

HUMAN SERVICES - DSHS

Program 050

DSHS - Long Term Care

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2009-11 Expenditure Authority	1,293.2	1,284,289	1,836,288	3,120,577
Supplemental Changes				
Forecast Cost/Utilization		(663)	(3,883)	(4,546)
Administrative and Staff Reductions	(25.8)	(2,032)	(2,659)	(4,691)
Federal Stimulus Correction		15,668	(15,668)	
Administrative Streamlining		(48)	(62)	(110)
Decision Support and Data Analysis		(75)	(95)	(170)
Average Final Compensation		16	16	32
Health Insurance Increase		477	427	904
ProviderOne Implementation	1.0	209	210	419
Consolidate Printing Functions		(24)	(21)	(45)
Human Resources Reduction	(1.6)	(142)	(125)	(267)
Housekeeping and Laundry Reduction		(14,530)	(18,896)	(33,426)
Family Caregiver Support Reduction		(628)		(628)
Reduce Senior Citizens Services Act		(6,967)		(6,967)
Adult Day Health	2.7	19,306	17,439	36,745
Increase Residential License Fees #		(3,022)	2,384	(638)
Delay Mandatory Training #		(1,500)	(1,953)	(3,453)
Homecare Agency Reductions #		(9,034)	(11,456)	(20,490)
Reduce Agency Administrative Rate		(1,211)	(1,575)	(2,786)
Eliminate Add-On Hours		(4,999)	(6,501)	(11,500)
Level of Care for Medicaid Personal Care Clients	(2.0)	(2,839)	(5,086)	(7,925)
Agency Providers to Individual Providers		10,031	14,728	24,759
Suspend Medicare Part D Co-Pay #	24.8	2,901	2,833	5,734
Federal Funds Technical Adjustment				
Adult Protective Services Fund Switch		805	(805)	
Residential Care Services Funding Adjustment		5,434	(3,268)	2,166
Adult Day Health - Revised Savings	(.9)	(12,839)	(7,732)	(20,571)
Suspend Volunteer Chore		(1,877)		(1,877)
Offender Medical Placement Phase-In		(313)	(403)	(716)
Expedite Nursing Home Discharges	12.0	(2,700)	(3,841)	(6,541)
Agency Providers to Individual Providers-Revised Savings		(14,772)	(21,558)	(36,330)
Mandatory Caseload Adjustments		6,150	11,496	17,646
Mandatory Workload Adjustments	12.3	1,162	1,033	2,195
Transfers		371	2,346	2,717
Subtotal - Supplemental Changes	22.5	(17,685)	(52,675)	(70,360)
Total Proposed Budget	1,315.6	1,266,604	1,783,613	3,050,217
Difference	22.5	(17,685)	(52,675)	(70,360)
Percent Change	1.7%	(1.4)%	(2.9)%	(2.3)%

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SUPPLEMENTAL CHANGES

Forecast Cost/Utilization

Cost and utilization changes result from the Caseload Forecast Council's November 2009 forecast. (General Fund-State, General Fund-Federal)

Administrative and Staff Reductions

The Long Term Care program continues to implement efficiency measures such as reductions in travel, equipment replacement, and personal services contracts. Vacant positions are being held open. (General Fund-State, General Fund-Federal)

Federal Stimulus Correction

More federal stimulus funds were received during state Fiscal Year 2009 because the Aging and Disability Services Administration based its expenditure forecasts on date of payment rather than month of service, which is the basis used by the federal government. This corrects the resulting shortfall in state funding for Medicaid expenses in state Fiscal Year 2011. (General Fund-State, General Fund-Federal)

Administrative Streamlining

The agency will reduce its executive workforce. (General Fund-State, General Fund-Federal)

Decision Support and Data Analysis

Seven FTE staff are eliminated across the Department of Social and Health Services in decision support and data analysis functions. (General Fund-State, General Fund-Federal)

Health Insurance Increase

Washington State employee medical and health insurance expenditures are projected to exceed budgeted levels. With the current trend, the Public Employees Benefits Board (PEBB) fund is anticipated to have a negative fund balance exceeding \$200 million. Increases in revenues will be accomplished by using the entire Premium Stabilization Reserve; transferring \$35 million from the Incurred But Not Received (IBNR) reserve account; and modifying point of service costs (e.g., deductibles) for PEBB plan offerings beginning in calendar year 2011. The current Fiscal Year 2011 monthly contribution rate of \$768 is increased to \$830 to make up the remaining fund deficit.

ProviderOne Implementation

Two temporary FTE staff and associated funding are required to develop and implement an automated interface between the Department's ProviderOne payment system and the Aging and Disability Services Administration's Case Management Information System. (General Fund-State, General Fund-Federal)

Consolidate Printing Functions

Savings will be achieved in printing costs by consolidating printing functions across the agency. (General Fund-State, General Fund-Federal)

Human Resources Reduction

Human resources functions currently divided between the Human Resources Division (HRD) and administrative staff within the various programs will be consolidated within the HRD. As a result, there will be a savings from a reduction of 11.2 FTE staff across the agency. (General Fund-State, General Fund-Federal)

Housekeeping and Laundry Reduction

Approximately 7,100 in-home care clients who receive laundry and housekeeping personal care services will have a reduction of authorized paid services averaging six hours per month. The average level of authorized services is currently 105 hours per month. (General Fund-State, General Fund-Federal)

Family Caregiver Support Reduction

The Family Caregiver Respite Program provides respite care for relatives who provide unpaid care to elderly and disabled family members who would otherwise enter a residential or institutional facility. This program is reduced by ten percent beginning July 1, 2010.

Reduce Senior Citizens Services Act

The state portion of the Senior Citizens Services Act funding is reduced. Beginning July 1, 2010, all funding is suspended except what is required for maintenance of effort funding that is necessary to retain federal match for local information and assistance programs.

Adult Day Health

The savings assumption for the elimination of Adult Day Health services in the 2009-11 Biennial Budget is reversed due to a lawsuit. (General Fund-State, General Fund-Federal)

Increase Residential License Fees #

License fees for nursing homes and boarding homes are increased to cover the cost of providing the licensure and re-inspection services that the agency is required by law to provide. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

Delay Mandatory Training #

Delaying the implementation of new training requirements for home care workers until the 2011-13 Biennium will decrease the cost to the state in the 2009-11 Biennium. (General Fund-State, General Fund-Federal)

Homecare Agency Reductions #

Agency parity is repealed, and health benefit contributions made by the state for agency providers will be changed to the current Basic Health Plan rate. (General Fund-State, General Fund-Federal)

Reduce Agency Administrative Rate

The administrative portion of the hourly vendor rate paid to agency providers of in-home care is reduced by five percent. (General Fund-State, General Fund-Federal)

Eliminate Add-On Hours

Authorized in-home personal care hours are reduced for those clients who are receiving the highest possible authorization of hours for special meal preparation or incontinence, despite having assistance available from family or friends. Authorization for service hours will now, like other services, be based upon the individual's assessed needs. Approximately 8,100 Long Term Care clients will receive a reduction in authorized service hours. (General Fund-State, General Fund-Federal)

Level of Care for Medicaid Personal Care Clients

The state has the option of setting eligibility levels for Medicaid Personal Care (MPC), an optional service under the Medicaid program. New standards will equal nursing facility level of care. This will cause 700 in-home and residential clients to lose MPC benefits. (General Fund-State, General Fund-Federal)

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Agency Providers to Individual Providers

The savings assumption for the required switch of clients from agency providers to individual providers in the 2009-11 Biennial Budget is reversed due to a delay in implementation caused by a lawsuit. (General Fund-State, General Fund-Federal)

Suspend Medicare Part D Co-Pay

There is a cost offset for the reduction in the Medical Assistance Administration caused by an additional cost for care and staff added for financial eligibility reviews. (General Fund-State, General Fund-Federal)

Federal Funds Technical Adjustment

Federal funding adjustments are made to realign federal funds to reflect the expected sources of federal earnings. (General Fund-Federal)

Adult Protective Services Fund Switch

Adult Protective Services within Home and Community Services has an excess of private-local authority, which is not collected, and a deficit of state funding. An increasing percentage of non-Medicaid clients being served require a higher percentage of state funding. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

Residential Care Services Funding Adjustment

Private/local revenue from license fees do not provide sufficient revenue to continue the program. Additional state funding is added. (General Fund-State, General Fund-Private/Local)

Adult Day Health - Revised Savings

A court decision blocked the 2009-11 decision to only offer Adult Day Health services to in-home clients, resulting in lower savings than were assumed in the biennial budget. All clients who were previously denied services will be reinstated by December. The program will move to a 1915(i) Medicaid state plan option as of January 1, 2010 and enrollment will be capped. (General Fund-State, General Fund-Federal)

Suspend Volunteer Chore

The state-funded Volunteer Chore program is suspended as of July 1, 2010. The program arranges for volunteers to provide assistance for senior citizens living in their own homes, who are not eligible for Medicaid, with tasks such as yardwork, household chores, and minor home repairs.

Offender Medical Placement Phase-In

The Department of Corrections changed its estimate of how many prisoners would be released in 2009-11, from 44 down to 24. Therefore, the Long Term Care Program has reduced estimated expenditures planned for accommodating the prisoners in community care settings. (General Fund-State, General Fund-Federal)

Expedite Nursing Home Discharges

Additional nursing home discharge staff will provide outreach, financial counseling, and assistance with obtaining necessary services and supports to help an additional 700 Medicaid nursing home residents move to community care residential settings when they are ready. This is a less costly option than staying longer than necessary in the more expensive nursing home setting. (General Fund-State, General Fund-Federal)

Agency Providers to Individual Providers-Revised Savings

The savings gained from requiring in-home care workers providing care for family members to be individual providers rather than be employed by a home care agency are adjusted. A greater than predicted number of caregivers becoming individual providers has increased the predicted savings. (General Fund-State, General Fund-Federal)

Mandatory Caseload Adjustments

Costs and savings are associated with caseload changes in the November 2009 Long Term Care forecast produced by the Caseload Forecast Council (CFC). These caseloads are the basis for the November 2009 Long Term Care forecast produced by the Department of Social and Health Services. (General Fund-State, General Fund-Federal)

Mandatory Workload Adjustments

Additional funding and FTE staff are provided for professional staff necessary to verify Medicaid eligibility, assess functional disability, ensure quality assurance, and coordinate the delivery of appropriate and cost-effective services for the anticipated caseloads in all long-term care settings. (General Fund-State, General Fund-Federal)

Transfers

Fund transfers are made between Department of Social and Health Services programs to align appropriations with planned expenditures. (General Fund-State, General Fund-Federal)