 In-Home Services	<u>FY 1</u>	<u>FY 2</u>
No measures linked to package	0.00	0.00
	Incremental Changes	
Activity: E055 Residential Community Services	<u>FY 1</u>	<u>FY 2</u>
No measures linked to package	0.00	0.00

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

This decision package is essential to implementing ALTSA's Strategic Objective 4.1: Ensure seniors and individuals with a disability who are in need of long-term services and supports are supported in their community.

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

This decision package supports the Results Washington Goal 4: Healthy & Safe Communities - Healthy People - Provide access to good medical care to improve people's lives - Supported People - Increase percentage of long-term service and support clients served in home and community-based settings from 83.9% to 85% by June 2017.

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

This solution is expected to be supported by the hospitals and disability advocates.

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

The alternative is to continue to manage the 45 existing slots with waitlist of people with serious medical needs who also need long-term services and supports.

What are the consequences of adopting or not adopting this package?

Most of the clients on the waitlist will remain in hospitals, using capacity that could otherwise be used for acute care treatment rather than in an ALTSA contracted nursing home or community residential setting.

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

This request has no relationship to the state's capital budget.

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

This request would require no changes to existing statutes, rules, or contracts.

Expenditure and revenue calculations and assumptions

Please see attachment PL EQ Reduce Institutional Stays for calculations and assumptions.

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.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	0	2,145,000	2,145,000

Department of Social and Health Services

DP Code/Title: PL-EQ Reduce Institutional Stays
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

DSHS Source Code Detail

Overall Funding		<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	0	2,145,000	2,145,000
<i>Total for Fund 001-1</i>		0	2,145,000	2,145,000
Total Overall Funding		0	2,145,000	2,145,000

2016 Supplemental Budget
PL EQ Reduce Institutional Stays

FY 2017	Clients from Waitlist	DDA Clients Aging Out	Per Capita	# Days/Month	Monthly Cost
July-16	12	1	\$ 207.09	31	\$ 83,000
August-16	24	1	207.09	31	160,000
September-16	27	2	207.09	30	180,000
October-16	27	2	207.09	31	186,000
November-16	27	2	207.09	30	180,000
December-16	27	3	207.09	31	193,000
January-17	27	3	207.09	31	193,000
February-17	27	3	207.09	28	174,000
March-17	27	4	207.09	31	199,000
April-17	27	4	207.09	30	193,000
May-17	27	5	207.09	31	205,000
June-17	27	5	207.09	30	199,000
FY2017 GF-State Request					2,145,000

FY 2018 & Ongoing	Clients from Waitlist	DDA Clients Aging Out	Per Capita	# Days/Month	Monthly Cost
July-17	27	5	\$ 207.09	31	\$ 205,000
August-17	27	5	207.09	31	205,000
September-17	27	5	207.09	30	199,000
October-17	27	5	207.09	31	205,000
November-17	27	5	207.09	30	199,000
December-17	27	5	207.09	31	205,000
January-18	27	5	207.09	31	205,000
February-18	27	5	207.09	28	186,000
March-18	27	5	207.09	31	205,000
April-18	27	5	207.09	30	199,000
May-18	27	5	207.09	31	205,000
June-18	27	5	207.09	30	199,000
FY2018 & Ongoing GF-State Request					2,417,000

Department of Social and Health Services

DP Code/Title: PL-EU Redesign In-Home System
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Aging and Long Term Support Administration (AL TSA) requests \$181,000 (\$91,000 GF-State) to use either one FTE beginning April 1, 2016, or contracted services to explore options to transform the individual provider (IP) home care program to improve quality, oversight, and efficiency and reduce potential state liability while maintaining a consumer directed program. Options for consideration will include the agency with choice model and models used by other states to operationalize their home care program. The department is required to provide the Legislature with a report in December 2016 that would detail the perspectives of other states, consumers and workers and make recommendations to improve Washington's IP home care program.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	21,000	70,000	91,000
001-C General Fund - Basic Account-Medicaid Federal	20,000	70,000	90,000
Total Cost	41,000	140,000	181,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	0.3	1.0	0.7

Package Description:

Problem Statement

Washington's success in providing home care for individuals who require long-term services and supports has created the need for a significant infrastructure to support individual providers of personal care to ensure that the state continues to have a viable long-term service and supports home care program. There are currently 35,000 IPs, and this number will grow significantly over the next decade as the number of people requiring in-home services increases as a result of the age wave. Ensuring our IP home care program is supported in an efficient manner as possible is vital to ensure that long-term services and supports are provided in the most cost effective manner that also reflects consumer choice in where individuals choose to live and receive services.

Proposed Solution

Given the importance of this issue, the department is requesting funding to look at other IP home care programs across the country and develop a report to the Legislature that would provide a basis for the Legislature to see what improvements could be made in Washington's program. The report will include the current state of our infrastructure as well as an analysis of what other states are doing that would improve Washington's IP home care program. In developing the report and conducting the assessment of other IP home care programs, the department will ensure consumer and stakeholder concerns and suggestions are included in the report. The report would be due to the Legislature by December 15, 2016.

Agency Contact: Bryan Way 360-902-7769
Program Contact: Assistant Secretary Bill Moss 360-725-2311

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The state invests nearly a billion dollars annually in the IP home care program. We would like to ensure that our system has

Department of Social and Health Services

DP Code/Title: PL-EU Redesign In-Home System
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

the capacity to meet the expected increase in need and does this work with maximum efficiency. This report will call out what modifications are necessary to ensure the most efficient use of resources in supporting IPs and provide maximum flexibility and consumer direction to individuals who receive personal care in their homes.

Performance Measure Detail

Agency Level

Activity: E051 Program Support for Long Term Care

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 is essential to implementing AL TSA's Strategic Objective 2.1: Ensure seniors and individuals with a disability who are in need of long-term services and supports are supported in their community.

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

This decision package supports the Results Washington goal(s) to:

Goal 4: Healthy & Safe Communities - Supported People - Quality of Life - 3.2.a Increase percentage of long-term service and support clients served in home and community-based settings.

Goal 5: Efficient, Effective & Accountable Government - Transparency and Accountability - Ensure efficiency, performance, and accountability to the public by providing transparency and accountability in state agency operations.

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

This proposal is supported by SEIU 775 and we expect that consumers and advocates will support this proposal as well, as it is intended to further strengthen our ability to ensure home care services and promote individual choices related to long-term services and supports.

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

The purpose of this request is to explore options and perhaps identify an alternative to the current IP in-home care system that is both responsive to client choice and financially efficient for the state.

What are the consequences of adopting or not adopting this package?

The consequence will be the inability to perform a detailed analysis of options for decision makers to consider when making revisions to the state's current IP home care system.

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

This request has no relationship to the state's capital budget.

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

This request would not require changes to existing statutes, rules, or contracts.

Expenditure and revenue calculations and assumptions

The DSHS staffing model was used to calculate the costs of this request. One WMS Band 2 position is needed beginning April 2016 and for each year ongoing. Costs were estimated to be \$41,000 Total Funds (\$21,000 GF-State) in FY16 and \$140,000 Total Funds (\$70,000 GF-State) in FY17 and ongoing.

Department of Social and Health Services

DP Code/Title: PL-EU Redesign In-Home System
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

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

These costs would be ongoing and would carry forward into the future.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	25,000	102,000	127,000
B Employee Benefits	8,000	31,000	39,000
E Goods\Other Services	2,000	6,000	8,000
J Capital Outlays	6,000	0	6,000
T Intra-Agency Reimbursements	0	1,000	1,000
Total Objects	41,000	140,000	181,000

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	21,000	70,000	91,000
<i>Total for Fund 001-1</i>	21,000	70,000	91,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources</u> <u>Title</u>			
19UL Title XIX Admin (50%)	20,000	70,000	90,000
<i>Total for Fund 001-C</i>	20,000	70,000	90,000
Total Overall Funding	41,000	140,000	181,000

Department of Social and Health Services

DP Code/Title: PL-EV ESF License Fee
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Aging and Long-Term Support Administration (AL TSA) requests \$176,000 total funds (\$88,000 Local) and 0.5 FTE to establish the Enhanced Service Facility (ESF) license fee to cover the cost of ESF licensing and enforcement as permitted in RCW 70.97.230 and WAC 388-107-1080. Enhanced Services Facilities must submit an annual per bed license fee of \$1,040 based on the licensed bed capacity.

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	44,000	44,000	88,000
001-C General Fund - Basic Account-Medicaid Federal	44,000	44,000	88,000
Total Cost	88,000	88,000	176,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	0.5	0.5	0.5

Package Description:

The Aging and Long-Term Support Administration (AL TSA) requests \$176,000 total funds (\$88,000 Local) and 0.5 FTE to establish the Enhanced Service Facility (ESF) license fee to cover the cost of ESF licensing and enforcement as permitted in RCW 70.97.230 and WAC 388-107-1080. Enhanced Services Facilities must submit an annual per bed license fee of \$1,040 based on the licensed bed capacity.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The outcome of this request is that the AL TSA will have sufficient local and federal authority to cover the cost of ESF licensing and enforcement.

Performance Measure Detail

Agency Level

Activity: E055 Residential Community 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 decision package is essential to implementing AL TSA's Strategic Objective 4.1: Ensure seniors and individuals with a disability who are in need of long-term services and supports are supported in their community.

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

This decision package supports the Results Washington Goal 4: Healthy & Safe Communities - Safe People - Help keep people safe in their homes, on their jobs, and in their communities.

Department of Social and Health Services

DP Code/Title: PL-EV ESF License Fee

Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

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?

Not applicable.

What are the consequences of adopting or not adopting this package?

The consequences of not funding this package are that additional GF-State funds would be needed to cover the costs of ESF licensing and enforcement.

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

This request has no relationship to the state's capital budget.

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

This request would require no changes to existing statutes, rules, or contracts.

Expenditure and revenue calculations and assumptions

Please see attachment PL EV ESF License Fee for calculations and assumptions.

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

These costs are ongoing and would carry forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	25,000	25,000	50,000
B Employee Benefits	15,000	15,000	30,000
E Goods\Other Services	2,000	2,000	4,000
G Travel	1,000	1,000	2,000
N Grants, Benefits & Client Services	44,000	44,000	88,000
T Intra-Agency Reimbursements	1,000	1,000	2,000
Total Objects	88,000	88,000	176,000

Department of Social and Health Services

DP Code/Title: **PL-EV ESF License Fee**

Program Level - **050 Aging and Long-Term Support Admin**

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

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	44,000	44,000	88,000
<i>Total for Fund 001-7</i>		44,000	44,000	88,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	22,000	22,000	44,000
19UL	Title XIX Admin (50%)	22,000	22,000	44,000
<i>Total for Fund 001-C</i>		44,000	44,000	88,000
Total Overall Funding		88,000	88,000	176,000

2016 Supplemental Budget

PL EV ESF License Fee

Projected Beds/Clients	FY15	FY16	FY17
Beds	-	42	42
Medicaid Clients	-	42	42
New Homes	-	-	-

Projected Fee	FY15	FY16	FY17
Current/Proposed Fee *	\$ -	\$ 1,040	\$ 1,040
Revenue Projection	-	44,000	44,000
Incremental Increase	-	1,040	-

Estimated Projected Expenditures	FY15	FY16	FY17
Projected Expenditures	\$ -	\$ 44,000	\$ 44,000
FY15 Initial Rate	-	44,000	44,000
Rate Increase	-	-	-
Total	\$ -	\$ 88,000	\$ 88,000

Split Total Cost in Available Funds	FY15	FY16	FY17
Local	\$ -	\$ 44,000	\$ 44,000
Federal (match local)	-	44,000	44,000
Subtotal of Available Funds	-	88,000	88,000
Estimated Expenses	-	88,000	88,000
Balance - State/Federal Still Required	\$ -	\$ -	\$ -

Rate Impact (X66)

LTC

	FY15	FY16	FY17
TOTAL	\$ -	\$ 44,000	\$ 44,000
GF-State	-	-	-
Federal	-	22,000	22,000
LOCAL	-	22,000	22,000

Cost of Oversight Impact (J73)

LTC

	FY15	FY16	FY17
TOTAL	\$ -	\$ 44,000	\$ 44,000
GF-State	-	-	-
Federal	-	22,000	22,000
LOCAL	-	22,000	22,000

TOTAL of Budget Steps

LTC

	FY15	FY16	FY17
TOTAL	\$ -	\$ 88,000	\$ 88,000
GF-State	-	-	-
Federal	-	44,000	44,000
LOCAL	-	44,000	44,000

**2016 Supplemental Budget
PL EV ESF License Fee**

**State of Washington
Request for Fees
2015-17 Biennium**

	Code	Title
AGENCY	300	Dept of Social & Health Services

Incremental Revenue			
Dollars in Thousands			
GF-S		Other Funds	

Agy #	Agency Name	Fee Code	Name of Fee	Is a bill required?	Z-Draft # (or Pending)	New, Increased, Continued?	FY 2016	FY 2017	FY 2016	FY 2017	Tied to Expenditure Change?	Fee Payer Position	Explanation of Change See Instructions
300	DSHS	E004	Enhanced Services Facility License Fee	No	N/A	New	-	-	88,000	88,000	New community residential setting, so fee and expenditures are both new.	Agency. Fee amount was established in WAC 388-107-1080 already.	A \$1,040 fee is outlined in WAC 388-107-1080 and RCW 70.97.230. License fees are intended to cover the cost of licensing and enforcement.
Additional Comments													

Department of Social and Health Services

DP Code/Title: **PL-S4 Health Homes**

Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Aging and Long Term Support Administration (AL TSA) requests funding to continue the evidence based Health Home (HH) program, which is part of the department's federal dual eligibles demonstration project. Funding is critical to maintain the program as authorized by the Affordable Care Act, Section 2703. HH services are provided to over 3,000 high risk Medicaid beneficiaries who may also receive Medicare benefits in 37 counties. The program provides health home services designed to decrease fragmentation, improve access to care, increase quality, and promote person-centered care bridging care providers. Funds are necessary to support the service costs allowing the state to receive federal Medicare and Medicaid shared savings for Fiscal Year 2017, 2018 and 2019.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
	<i>Program Cost</i>		
	Total Cost		

Staffing

Package Description:

Problem Statement

The HH program, as part of the agency's dual eligibles demonstration project, is a federal-state partnership that provides a new opportunity to establish a care management program for Medicaid beneficiaries including those who also receive Medicare benefits. Eligible beneficiaries have at least one chronic condition and are at risk for another, including mental illness and substance use disorder. The state and the federal government are able to benefit from Medicare and Medicaid savings resulting from improvements in coordinating health care and reducing costs. This is the first and only opportunity available for states to share Medicare savings with the federal government, when an intervention that they implement results in Medicare savings to the federal government.

Beneficiaries participating in the HH program have demonstrated healthy lifestyle behavior change as a result of receiving HH services including care coordination, person-centered health action planning, and comprehensive care management. HH care coordinators provide intensive and individualized care by utilizing community partners in the delivery of the program and connecting the beneficiary to social and health services when needed. The HH program has shown health care cost savings and positive beneficiary outcomes. In the 2015-2017 budget, funding was eliminated as of December 31, 2015. Without ongoing funding, the HH program will be terminated, along with any opportunity to receive Medicare shared savings payments for years after the first year of the demonstration.

The Health Care Authority (HCA) has dedicated a portion of the Apple Health capitation payment specifically for HH services. However, without the state plan amendment authorizing HH services, care coordination will not be the evidence based HH program, and there will be no care coordination for those who receive Medicare or are not receiving services through Apple Health. If the Health Home program is not funded, Washington State will lose the opportunity to assist over 3,000 high risk beneficiaries who benefit from HH services in 37 counties of the state, to continue to enroll and engage additional eligible beneficiaries and to share in potential federal Medicare savings resulting from the project.

Proposed Solution

Department of Social and Health Services

DP Code/Title: PL-S4 Health Homes

Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

ALTSA will request continued staffing and service costs needed to pay for the HH community based activities delivered to the eligible beneficiaries. The Medicare shared savings are projected to be sufficient to fund the HH program in future years including staff and services. Currently the program is available in 37 of the 39 counties in Washington State. The shared savings are projected to exceed the general fund-state expenditures (essentially generating additional federal revenue) in FY17, FY18 and FY19. The savings will increase each year as the program matures and will be sufficient to sustain the program.

Agency Contact: Bryan Way 360-902-7769

Program Contact: Assistant Secretary Bill Moss 360-725-2311

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The HH program is specifically identified in the BHSIA Strategic Plan Objective 4.1: Improve health care outcomes for beneficiaries with high risk factors through implementation of the Medicaid health home benefit. Preliminary qualitative measures have shown a reduction in Medicare inpatient hospital admissions, avoidable emergency room visits, Medicare inpatient psychiatric admissions, and all cause readmissions. It is also a factor in decreasing the need for nursing admissions.

Beneficiaries with high medical risk factors continue to experience poor health outcomes, in many cases because of low engagement in managing their health needs. This results in poor outcomes for the beneficiaries and higher costs to the state. Assisting beneficiaries to self-manage their chronic conditions through the provision of the HH program can activate them in taking a more active role in managing their health care, which many times means lower health care costs, especially unnecessary emergency room visits and hospitalizations.

The HH program provides intensive care coordination and comprehensive care management, and has produced improved health outcomes and a reduction in service costs for some of Washington's highest needs beneficiaries. The HH services are a key building block to future innovation models aimed at promoting health, preventing and managing chronic disease, and controlling health care costs. The program has successfully laid the groundwork for future community based integration efforts envisioned in the "Healthier Washington" efforts, and the planned full integration of physical and behavioral health care services afforded through Engrossed Substitute Senate Bill (ESSB) 6312.

Performance Measure Detail

Agency Level

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

This decision package is essential to implementing ALTSA's Strategic Objective 4.1: Improve health care outcomes for individuals with high medical risk factors by implementing Medicaid Health Home benefits.

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

This decision package supports the Results Washington:

Goal 4: Healthy & Safe Communities - Healthy People - Provide access to good medical care to improve people's lives.
Goal 4: Healthy & Safe Communities - Support People - Help the most vulnerable people become independent and self-sufficient.

Department of Social and Health Services

DP Code/Title: PL-S4 Health Homes

Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

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

Community stakeholders, the Health Home Advisory Team (HAT), and HH providers have expressed concerns regarding possible termination of the program. The HAT has been instrumental in its development and implementation and is in full support of the continuation of the program to help meet the needs of our high risk/cost eligible beneficiaries. Washington State's Area Agencies on Aging, Northwest Health Law Advocates, Molina Health Care and other stakeholders have urged continuation of the health home benefit.

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

The department has explored several potential opportunities to fund the program including seeking out technical assistance to help find alternative funding, requesting CMS for service dollars, and looking into funding within current budget dollars. Unfortunately, none of these options have come to fruition.

What are the consequences of adopting or not adopting this package?

If funding is not authorized, the HH program will be terminated and beneficiaries who receive Medicare services will have no care coordination benefit. Physical and behavioral health costs will continue to be higher with less favorable health outcomes than if HH services were provided. The state would also lose the opportunity to receive federal shared savings.

Those who are enrolled in Apple Health will most likely continue to receive some care coordination, however, it will not be at the level and as intensive and comprehensive as HH services, and may not have as favorable outcomes or cost savings.

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

This request has no relationship to the state's capital budget.

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

This request would require no changes to existing statutes, rules, or contracts.

Expenditure and revenue calculations and assumptions

This request is a placeholder.

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

These costs are expected to be ongoing and would carry forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
	Program Totals		

Department of Social and Health Services

DP Code/Title: PL-S4 Health Homes

Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

DSHS Source Code Detail

Overall Funding	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund ,			
<u>Sources</u> <u>Title</u>			

Total for Fund

Total Overall Funding

Totals for all funds

Department of Social and Health Services

DP Code/Title: PL-WR After Action Reviews
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Recommendation Summary Text:

DSHS requests funding and FTEs to support legislation calling for a uniform process for conducting After Action Reviews (AAR) for fatalities, near-fatalities, and other specific instances for children or vulnerable adults in the care of, or receiving services, by the department. The AAR will provide a comprehensive, objective system review, including whether abuse, neglect or other factors contributed to the client's death or near-fatality. The Assistant Secretary will be provided a case report of the lessons learned, findings and recommendations related to changes in policies or procedures, laws, or service delivery. The AAR evaluation also includes identifying triggers for when an employee investigation must be conducted.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	168,000	168,000
001-C General Fund - Basic Account-Medicaid Federal	0	167,000	167,000
Total Cost	0	335,000	335,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	0.0	3.0	1.5

Package Description:

Problem Statement

2SSB 5888, known as Aiden's Act, establishes key requirements for review of near-fatality incidents involving a child in the care of or receiving services from the department or a supervising agency or who has previously been in the care of or received such services. While this act establishes some key requirements pertinent to CA, a consistent approach can be applied to other areas of service within the department. In order to develop an enterprise system approach to reviews for these cases, further work needs to be done to:

- Define clear violations-develop a "Bright line" list of what violations are to be included
- Establish a consistent process for establishing disciplinary action

Consequently, request legislation is being introduced to require a uniform, consistent process by which after action reviews are conducted that identifies lessons learned from the case review and integrates an employee performance component into the process.

Proposed Solution

Funding is requested to provide staffing necessary to facilitate the reviews, draft reports, change service delivery or practice requirements, and conduct employee investigations as necessary.

DSHS administrations have been queried to estimate the workload impact of conducting these reviews under the proposed policy, preparing after action individual case reports, revising policies and practices, and investigating employees when the department suspects that the employee has violated policy, practice, codes of conduct, or law.

Agency Contact: Bryan Way 360-902-7769
Program Contact: Eric Mandt 360-725-2579

Department of Social and Health Services

DP Code/Title: PL-WR After Action Reviews
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

DSHS anticipates changing policies, procedures and accountability following after action reviews, will improve safety and service delivery for our clients. DSHS anticipates fewer client fatality and near fatalities and, as a result, fewer tort claims and settlements/judgment payouts. DSHS expects that these reviews will demonstrate greater accountability to our clients and taxpayers alike.

Performance Measure Detail

Agency Level

Activity: E051 Program Support for Long Term Care

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?

The budget request supports DSHS Goals:

Safety - Each individual and each community will be safe.

Protection - Each individual who is vulnerable will be protected.

Health - Each individual and each community will be healthy.

Public Trust - Strong management practices will be used to ensure quality and efficiency.

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

This decision package supports the Results Washington goals to:

Goal 4: Healthy & Safe Communities - Safe People - Help keep people safe in their homes, on their jobs, and in their communities.

Goal 5: Efficient, Effective & Accountable Government - Transparency and Accountability - Ensure efficiency, performance, and accountability to the public by providing transparency and accountability in state agency operations.

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?

None

What are the consequences of adopting or not adopting this package?

DSHS will not be able to conduct complete structure after action reviews without incurring high levels of liability risk.

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

This request has no relationship to the capital budget.

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

This request supports agency request legislation that would modify RCWs 74.34.300, 71A.12, in addition to others.

Department of Social and Health Services

DP Code/Title: PL-WR After Action Reviews
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Expenditure and revenue calculations and assumptions

See attachment PL WR After Action Reviews for calculations and assumptions.

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.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	0	214,000	214,000
B Employee Benefits	0	78,000	78,000
E Goods\Other Services	0	22,000	22,000
G Travel	0	1,000	1,000
J Capital Outlays	0	17,000	17,000
P Debt Service	0	1,000	1,000
T Intra-Agency Reimbursements	0	2,000	2,000
Total Objects	0	335,000	335,000

DSHS Source Code Detail

Overall Funding	<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	0	168,000	168,000
<i>Total for Fund 001-1</i>	0	168,000	168,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19UL Title XIX Admin (50%)	0	167,000	167,000
<i>Total for Fund 001-C</i>	0	167,000	167,000
Total Overall Funding	0	335,000	335,000

**2016 Supplemental Budget
PL WR After Action Reviews**

STAFFING	FY 2017 & Ongoing		
	FTE	GF-STATE	TOTAL
Children's Administration	1.8	186,000	190,000
Rehabilitation Admin	0.5	52,000	52,000
Behavioral Health and Service Integration	2.0	153,000	255,000
Aging and Long-Term Support Admin	3.0	\$ 168,000	\$ 335,000
Developmental Disabilities Admin	2.0	137,000	228,000
110/Human Resources Division	1.0	89,000	108,000
TOTAL	10.3	\$ 785,000	\$ 1,168,000