



Select Committee on Quality Improvement in State Hospitals

FY 2017-19 Operating Budget Overview

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General Approach of the State Hospital Related FY 2017-19 Operating Budget Steps

Increase funding for operations and begin process to shift civil state hospital patients into community settings in order to re-prioritize state hospitals for forensic treatment.

- **State Hospital Investments:**
 - Increased funding for compensation and staffing levels at the state hospitals
 - Further temporary investments in contracted forensic beds
 - Begin conversion of civil to forensic beds in FY 2019
- **Community Investments**
 - Begin funding some long term involuntary treatment beds in contracted community settings
 - Increase resources for diverting patients from the state hospitals
 - Increase resources for stepdown placements and housing to reduce civil length of stay at the state hospitals
- **Future Planning**
 - Clinical staffing model analysis
 - OFM study related to incorporating risk for long term treatment



FY 2017-19 State Hospital Policy Steps \$ in 1,000s

| # | State Hospitals | 2017-19 | | 4-Yr Total | Description |
|----|-----------------------------------|---------|--------|------------|---|
| | | NGF-P | Total | NGF-P | |
| 1 | Compensation | 71,710 | 77,190 | 153,873 | Approval of Collective Bargaining Agreements |
| 2 | Hospital Compliance | 40,468 | 40,468 | 83,471 | 196 FTEs to Implement Plan of Corrections |
| 3 | Hospital Overspend | 20,000 | 20,000 | 20,000 | One time funding in FY 2018 |
| 4 | GBHIF-Contracted Forensic Beds | 9,180 | 9,180 | 18,935 | Additional 24 beds in Yakima effective July 2017 |
| 5 | Alternative Restoration Contracts | 6,352 | 6,352 | 13,102 | Additional funding to cover higher costs at Yakima and Maple Lane- No new capacity |
| 6 | Civil Ward Conversions | 794 | 1,119 | -3,174 | Assumes conversion of 1 civil ward in FY 2019. Assumes further conversions in FY 2019-21 |
| 7 | Civil Wards at WSH | 0 | 0 | -7,847 | Assumes a civil ward is closed in FY 2020 |
| 8 | Civil Ward Underspend | -7,578 | -7,578 | -15,631 | Eliminates funding for civil ward that never opened |
| 9 | Forensic Mental Health Office | 886 | 886 | 1,808 | 3 FTEs in the forensic mental health office |
| 10 | BH: SUD Treatment | 774 | 774 | 1,588 | 3 FTEs to provide substance use disorder (SUD) treatment |
| 11 | Other Steps | 257 | 307 | -575 | Includes funding for increased costs for medication, equipment, community policing as well as savings from a global management reduction step |



FY 2017-19 Community Mental Health Policy Steps \$ in 1,000s

| # | Community Investments | 2017-19 | | 4-Yr Total | Description |
|----|------------------------------------|---------|--------|------------|---|
| | | NGF-P | Total | NGF-P | |
| 1 | BHO Medicaid Rates | 11,727 | 37,092 | 26,060 | 2.5% Medicaid Rate Increase |
| 2 | Medicaid Transformation Waiver | 0 | 19,557 | 0 | Funding for supported housing and supported employment |
| 3 | Community Long-Term Inpatient Beds | 8,733 | 18,612 | 38,457 | 48 community beds in FY 2017-19 and assumes an additional 48 beds in FY 2019-21 |
| 4 | BH: Crisis Walk-in Centers | 6,858 | 10,881 | 21,433 | 96 crisis triage/walk in center beds in FY 2019 |
| 5 | BH: Inpatient Psychiatric Increase | 5,388 | 10,449 | 11,932 | Psychiatric inpatient rate increase effective Oct. 17 |
| 6 | BH: Stepdown Residential Program | 1,133 | 2,430 | 3,541 | 32 residential step down beds in FY 2019 |
| 7 | Clubhouses | 1,496 | 1,496 | 3,825 | Funding to maintain & start new clubhouse programs |
| 8 | BH: Housing and Stepdown Services | 1,382 | 1,382 | 2,851 | Funding for 1 additional Housing & Recovery Support Team in FY 2018 |
| 9 | Assited Outpatient Tx pilots | 425 | 425 | 425 | Funding for 2 Assisted Outpatient Treatment Pilots |
| 10 | Other Investments | 558 | 795 | 864 | Includes funding for streamlining documentation requirements for providers, and planning and administration of services to Native Americans |

Note: There are also a number of policy savings steps not included above which total \$220 million over the four years. The largest of these are return of BHO reserves after transition to fully integrated managed care (-\$146m), savings assumed from an IMD waiver (-\$34m), underspend of proviso funds (-\$20 million), and caseload savings related to increase in the minimum wage (-\$18m).



FY 2017-19 Other Related Policy Steps \$ in 1,000s

| | Other Related Policy Steps | 2017-19 | | 4-Yr Total | | Description |
|---|--|---------|--------|------------|--|---|
| | | NGF-P | Total | NGF-P | | |
| 1 | BH: Enhanced Discharge Placements- LTC | 13,342 | 25,619 | 43,582 | | Funds 138 enhanced placements for long term care (LTC) clients in FY 2017-19 and assumes an additional 138 placements in FY 2019-21. |
| 2 | BH: Enhanced Discharge Placements- DDD | 3,294 | 6,512 | 10,273 | | Funds 13 enhanced placements for developmental disabilities (DD) clients in FY 2017-19 and assumes an additional 10 placements in FY 2019-21. |
| 3 | BH: Discharge Case Managers- LTC | 630 | 1,260 | 1,299 | | Funds 6 FTEs for discharge planning for LTC clients |
| 4 | BH: Financial Service Specialists | 270 | 540 | 557 | | Funds 3 FTEs for expediting eligibility for state hospital patients transitioning into community |
| 5 | BH: Discharge Case Managers- DDD | 195 | 390 | 397 | | Funds 2 FTEs for discharge planning for DD clients |
| 6 | Permanent Supportive Housing | 2,970 | 2,970 | 6,937 | | Funds 150 additional mental health beds |
| 7 | Permanent Supportive Housing Administrator | 280 | 280 | 280 | | Funds 1 FTE for discharge planning for LTC clients |
| 8 | BH Financial Risk Model | 140 | 280 | 140 | | Funds development of a model which incorporates financial risk for state hospital beds into managed care contracts |
| 9 | Clinical Model Analysis | 0 | 0 | 0 | | Proviso language requiring DSHS to submit a report comparing current staffing levels at the state hospitals to levels recommended by OTB Solutions in 2016 report |



Summary of Civil Bed Changes

| | Net Change by End of Biennium | |
|--|-------------------------------|------------|
| | FY 2017-19 | FY 2019-21 |
| <i>Civil Beds for 90/180 Commitments</i> | | |
| State Hospitals* | -30 | -150 |
| Contracted Community Beds | 48 | 96 |
| <i>Net Change for 90/180 Commitments</i> | 18 | -54 |
| <i>Civil Diversion and Stepdown Beds</i> | | |
| Crisis Beds | 96 | 96 |
| Mental Health Residential Beds | 32 | 32 |
| Long Term Care Enhance Beds | 138 | 276 |
| Developmental Disabilities Enhanced Beds | 13 | 23 |
| <i>Net Change Civil Diversion and Stepdown Beds</i> | 279 | 427 |
| <i>Permanent Supportive Housing**</i> | 150 | 150 |
| <i>All New Civil Beds and Housing Slots</i> | 447 | 523 |

Notes:

* Does not include elimination of funding provided for a 30 bed civil ward that never opened

** Bed numbers do not include transitional housing that will be provided to clients through a new Housing and Recovery Support Team that was funded



Summary of Forensic Bed Changes

| | Net Change by End of Biennium | |
|---|-------------------------------|------------|
| | FY 2017-19 | FY 2019-21 |
| <i>Forensic Evaluation/Restoration Beds</i> | | |
| State Hospitals | 30 | 120 |
| Contracted Community Beds | 24 | -30 |
| <i>Net Change Forensic Evaluation/Restoration Beds</i> | 54 | 90 |