

Program 080

DSHS - Medical Assistance Payments

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2005-07 Expenditure Authority	1,111.6	3,012,993	4,696,404	7,709,397
Total Maintenance Level	1,175.1	3,335,596	4,974,665	8,310,261
Difference	63.5	322,603	278,261	600,864
Percent Change from Current Biennium	5.7%	10.7%	5.9%	7.8%
Performance Changes				
Cover All Kids	14.7	30,826	29,799	60,625
Hospital Payment Method		10,000		10,000
Pediatrician Rate Increase		15,772	13,435	29,207
Transfer Adoption Support Medical to HRSA		17,287	18,390	35,677
AEM Long Term Care Medical Needs		288		288
Health Navigator Pilot Project	1.0	1,414	1,474	2,888
Chronic Care Management	4.0	565	566	1,131
Foster Care Health Care Pilot	1.0	972	1,003	1,975
Citizenship Verification	7.2	450	450	900
Ventilator Program Transfer		(5,366)	(5,366)	(10,732)
Revise Pension Gain-Sharing #		(122)	(305)	(427)
Nonrepresented Staff Health Benefit		112	229	341
WFSE Collective Bargaining Agreement		1,615	4,697	6,312
Nonrepresented Staff Salary Change		1,124	2,320	3,444
Subtotal	27.9	74,937	66,692	141,629
Total Proposed Budget	1,203.0	3,410,533	5,041,357	8,451,890
Difference	91.4	397,540	344,953	742,493
Percent Change from Current Biennium	8.2%	13.2%	7.3%	9.6%
Total Proposed Budget by Activity				
Administrative Costs	645.3	45,064	149,432	194,496
Disproportionate Share Hospital/Proshare	2.0	122,743	269,098	391,841
Mandatory Medicaid Program for Children and Families	393.3	2,510,301	3,001,471	5,511,772
Medicaid for Optional Children	104.7	128,178	1,009,604	1,137,782
Medicaid Program for Aged, Blind and Disabled	24.3	222,271	148,456	370,727
Medical Care for General Assistance Unemployable and ADATSA	2.2	277,294	5,309	282,603
Optional Health Benefits: Dental, Vision, and Hearing	20.0	85,043	194,542	279,585
Optional Health Care for Workers with Disability	.2		5,072	5,072
SCHIP	2.2	8	20,421	20,429
Special Programs	8.8	16,476	229,382	245,858
Other Statewide Adjustments		3,155	8,570	11,725

HUMAN SERVICES - DSHS

	Annual FTEs	General Fund State	Other Funds	Total Funds
Total Proposed Budget	1,203.0	3,410,533	5,041,357	8,451,890

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Cover All Kids

The September 2006 State Population Survey indicates that 4.4 percent of Washington's 1.6 million children do not have access to health insurance. Approximately 45,000, or 40 percent of uninsured children, live in families with household incomes under 250 percent of the federal poverty level (FPL). The State Children's Health Insurance Program (SCHIP) is a federal program that provides states with enhanced federal participation (65 percent) for health care expenditures provided to children ineligible for Medicaid but are at or below 250 percent of the FPL. Funding is provided to expand SCHIP coverage by approximately 32,000 children by the end of Fiscal Year 2009. In anticipation of this expansion, the Department is directed to rebrand the state's health coverage offerings in a way that promotes wider participation, develop a marketing strategy aimed at promoting the state's rebranded offerings, and streamline the state's health coverage application process to eliminate unnecessary categorization. Finally, the Department is provided additional funding to place eligibility determination staff in locations that have a high probability of containing eligible but not enrolled populations. (General Fund-State, General Fund-Federal)

Hospital Payment Method

Beginning July 1, 2007, the Department will implement methodology recommendations in the Washington State Medicaid Inpatient Reimbursement Study. To provide adequate time for hospitals to adjust their business models to the new rate structures, the Department will provide one-time transition payments to hospitals who are projected to experience decreases in their Medicaid payment levels. In addition, beginning July 1, 2007, non-Medicaid inpatient psychiatric hospital rates are increased to a level equal to 86 percent of the Medicaid inpatient psychiatric hospital rate. The budget for the non-Medicaid inpatient psychiatric increase is located in the Mental Health portion of the DSHS budget.

Pediatrician Rate Increase

Beginning July 1, 2007, rates paid for pediatric services for Medicaid clients will be increased to a level equal to the rates paid for pediatric services under the Uniform Medical Plan. This increase is intended to improve access to pediatric services for children using Medicaid and corresponds with the expansion of health care access for children under 250 percent of the federal poverty level.

Transfer Adoption Support Medical to HRSA

Funding for the Adoption Support Medical program is transferred from the Children's Administration to the Medical Assistance Administration to consolidate the medical service delivery function within one administration. (General Fund-State, General Fund-Federal)

AEM Long Term Care Medical Needs

Funding is provided for expenditures related to medical services received by clients once they have been admitted to a long term care facility.

Health Navigator Pilot Project

A patient navigation pilot project is established in Washington State. The pilot will link populations at disproportionate risk of receiving poor health care due to language and cultural barriers with "navigators" who will guide them through the health care system. (General Fund-State, General Fund-Federal)

Chronic Care Management

The Department is directed to incorporate the concept of "Medical Home" into their chronic care program. DSHS will continue to work with partner agencies to implement a chronic care program which provides clients the opportunity to better manage multiple chronic conditions. (General Fund-State, General Fund-Federal)

Foster Care Health Care Pilot

A Foster Care Health Care pilot is established. The project will serve approximately 2,000 children in foster care by creating the Center for Foster Care Health Services, a medical home for children which will be responsible for gathering, organizing, and maintaining the individual health histories of children in their care. (General Fund-State, General Fund-Federal)

Citizenship Verification

To implement the tasks needed to comply with new federal citizenship verification rules required by the Deficit Reduction Act of 2005 (DRA), additional funding is provided to determine eligibility for new Medicaid clients. Citizenship verification for new applicants will initially be conducted by community service offices within the Economic Services Administration. Applicants whose verification cannot be immediately determined will be routed through a centralized function within HRSA. (General Fund-State, General Fund-Federal).

Ventilator Program Transfer

The Ventilator-Weaning Program is transferred from the Health and Recovery Services Administration to the Aging and Disability Services Administration effective, October 1, 2006.

ACTIVITY DESCRIPTIONS

Administrative Costs

This activity reflects both the Division of Disability Determination Services and the Medical Assistance Administration's (MAA's) operating costs across all activities. (Health Services Account-State)

Disproportionate Share Hospital/Proshare

Congress established the Disproportionate Share Hospital (DSH) program to ensure continued operation of those hospitals most heavily impacted by charity and Medicaid caseloads. The Department of Social and Health Services operates DSH and several intergovernmental transfer (IGT) and refinancing programs to maximize federal revenue. In the 1999-01 Biennium, the state opted to expand the IGT programs to include public hospital district nursing homes, and further maximize federal revenue using IGTs with the University of Washington and Harborview Medical Center. In prior biennia, participating hospitals and nursing facilities throughout the state have been allowed to keep a percentage of the revenue earned through some of these programs.

Mandatory Medicaid Program for Children and Families

Mandatory clients of this program are families and children eligible to receive Temporary Assistance to Needy Families (TANF); families and individuals terminated from TANF because they have increased earnings or hours of employment or Social Security Disability Insurance income; individuals who are ineligible for TANF because of requirements that do not apply to Medicaid; eligible pregnant women and their newborns; individuals receiving Social Security Income or those eligible to receive mandatory state supplements; and children in foster care or adoption support. Mandatory Medicaid services for eligible clients include inpatient and outpatient hospital care, rural health clinic services, laboratory and X-ray services, nursing home services for clients 21 years or older (other than those in mental hospitals or institutions for the developmentally disabled), EPSDT (Early and Periodic Screening, Diagnosis, and Treatment) health care program for children, family planning, physician care, and home health.

Medicaid for Optional Children

Medicaid services are provided to those children who do not qualify under the federal mandatory guidelines, but live in families with incomes less than 200 percent of the federal poverty level. (Health Services Account-State)

Medicaid Program for Aged, Blind and Disabled

Medically Needy (MN) is a federally and state-funded Medicaid program for aged, blind, or disabled individuals with incomes above \$571 per month and/or resources above \$2,000. Clients with income in excess of this limit are required to spend down excess income before medical benefits can be authorized. (Health Services Account)

HUMAN SERVICES - DSHS

Medical Care for General Assistance Unemployable and ADATSA

General Assistance-Unemployable (GA-U) is a state-funded program that provides limited medical care to persons who are physically and/or mentally incapacitated and unemployable for more than 90 days. Limited medical care is also provided to people participating in the state-funded Alcoholism and Drug Addiction Treatment and Support Act (ADATSA) program which provides cash and/or medical benefits, treatment, and support for persons who are unemployed due to drug or alcohol abuse. (Health Services Account)

Optional Health Benefits: Dental, Vision, and Hearing

Federal regulations allow states to cover optional services such as hearing, dental, and vision care under Medicaid, as long as those services are listed in the state plan.

Optional Health Care for Workers with Disability

This program provides the Medicaid benefit package to Washington residents who are between ages 16 through 64, meet federal disability requirements, are employed (including self-employment) full or part-time, and have monthly gross income at or below 450 percent of the federal poverty level. (Health Services Account-State)

SCHIP

The State Children's Health Insurance Program (SCHIP) currently provides health coverage to about 12,000 children up to age 19, who live in households with income between 200 and 250 percent of the federal poverty level. (Health Services Account-State)

Special Programs

This activity includes family planning and pass-through dollars to school health services, school districts, Indian nations, etc. (Health Services Account-State)

Other Statewide Adjustments

This item reflects proposed compensation and other adjustments that were not allocated to individual agency activities. The agency will assign these costs to the proper activities after the budget is enacted.