

Recommendation Summary

Budget Period: 2015-17

Version: Q2 - 160 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	532.9	0	0
	SubTotal CB		532.9	0	0
	Cumulative Total Thru CB		532.9	0	0
M2 - Inflation and Other Rate Changes					
CP	Regulatory Compliance - BHSIA	0	24.1	0	0
WM	Technical Corrections	0	1.0	0	0
	SubTotal M2		25.1	0	0
	Cumulative Total Thru M2		558.0	0	0
Total Proposed Budget			558.0	0	0

Department of Social and Health Services

DP Code/Title: M2-CP Regulatory Compliance - BHSIA
Program Level - 160 Consolidated Services

Budget Period: 2015-17 Version: Q2 160 2015-17 Final 2016 Sup

Recommendation Summary Text:

Consolidated Maintenance & Operations (CMO) requests funding and FTEs in the FY 2016 Supplemental to meet its maintenance obligations to support institutional accreditation, certification, and regulatory compliance at Eastern State Hospital (ESH) and Western State Hospital (WSH). In 2014 The Joint Commission (TJC) increased its regulatory standards by an estimated 20 percent resulting in additional resources required to meet this need. Negative audit findings by Centers for Medicare and Medicaid (CMS) at WSH and recent mock audits in preparation for a TJC visit at ESH identified numerous reportable deficiencies that put accreditation and continued federal funding at risk. Without additional maintenance support, ESH and WSH will not meet federally-mandated accreditation and certification requirements.

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		
 <u>Staffing</u>			
Agency FTEs	9.7	38.5	24.1

Package Description:

Problem Statement:

CMO does not have adequate funding to meet its maintenance obligations at ESH and WSH. These responsibilities include services, regulatory compliance, preventative and corrective maintenance, programmatic efforts, and projects (in-house and Capital). In an effort to provide an acceptable level of services (transportation of clients, waste management, laundry, etc.) and maintain a seemingly losing battle with ever-increasing must-do repair demands, CMO is not able to effectively execute its preventative maintenance program which would cover 95% of its regulatory compliance responsibilities.

Resulting negative findings from the recent Centers for Medicare and Medicaid (CMS) audit at WSH and mock audits at ESH are a direct reflection of the level of capability provided by CMO. Negative findings included fire safety, electrical safety, and anti-ligature stanchions in essence that the hospital fails to provide an environment that is conducive to the safety of its psychiatric patient population. The main areas of concern are life-safety and environment-of-care, and clearly acknowledge that current CMO staffing at the institutions is inadequate to provide regulatory compliance and also maintain a minimum level of service/maintenance stewardship.

With current funding levels, demands placed on CMO far exceed its capabilities. With the additional impact of Trueblood on ESH and WSH, CMO's capabilities will be further stretched. Without additional maintenance support, the state hospitals will not meet accreditation requirements resulting in decertification of wards by CMS and loss of federal funding.

Proposed Solution:

CMO has identified the following maintenance obligations and needs to meet TJC and CMS standards:

-- Provide funding for 38.5 maintenance staff at ESH and WSH and fund the completion of projects to meet accreditation and certification facility requirements, particularly preventative maintenance of climate control systems as required by ESH's TJC Utility Management Plan and WSH's CMS corrective action plan. These FTEs will resolve findings such as door replacements to maintain lines of sight with patients, cleaning fire detectors and sprinkler heads, and repairing sidewalks. Because TJC has increased its regulatory standards by 20 percent, this funding will continue into ensuing biennia. Startup is April 1, 2016.

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-- Provide funding for goods and services as required per trade position for the cost of materials required for regulatory compliance, such as preventative maintenance, and completion of identified citation-remedy projects (sidewalk repair, HVAC upgrades, and environment of care). Provide equipment funding for vehicles at ESH.

Agency Contact: Ken Brown (360) 259-2063
Program Contact: Thomas Blume (360) 280-8493

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

1. Desired results include the enhanced partnership of CMO in aiding the institution in meeting accreditation/certification requirements through adequate and proper regulatory compliance measures. Funding will allow CMO to achieve desired results without decreasing current maintenance/service levels.
2. Without funding, CMO will have to move resources to regulatory compliance preventative maintenance and away from other areas such as services to the institution and repair needs. Funding would negate that shift in resources.
3. Funding will have a dramatic effect on the efficiency of CMO not just for regulatory compliance, but also for each institution as a whole. CMO would be able to provide a higher level of service as increased resources would be made available in completing compliance, safety, and maintenance/service efforts.
4. Funding of this request will have a positive change in the output CMO is able to provide in FY 2017. Increased resources (staff and budget) will allow CMO to increase its level of stewardship to the institution by achieving a higher number of compliance, safety, and maintenance/service efforts.

Performance Measure Detail

Agency Level

Activity: Q001 Consolidated Field Services

No measures linked to package

Incremental Changes

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

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

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

- 2.1: Reduce workplace injuries.
- 5.3: Reduce energy consumption in leased facilities and state-owned buildings.

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 - Safe People - Help keep people safe in their homes, on their jobs, and in their communities.

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?

If not funded, the primary concern by stakeholders will be the potential for state hospital ward decertification and the loss of federal funding. All primary stakeholders are in support of this supplemental budget request.

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

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Alternatives explored, aside from this supplemental budget request, include:

1. Utilizing CMO resource levels as they currently stand,
2. ESH providing funding to CMO from its operating budget, and
3. BSHIA providing funding to CMO from its allocated budget.

The latter two options are not attainable due to budget limitations for program requirements. Utilizing current CMO resource levels would lower its overall stewardship to the institution to a point that adequate service, compliance, and safety efforts would be at risk.

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

Continued inadequate levels of service to the institutions including compliance and safety efforts. Potential for failed TJC and CMS audits resulting in ward decertification and loss of federal funding.

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: M2-CP Regulatory Compliance - BHSIA.xlsx

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

These costs are ongoing and continue 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

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

Total for Fund

Total Overall Funding

Totals for all funds

Department of Social and Health Services

DP Code/Title: M2-WM Technical Corrections
Program Level - 160 Consolidated Services

Budget Period: 2015-17 Version: Q2 160 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			
	<i>Program Cost</i>		
	Total Cost		

<u>Staffing</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	1.0	1.0	1.0

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

Department of Social and Health Services

DP Code/Title: M2-WM Technical Corrections
Program Level - 160 Consolidated Services

Budget Period: 2015-17 Version: Q2 160 2015-17 Final 2016 Sup

(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 \$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: Q001 Consolidated Field 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: M2-WM Technical Corrections
Program Level - 160 Consolidated Services

Budget Period: 2015-17 Version: Q2 160 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.

Object Detail

FY 1

FY 2

Total

Overall Funding

Program Totals

Department of Social and Health Services

DP Code/Title: M2-WM Technical Corrections

Program Level - 160 Consolidated Services

Budget Period: 2015-17 Version: Q2 160 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

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