Behavioral Health Finance 101

Presented by
Carla Reyes, Assistant Secretary
Wendi Gunther, Finance Director
Behavioral Health Administration

Bea Rector, Director of Home and Community Services
Aging and Long-Term Support Administration

Savannah Parker, Special Projects Manager
Isabel Jones, Medicaid Integration Manager

Alice Lind, Manager of Grants and Program Development
Health Care Authority
Summary of Items to Cover

- Overview of Behavioral Health Continuum of Care
- Overview of Behavioral Health System, where we’ve been and where we are headed
- Overview of Behavioral Health Financing Structure
- Financing of Community Mental Health Services
- Financing of the State Hospitals
- Financing of the Aging and Long-Term Support Administration
- Financing of Health Care Authority Services
- Closing/Questions
Behavioral Health Array of Services

- Respite Care
- Recovery Support
- Community Hospitals and Evaluation and Treatment Centers
- Legal Support and Coordination
- Crisis Stabilization
- Discharge Planning
- Treatment
- Peer Support
- Housing
- Medication Management/Primary Physical Care
- Prevention and Wellness
- Active Treatment
- Employment and Education
- Nursing Facilities; Enhanced Service Facilities
- Families and Communities
- Employed and Education
- Families and Communities
- County
- Respite Care
- Community Hospitals and Evaluation and Treatment Centers
- Legal Support and Coordination
- Crisis Stabilization
- Discharge Planning
- Treatment
- Peer Support
- Housing
- Medication Management/Primary Physical Care
- Prevention and Wellness
- Active Treatment
- Employment and Education
- Nursing Facilities; Enhanced Service Facilities
- Families and Communities
- Counties
- BHO's
- BHA
- DDA
- Law Enforcement
- Courts

173,266 Clients Served in FY15 (FY16 data not final)
2,933 Clients Served in FY16
Prior to April 2016
- Mental Health Services
  - Provided by 11 Regional Support Networks
  - Managed Care
- Substance Use Disorder (SUD) Services
  - DBHR contracted provider network
  - Fee for Service

Beginning April 2016
- Mental Health and SUD Services Financially Integrated
  - Provided by 9 Behavioral Health Organizations (BHOs) and 1 Early Adopter (EA) Region—Physical Boundaries align with the Accountable Communities of Health (ACHs)
  - SW Washington EA Region Served by 2 Managed Care Organizations (MCO) and 1 Administrative Service Organization (ASO)
  - Managed Care
  - Tribal members can choose to access SUD services in DBHR contracted, fee for service provider network

By 2020
- Full financial integration of MH, SUD and Physical Healthcare
- Community based programs transitioned to HCA; State Hospitals anticipated to remain with DSHS at this time
- Tribal members may be afforded the option to access SUD and MH services through a fee for service provider network
Financing Overview
Behavioral Health Administration Funding

Mental Health Funding and Clients Served
FY2007-FY2016

Note: Excludes SUD funding and services
2016 numbers are not yet final
Client served Data Source is BHSS Summary Tables; Community clients served are unduplicated across community settings; Hospital clients served are unduplicated unless served in both civil and forensic; total served adds the two together
Clients and Dollars
FY 2016

BHA-Mental Health Expenditures

Institutions
27%
$296.21 million

Community
71%
$779.13 million

Administrative
2%
$19.50 million

For every 100 clients:
TOTAL = 176,199

98 are served in the community
n = 173,266

2 are served in institutions
n = 2,933

OUR CLIENTS

Note: Excludes SUD funding and services
2016 numbers are not yet final

Client served Data Source is BHSS Summary Tables; Community clients served are unduplicated across community settings; Hospital clients served are unduplicated unless served in both civil and forensic; total served adds the two together
Financing Overview
Behavioral Health Administration Funding

**FY2016 Expenditures by Fund Source**

<table>
<thead>
<tr>
<th>Fund Source</th>
<th>Dollars in Millions</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund-State</td>
<td>$214.76</td>
<td>20%</td>
</tr>
<tr>
<td>Medicaid-Federal</td>
<td>$469.14</td>
<td>43%</td>
</tr>
<tr>
<td>Medicaid-State Match</td>
<td>$217.42</td>
<td>20%</td>
</tr>
<tr>
<td>DSH</td>
<td>$66.35</td>
<td>6%</td>
</tr>
<tr>
<td>Dedicated Marijuana</td>
<td>$2.78</td>
<td>0%</td>
</tr>
<tr>
<td>Other Federal</td>
<td>$23.80</td>
<td>2%</td>
</tr>
</tbody>
</table>

**FY2016 Community Expenditures by Fund Source**

<table>
<thead>
<tr>
<th>Fund Source</th>
<th>Dollars in Millions</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund-State</td>
<td>$104.57</td>
<td>13%</td>
</tr>
<tr>
<td>Medicaid-Federal</td>
<td>$448.35</td>
<td>58%</td>
</tr>
<tr>
<td>Medicaid-State Match</td>
<td>$196.52</td>
<td>25%</td>
</tr>
<tr>
<td>Dedicated Marijuana</td>
<td>$2.78</td>
<td>0%</td>
</tr>
<tr>
<td>Other Federal</td>
<td>$19.48</td>
<td>3%</td>
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</table>

**FY2016 Institution Expenditures by Fund Source**

<table>
<thead>
<tr>
<th>Fund Source</th>
<th>Dollars in Millions</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund-State</td>
<td>$103.52</td>
<td>35%</td>
</tr>
<tr>
<td>Medicaid-Federal</td>
<td>$16.81</td>
<td>6%</td>
</tr>
<tr>
<td>DSH</td>
<td>$66.35</td>
<td>22%</td>
</tr>
<tr>
<td>Dedicated Marijuana</td>
<td>$16.71</td>
<td>6%</td>
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</tbody>
</table>

**Note:** Excludes SUD funding and services
2016 numbers are not yet final
Large chart includes Administrative costs, small chart for Administrative costs not depicted
DSH is Medicaid Disproportionate Share Hospital payments
In addition, taxing districts can impose a MH/SUD tax. The map above shows which areas have implemented this.
Community Mental Health Services — Managed Care

**Medicaid State Plan Services to Medicaid Enrollees**
- Crisis and Emergency Services;
- Outpatient Services Evaluation and Treatment; High Intensity Tx; Day Support Individual, group & family Tx; Intake; Special Population Evals Medication Management and Monitoring;
- Rehab Case Management; Community Psych Services;
- Peer Support; Community Transitions; Therapeutic Psychoeducation; WISe (not all in PMPM)

**Medicaid State Plan Services (above) to Non-Medicaid Clients**
- Jail Services
- PACT
- Expanded Community Svcs
- Supported Employment
- Supported Housing
- Club House
- MH Court
- Services in Institutions for Mental Disease over 15 days (effective 7/1/17)
- State Hospital Reimbursement
- ITA Commitment Services
- ITA 90 & 180 day hearings
- ITA Judicial/Administrative

**DSHS Medicaid Federal**
- $435.10M
- State Match $189.33M
- Marijuana Acct $2.78M

**DSHS Non-Medicaid Federal Block Grant**
- $4.73M
- GF-S $90.82M

**Note:** Excludes SUD funding and services
2016 numbers are not yet final

**FY2016 BHO Expenditures by Fund Source**
- Dollars in Millions
- Medicaid-Federal $435.10 59%
- Medicaid-State Match $189.33 26%
- Dedicated Marijuana $2.78 0%
- General Fund-State $90.82 12%
- Other Federal $8.30 1%
- Block Grant $4.73 1%
- Local $7.43 1%
Community Mental Health Services – Outside of Managed Care

- DSHS Medicaid
  - Federal $13.24M
  - State Match $7.19M
  - Federal Block Grant $6.39M
  - GF-S $13.75M

- Direct Contract Community Providers

- Children’s Long Term Inpatient Program (excluding CSTC)
- Involuntary Treatment Ancillary services (ie transportation, pharmacy, physician charges)
- PASSR Screenings
- Project for Assistance in Transition for Homeless (PATH)
- Offender Re-entry Community Safety Program (ORCSP)
- Psychological Evaluations
- Spokane Evaluation and Treatment Services

Community Mental Health Services – Outside of Managed Care

- Children’s Long Term Inpatient Program (excluding CSTC)
- Involuntary Treatment Ancillary services (ie transportation, pharmacy, physician charges)
- PASSR Screenings
- Project for Assistance in Transition for Homeless (PATH)
- Offender Re-entry Community Safety Program (ORCSP)
- Psychological Evaluations
- Spokane Evaluation and Treatment Services

FY2016 Non-BHO Expenditures by Fund Source

Dollars in Millions

- General Fund-State $13.75 34%
- Medicaid-Federal $13.24 32%
- Block Grant $6.39 16%
- Medicaid-State Match $7.19 18%
- Other Federal $0.05 0%

Note: Excludes SUD funding and services
2016 numbers are not yet final
Financing Overview Behavioral Health Administration

State Hospital Funding

Child Study and Treatment Center for children 5-17 years old, $11.80M, 47 beds
Eastern State Hospital for civil and forensic treatment for adults, $76.93M, 307 beds
Western State Hospital for civil and forensic treatment for adults, $196.50M, 845 beds
Yakima contracted competency restoration treatment, $2.20M, 24 beds
Maple Lane contracted/state employee model competency restoration treatment, $2.70M, 30 beds

Civil Services
- RCW 71.05 (adults); RCW 71.34 (children)
- Treatment for individuals civilly committed as a result of being a danger to themselves or others or “gravely disabled”
- Primarily for individuals who have already been detained for initial detention and a 14-day commitment in the community
  - Exception: ESH does use a small number of beds to serve individuals being initially detained or for 14-day commitments

Forensic Services
- RCW 10.77
- Evaluations for individuals who have been charged with a crime but may be incompetent to stand trial (done in jails and inpatient settings)
- Competency restoration for individuals determined to be incompetent so they can proceed through the legal process
- Treatment for individuals acquitted as “not guilty by reason of insanity”

FY2016 Institution Expenditures by Fund Source

**Includes Competency Restoration Treatment Operations at Yakima and Maple Lane**
# BHO/Early Adopter State Hospital Bed Allocations

(Applies only to ESH and WSH Civil Beds)

### ESH BHOs

<table>
<thead>
<tr>
<th>BHO</th>
<th>Bed Allocations Effective 4/1/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Central Washington BHO</td>
<td>27</td>
</tr>
<tr>
<td>Greater Columbia BHO</td>
<td>55</td>
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<tr>
<td>Spokane County Regional BHO</td>
<td>110</td>
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<tr>
<td><strong>ESH Totals</strong></td>
<td><strong>192</strong></td>
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### WSH BHOs

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<thead>
<tr>
<th>BHO</th>
<th>Bed Allocations Effective 4/1/2016</th>
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<tbody>
<tr>
<td>King County BHO</td>
<td>234</td>
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<tr>
<td>North Sound BHO</td>
<td>119</td>
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<tr>
<td>Salish BHO</td>
<td>33</td>
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<tr>
<td>Optum Pierce BHO</td>
<td>94</td>
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<tr>
<td>Thurston Mason BHO</td>
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<tr>
<td>Great Rivers BHO</td>
<td>33</td>
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<tr>
<td><strong>ESH Totals</strong></td>
<td><strong>587</strong></td>
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### EARLY ADOPTER REGION

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<thead>
<tr>
<th>BHO</th>
<th>Bed Allocations Effective 4/1/2016</th>
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<tbody>
<tr>
<td>SW Washington FIMC (Fully Integrated Managed Care)</td>
<td>40</td>
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<tr>
<td><strong>WSH Totals</strong></td>
<td><strong>587</strong></td>
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## BHO/RSN Bed Utilization Penalty/Payment History

### BILLINGS TO RSNs

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<th>RSN</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
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<tr>
<td>Combined Spokane/North Central</td>
<td>-</td>
<td>132,885.45</td>
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<tr>
<td>Greater Columbia RSN</td>
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<tr>
<td>Chelan / Douglas RSN</td>
<td>413,358.57</td>
<td>275,949.36</td>
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<tr>
<td>Timberlands RSN</td>
<td>3,558.80</td>
<td>50,331.60</td>
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<tr>
<td>Thurston / Mason RSN</td>
<td>55,415.60</td>
<td>164,721.60</td>
<td>237,422.80</td>
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<tr>
<td>Southwest WA Behavioral Health</td>
<td>99,646.40</td>
<td>14,743.60</td>
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</tr>
<tr>
<td>Pierce RSN</td>
<td>-</td>
<td></td>
<td>70,159.20</td>
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<tr>
<td>Peninsula RSN</td>
<td>-</td>
<td>99,646.40</td>
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<tr>
<td>North Sound RSN</td>
<td>-</td>
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<td>92,528.80</td>
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<tr>
<td>King RSN</td>
<td>-</td>
<td>68,125.60</td>
<td>395,026.80</td>
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<tr>
<td>Grays Harbor RSN</td>
<td>88,970.00</td>
<td>217,595.20</td>
<td>308,090.40</td>
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<tr>
<td></td>
<td>660,949.37</td>
<td>1,023,998.81</td>
<td>1,400,099.75</td>
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### PAYMENTS TO RSNs

<table>
<thead>
<tr>
<th>RSN</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combined Spokane/North Central</td>
<td>8,674.22</td>
<td>8,549.79</td>
<td>15,152.43</td>
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<tr>
<td>Greater Columbia RSN</td>
<td>198,005.07</td>
<td>195,867.62</td>
<td>124,235.12</td>
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<tr>
<td>Chelan / Douglas RSN</td>
<td>0.00</td>
<td>-</td>
<td>9,048.33</td>
</tr>
<tr>
<td>Timberlands RSN</td>
<td>2,865.88</td>
<td>79,405.48</td>
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<tr>
<td>Thurston / Mason RSN</td>
<td>1,598.18</td>
<td>1,260.61</td>
<td>3,646.59</td>
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<tr>
<td>Southwest (Cowlitz) RSN</td>
<td>1,644.68</td>
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<tr>
<td>Southwest WA Behavioral Health</td>
<td>5,226.62</td>
<td>9,841.82</td>
<td>67,310.23</td>
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<tr>
<td>Pierce RSN</td>
<td>16,421.95</td>
<td>10,690.91</td>
<td>22,065.97</td>
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<tr>
<td>Peninsula RSN</td>
<td>20,215.16</td>
<td>67,719.17</td>
<td>251,966.43</td>
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<tr>
<td>North Sound RSN</td>
<td>37,785.32</td>
<td>91,431.91</td>
<td>58,058.86</td>
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<tr>
<td>King RSN</td>
<td>33,192.73</td>
<td>47,232.11</td>
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<tr>
<td>Grays Harbor RSN</td>
<td>4,513.63</td>
<td>-</td>
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<tr>
<td>Clark RSN</td>
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<tr>
<td></td>
<td>330,474.70</td>
<td>511,999.42</td>
<td>700,049.88</td>
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</table>

### REIMBURSEMENT TO HOSPITALS

<table>
<thead>
<tr>
<th>Hospital</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern State Hospital</td>
<td>206,679.28</td>
<td>66,442.73</td>
<td>148,435.87</td>
</tr>
<tr>
<td>Western State Hospital</td>
<td>123,795.39</td>
<td>307,581.99</td>
<td>551,614.00</td>
</tr>
</tbody>
</table>
Institutional and Community Daily Costs

AVERAGE DAILY CENSUS

Note: 2016 numbers are not yet final.

Historical Institutional Cost

Costs are lower, with far less deviation between institutions than Community Psychiatric Hospital Medicaid rates

Current Psychiatric Hospital Medicaid Rate

Higher than institutional costs

Western State Hospital

Child Study and Treatment Center

Eastern State Hospital

Note: 2016 numbers are not yet final.
**Optimal industry standard is 85%**
Financing Overview
Take Away

• There are a huge array of services that are needed to support our clients
• The Behavioral Health System is in transition
• BHA earns a lot of federal funding, most of which requires matching state funds
• State Hospital costs per day are low
• State Hospital occupancy rates are high
Financing Overview
Aging and Long-Term Support Administration
Aging and Long-Term Support Administration

Fiscal Year 2017 Budget = $2.4B

- Deaf & Hard of Hearing Office: 1.5%
- Licensing & Certification: 0.2%
- Program Support: 8.1%
- Case Mgmt & Adult Protective Srvs: 27.1%
- Nursing Homes: 60.6%
- Home and Community-Based Srvs: 2.4%

Services Supporting Mental Health Clients = $50M

- Services Supporting Mental Health Clients: 2.1%
- Remaining Budget: 97.9%
Aging and Long-Term Support Administration

Provides services to individuals who have an unmet need for assistance with activities of daily living (ADLs) due to a functional impairment. Cannot pay for services that are paid for under other State Plan authorities such as mental health or acute care services

**State Plan Personal Care:**
- Must have unmet need with at least 3 of 10 ADLs, or have unmet need with at least 1 of 10 ADLs and the ADL did not occur because you were not able to do it or had no provider available to assist
- Does not meet nursing home level of care

**State Plan Community First Choice:**
- Must have unmet need for daily skilled nursing or have cognitive impairment plus 1 of 7 ADLs, or 3 of 7 ADLs with no cognitive impairment

**1915(c) waivers:**
- Same functional eligibility as Community First Choice

**State Plan Nursing Home Services**
- Same functional eligibility as Community First Choice

**State Plan Private Duty Nursing Services**
Aging and Long-Term Support Administration

Services available through ALTSA for people with qualifying level of functional impairment:

- Personal care services
- Skills acquisition training
- Transition services to relocate from an institutional setting
- Nurse delegation
- Personal Emergency Response Systems (PERS)
- Other support services as available under the 1915(c) waivers such as: client training (including behavior support), home delivered meals, adult day services, skilled nursing, Wellness Education and specialized medical equipment/supplies.
Aging and Long-Term Support Administration

Services developed by ALTSA to serve individuals with significant behavior support needs

Expanded Community Services (ECS)

• AFH or Adult Enhanced Residential Care setting with a daily rate add-on
• Team of specialists who offer behavior supports and consultation
  o Medication review
  o In-person training and consultation for providers and residents
• 59 people are currently served in ECS nursing homes
• More than 680 individuals received ECS residential supports in June 2016
• Average daily rate add-on is $50/day
Aging and Long-Term Support Administration

Services developed by ALTSA to serve individuals with significant behavior support needs

Enhanced Service Facilities (ESF)

Two ESFs currently licensed:
- 8 bed facility in Spokane serving clients from ESH
- 12 bed facility in Vancouver, will start serving clients from WSH

Funding
- 2013-15 Biennium funding (including 2015 Supplemental reduction): $727,000
- 2015-17 Biennium funding (after reductions): $4,447,000
- Originally assumed capacity of 42 clients at $282/day
  - In order attract qualified providers, new rate offered is $425/day
  - Revised funding capacity is 28 clients
- 2017-19 Biennium funding: $8,720,000
Aging and Long-Term Support Administration

Services developed by ALTSA to serve individuals with significant behavior support needs

Adult Family Home Specialized Behavior Support
  • AFH with a daily rate add-on to support specific additional staffing, training, and activities
  • Rate add-on is $104.33/day
  • All individuals are referred from state hospitals or local psychiatric beds
  • Like ECS, includes team of specialists who offer behavior supports and consultation
    o Medication review
    o In-person training and consultation for providers and residents
  • 25 people have been served to date
  • Currently nine individuals are in this setting type
Aging and Long-Term Support Administration

Additional community placements funded in 2016 Supplemental budget:

In addition to ESF funding, the legislature appropriated funds to place people from WSH in long term care community settings (SSB 6656):
• 30 clients total, to be transitioned by January 1, 2017

FY17: $1,075,000
FY18: $1,424,000
FY19: $1,424,000

Average daily rate is $389/day
Financing Overview
Health Care Authority
By January 1, 2020, the community behavioral health program must be fully integrated in a managed care health system that provides mental health services, chemical dependency services, and medical care services to Medicaid clients.
Purchasing Region Map: All Regions
Early Adopter Contracts

Apple Health Managed Care Organization (MCO)

- Fully Integrated Medicaid Contract
  - Includes Behavioral Health Services
- Behavioral Health Wraparound Contract

Rates = Medicaid funded per member/per month premium

Behavioral Health Administrative Services Organization (ASO)

- Administration of the Crisis Services for all residents & Behavioral Health Services for non-Medicaid

Allocation = Relative portion of State Only funding + relative portion of remaining SAPT Block Grant funding

MCO must agree to both contracts, plus describes the relationship required with the selected ASO.
## BH-ASO

### Services to Supplement those Provided by the Managed Care Plan

<table>
<thead>
<tr>
<th>Maintain and Administer Crisis Services</th>
<th>Manage SUD and Related Benefits</th>
<th>Provide Administrative and Financial Services and Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Maintain 24/7/365 regional crisis hotline</td>
<td>• Identify and evaluate alcohol and drug involved individuals requiring protective custody, detention, or involuntary commitment services</td>
<td>• Operate Behavioral Health Ombudsman</td>
</tr>
<tr>
<td>• Provide mental health crisis services, including mobile outreach team</td>
<td>• Manage case finding, investigation and assessment activities, and legal proceeding for CD ITA cases</td>
<td>• Manage the administration of the Mental Health Block Grant (MHBG)</td>
</tr>
<tr>
<td>• Administer Involuntary Treatment Act</td>
<td>• Provide short-term substance use disorder crisis services to the publically intoxicated</td>
<td>• Manage the administration of the Criminal Justice Treatment Account (CJTA) funds and Juvenile Drug Court funds</td>
</tr>
<tr>
<td>• Administer Chemical Dependency Involuntary Commitment Act</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Services not included in MCO Contracts

Crisis services for all members of the community
- Includes DMHPs

State-funded services for Non-Medicaid beneficiaries

County-funded services for Medicaid and Non-Medicaid

Miscellaneous
- BH Ombudsman
- Committees formerly led by BHO (RSN) – WISe, CLIP, BH Advisory Board, etc.
Current Funds Flow

Behavioral Health $
- Medicaid
- State General Funds
- SAPT
- MH Block Grant
- CJTA
- 1% Tax
- Proviso $

Physical Health $
- MCO
  - Medical Services
  - Integrated Care Delivery
  - Medicaid

BHO
- BH Services
  - Care Coordination