

Behavioral Health Finance 101

Presented by

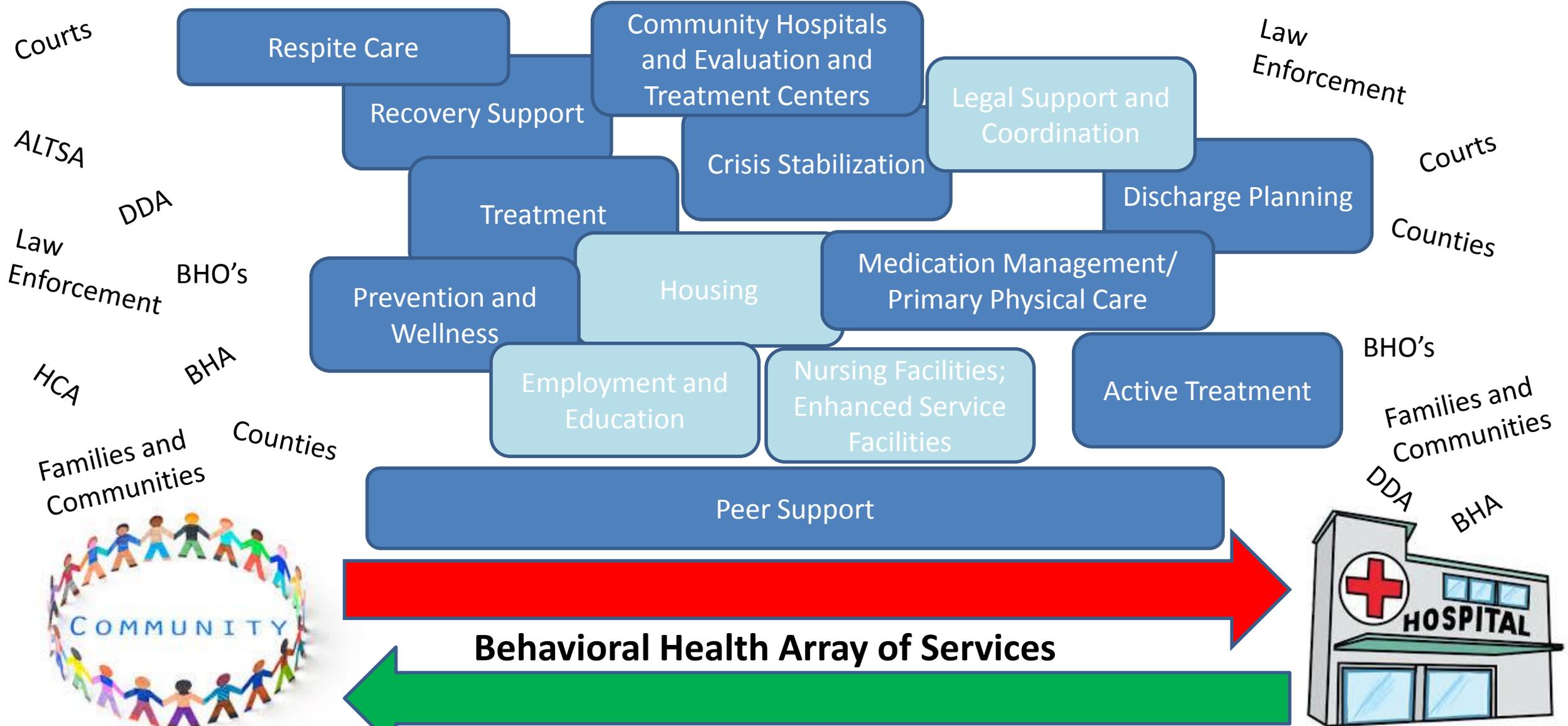
Carla Reyes, Assistant Secretary
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Summary of Items to Cover

- 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



173,266 Clients Served in FY15 (FY16 data not final)

2,933 Clients Served in FY16



Washington's Journey to Full Financial Integrated Healthcare

Prior to April 2016

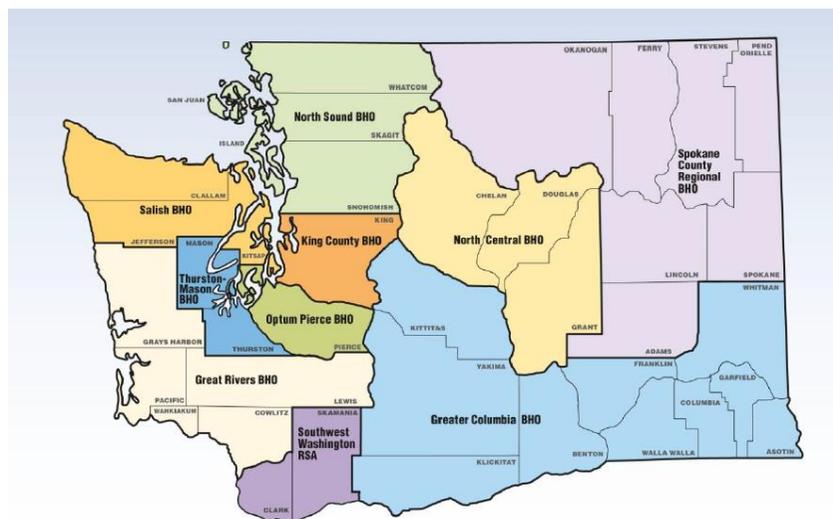
- Mental Health Services
 - Provided by 11 Regional Support Networks
 - Managed Care
- Substance Use Disorder (SUD) Services
 - DBHR contracted provider network
 - Fee for Service

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

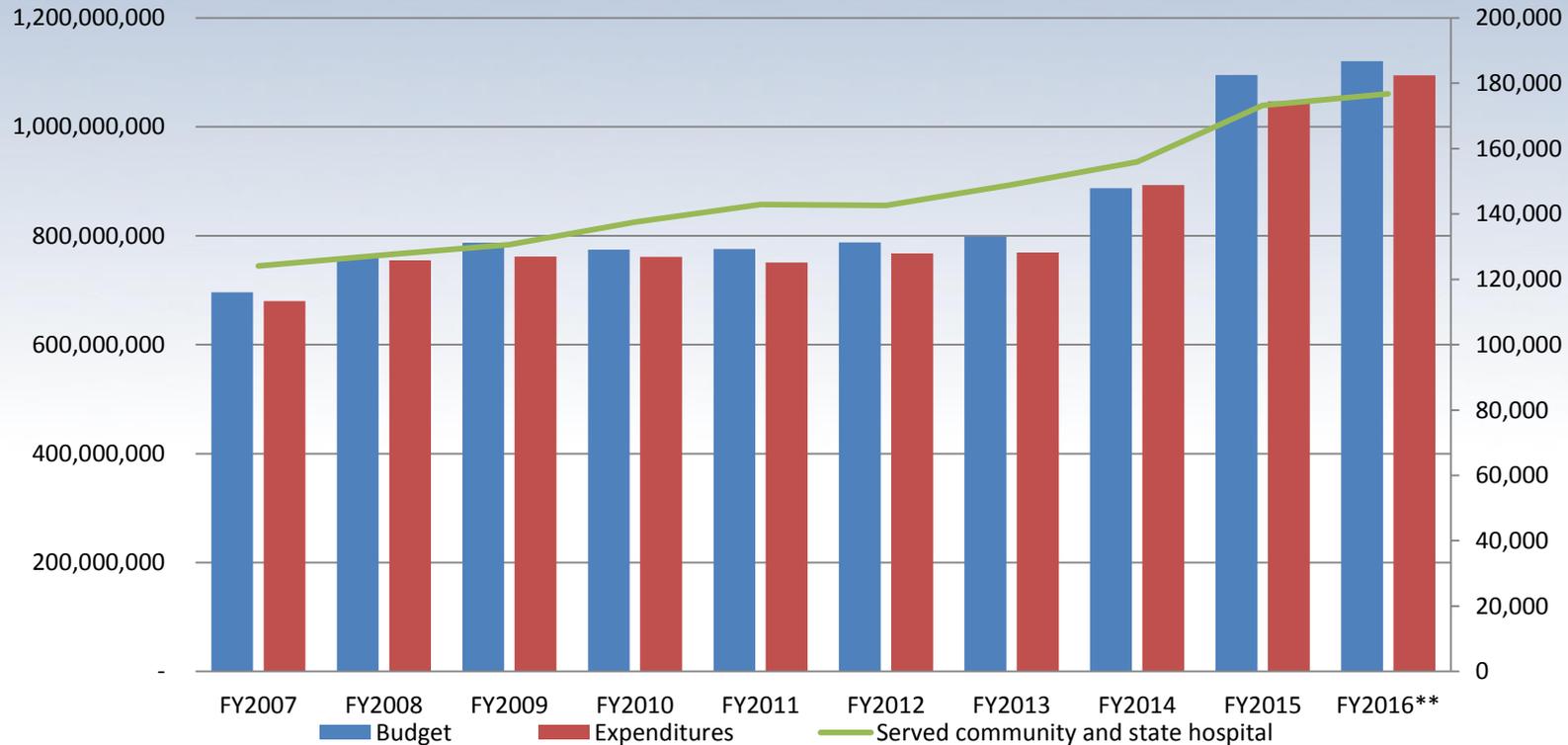


Financing Overview

Behavioral Health Administration Funding



Mental Health Funding and Clients Served
FY2007-FY2016



Note: Excludes SUD funding and services

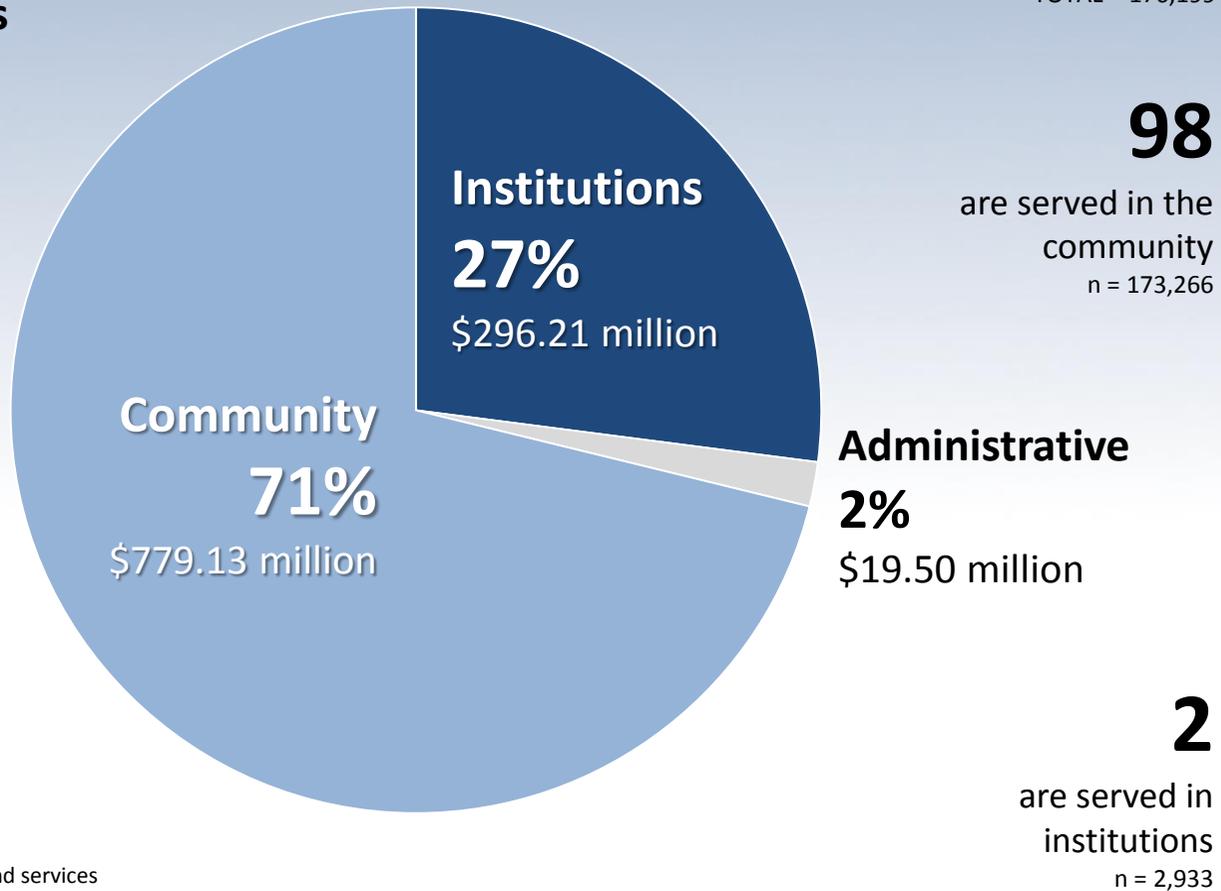
2016 numbers are not yet final

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

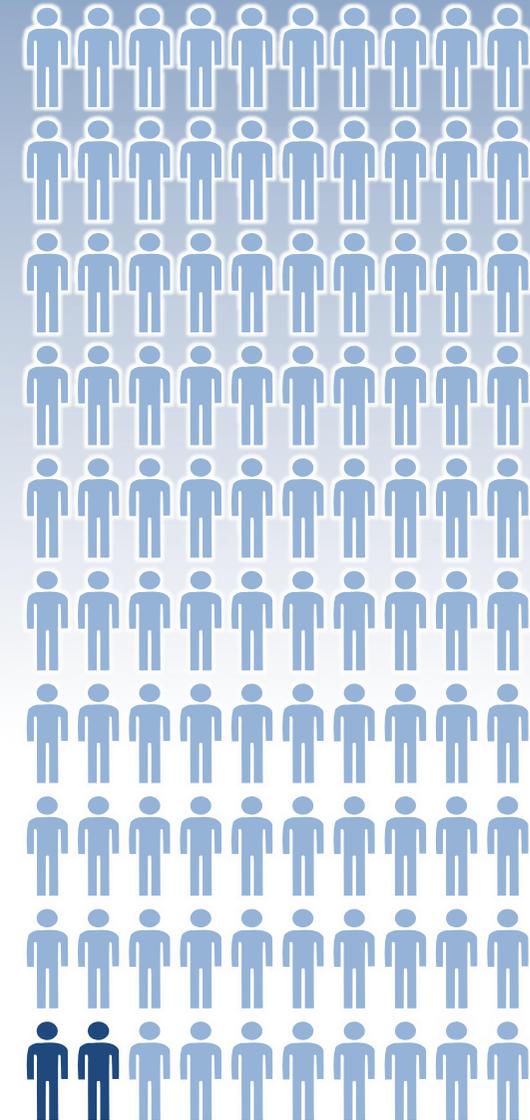
Clients and Dollars

FY 2016

BHA-Mental Health Expenditures



OUR CLIENTS



Note: Excludes SUD funding and services
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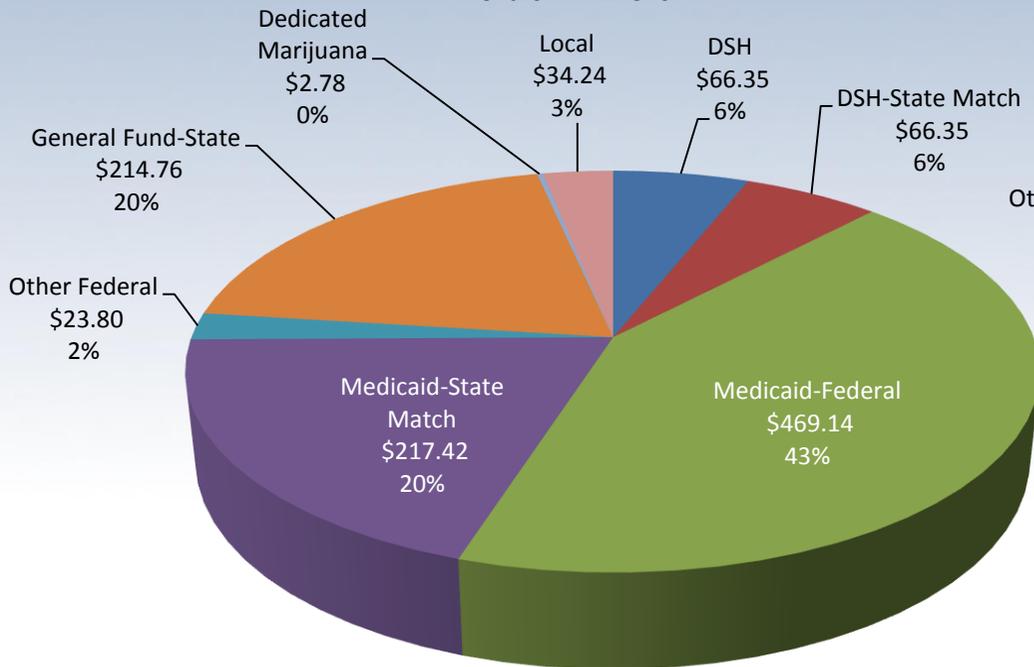
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Financing Overview

Behavioral Health Administration Funding

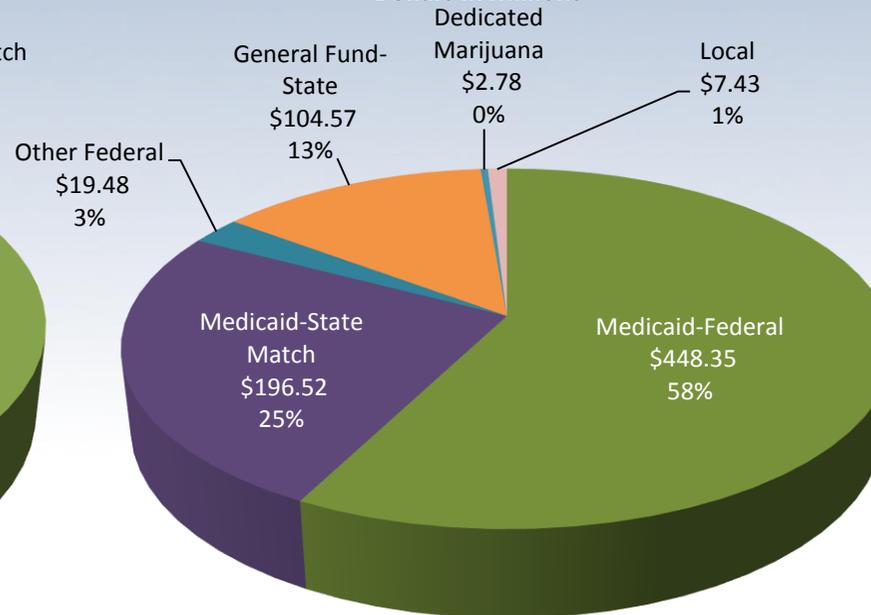
FY2016 Expenditures by Fund Source

Dollars in Millions



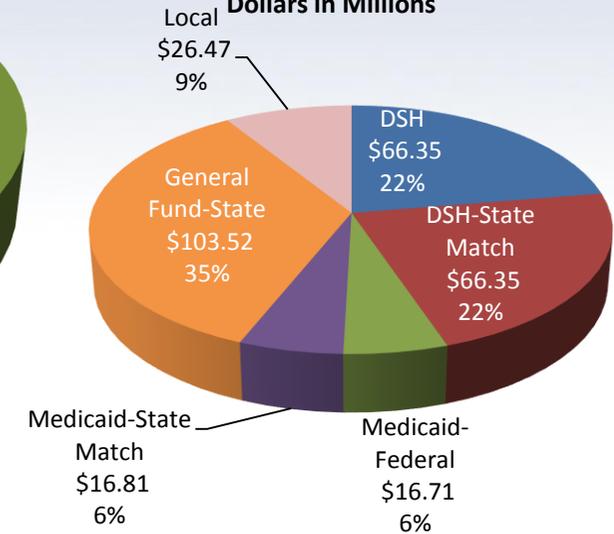
FY2016 Community Expenditures by Fund Source

Dollars in Millions



FY2016 Institution Expenditures by Fund Source

Dollars in Millions

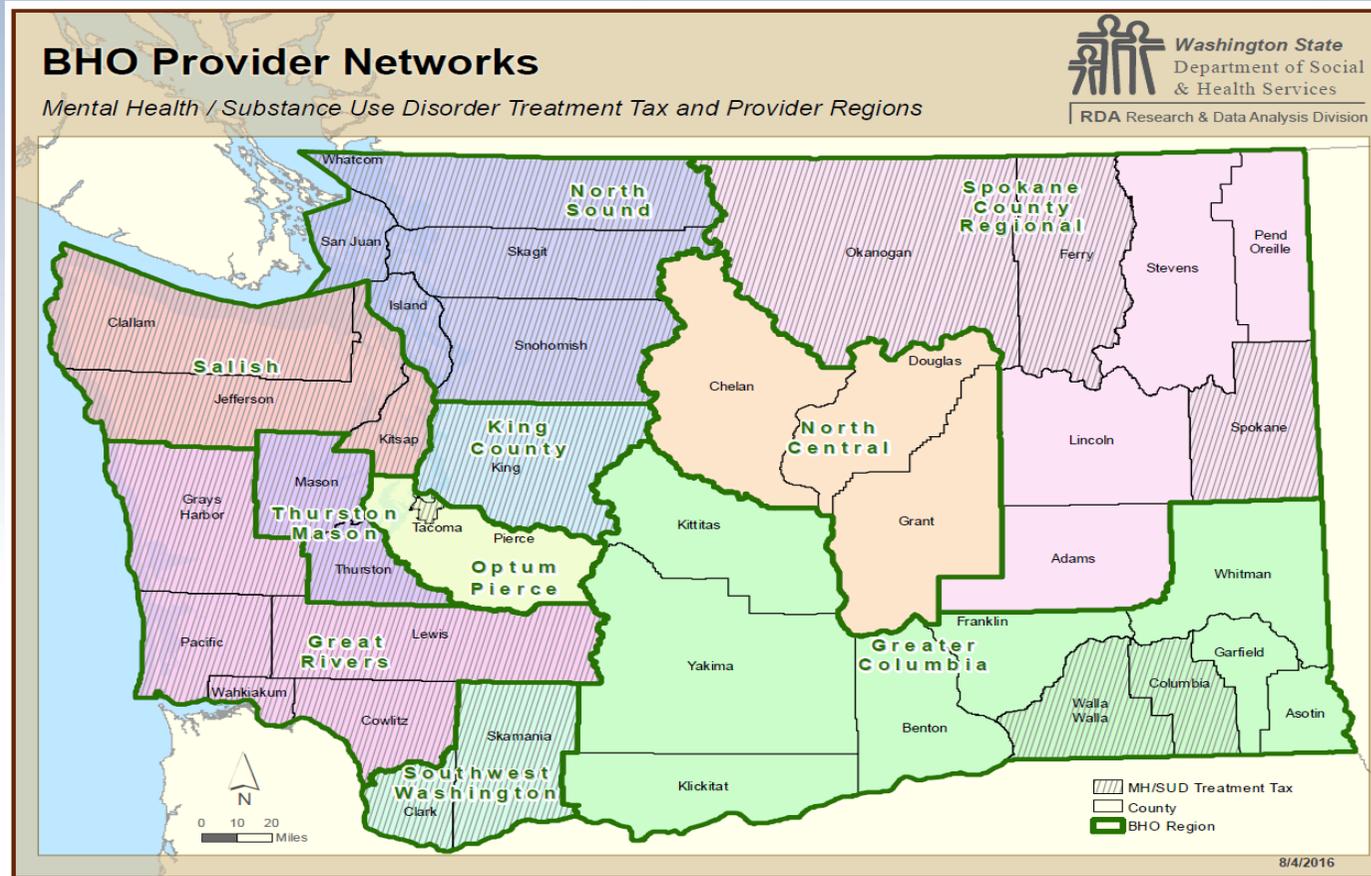


Note: Excludes SUD funding and services
 2016 numbers are not yet final
 Large chart includes Administrative costs, small chart for Administrative costs not depicted
 DSH is Medicaid Disproportionate Share Hospital payments

Financing Overview

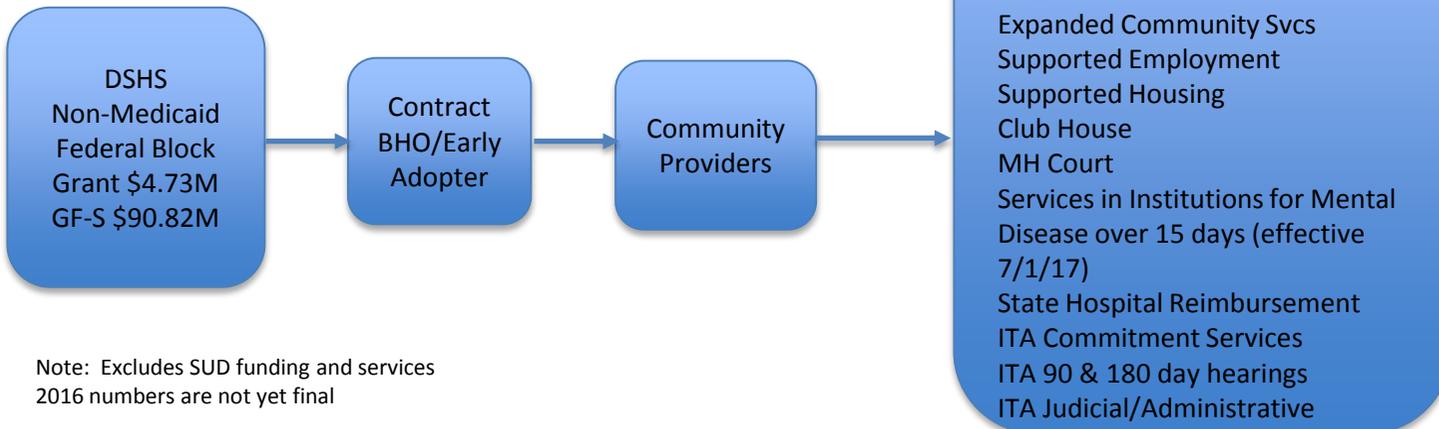
Behavioral Health Administration Funding

Transforming
Lives

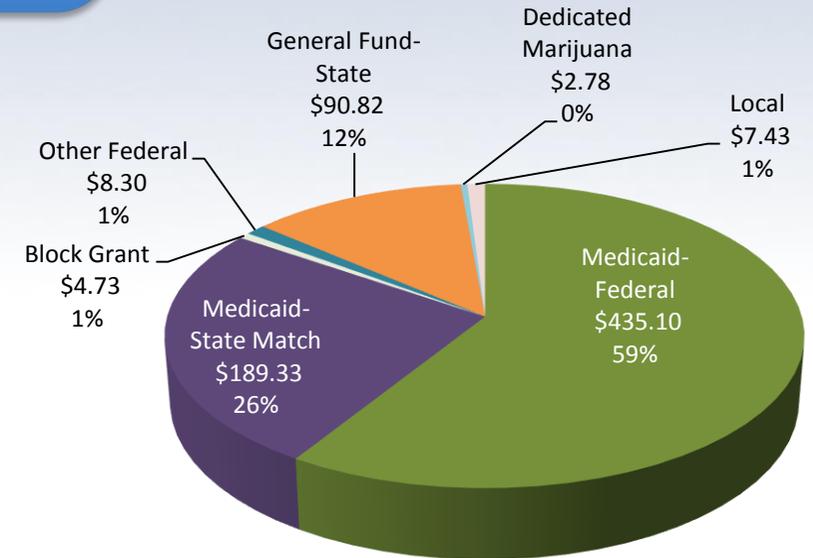


In addition, taxing districts can impose a MH/SUD tax. The map above shows which areas have implemented this.

Community Mental Health Services — Managed Care



FY2016 BHO Expenditures by Fund Source
Dollars in Millions

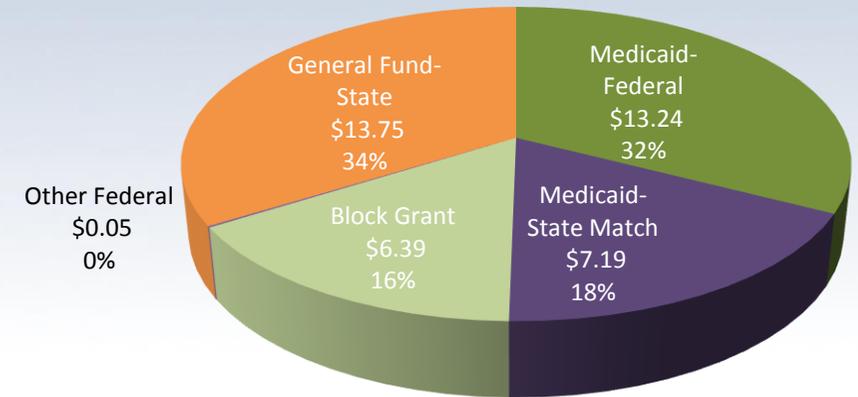


Note: Excludes SUD funding and services
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Community Mental Health Services — Outside of Managed Care



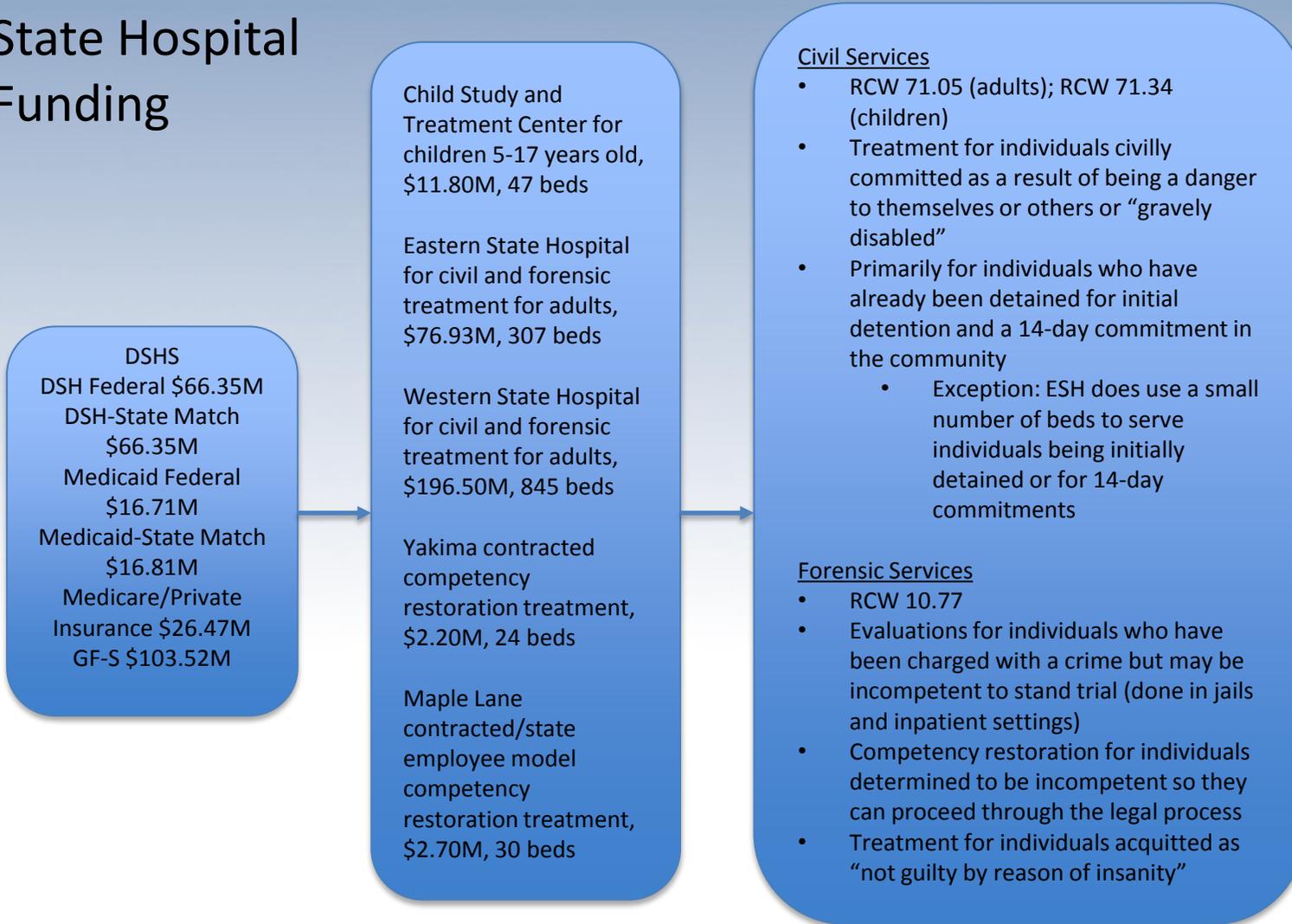
FY2016 Non-BHO Expenditures by Fund Source
Dollars in Millions



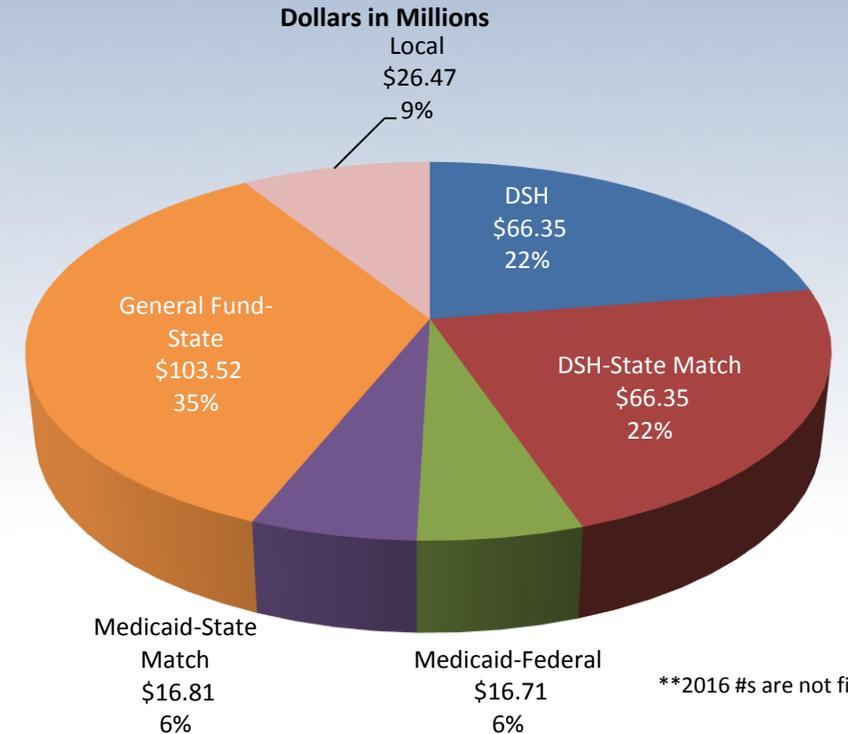
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Financing Overview Behavioral Health Administration

State Hospital Funding



FY2016 Institution Expenditures by Fund Source

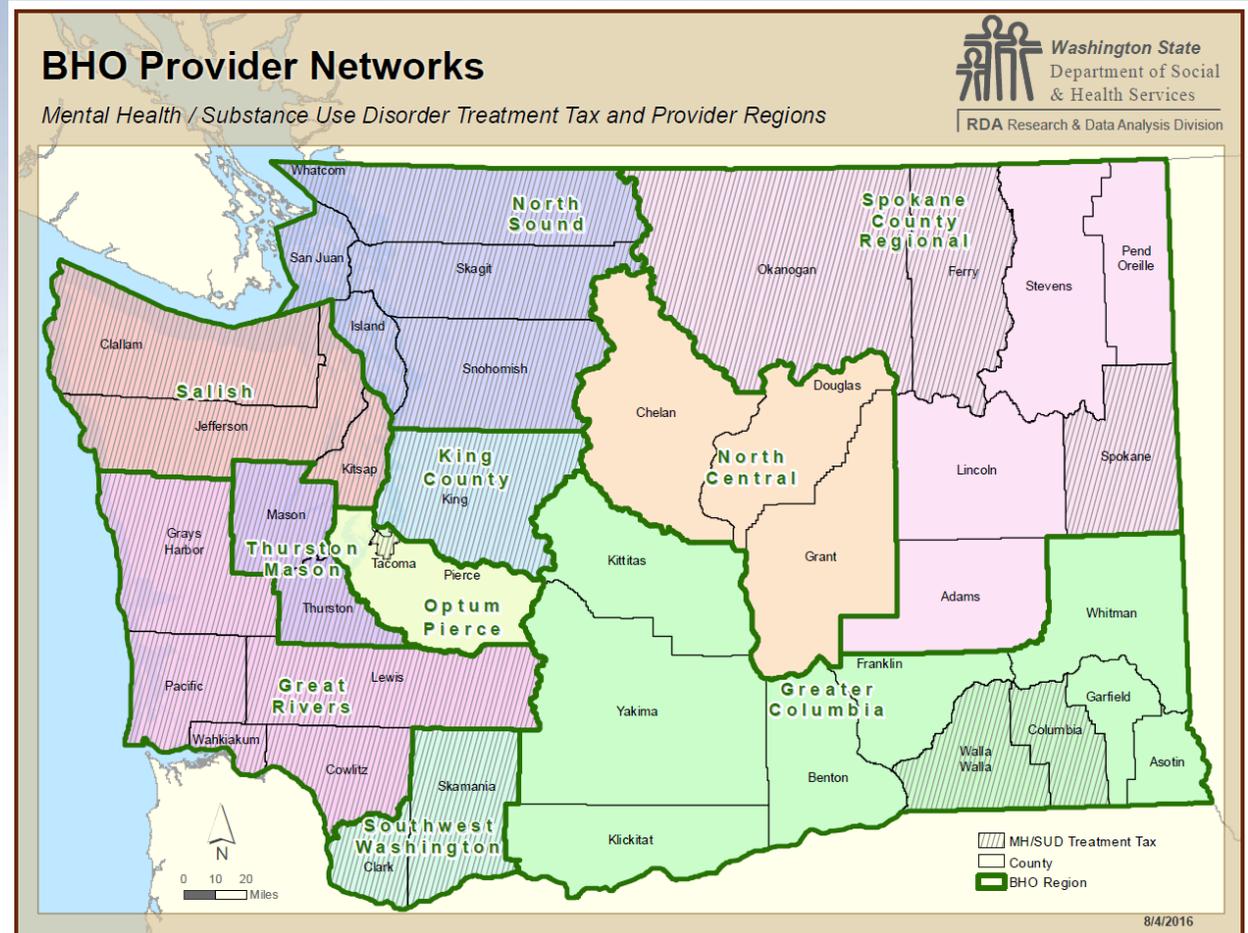


**Includes Competency Restoration Treatment Operations at Yakima and Maple Lane

BHO/Early Adopter State Hospital Bed Allocations (Applies only to ESH and WSH Civil Beds)

ESH BHOs	BED ALLOCATIONS Effective 4/1/2016
North Central Washington BHO	27
Greater Columbia BHO	55
Spokane County Regional BHO	110
ESH Totals	192

WSH BHOs	BED ALLOCATIONS Effective 4/1/2016
King County BHO	234
North Sound BHO	119
Salish BHO	33
Optum Pierce BHO	94
Thurston Mason BHO	34
Great Rivers BHO	33
EARLY ADOPTER REGION	BED ALLOCATIONS Effective 4/1/2016
SW Washington FIMC (Fully Integrated Managed Care)	40
WSH Totals	587



BHO/RSN Bed Utilization Penalty/Payment History

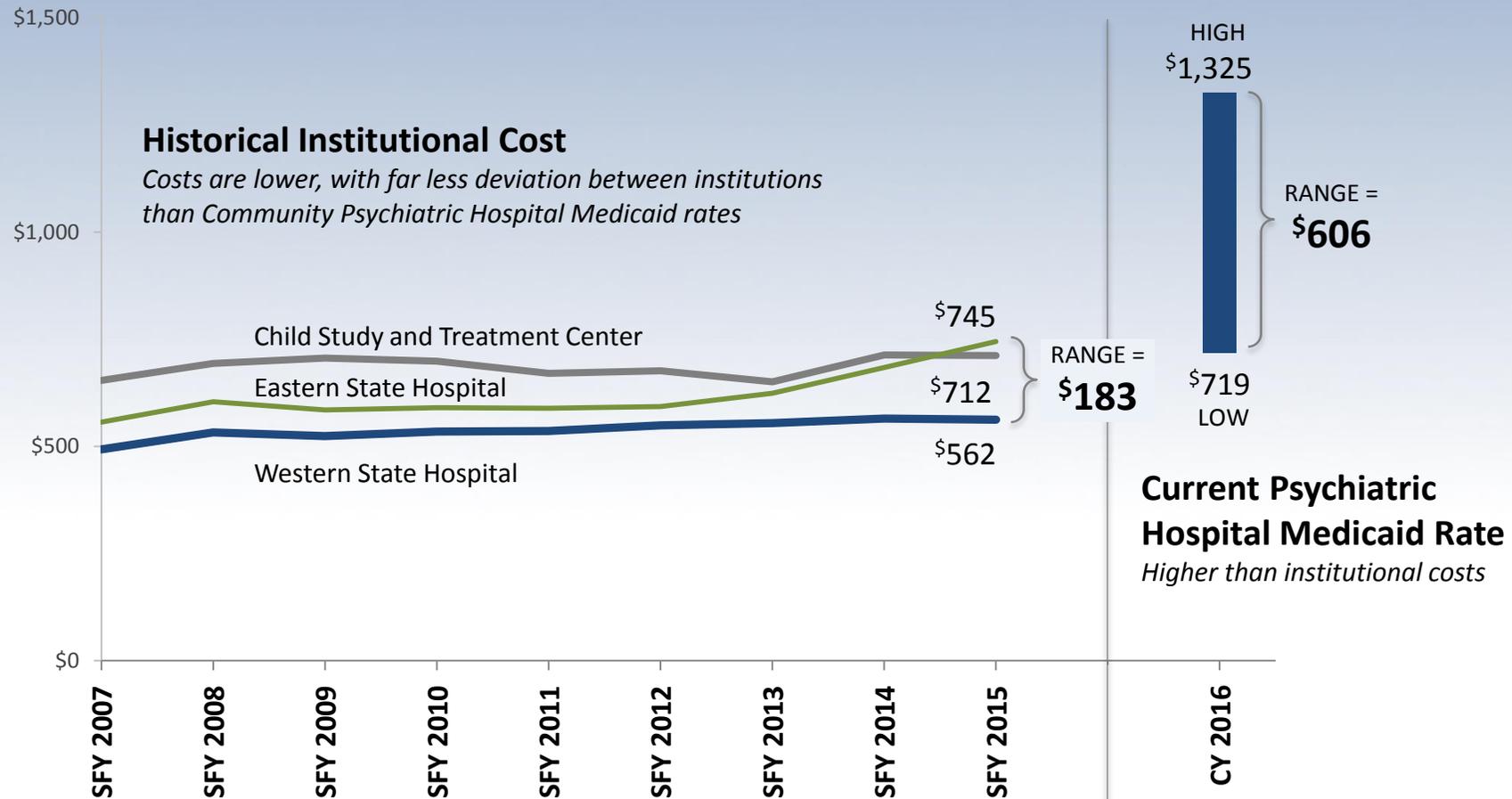
BILLINGS TO RSNs	FY13	FY14	FY15
RSN			
Combined Spokane/North Central	-	132,885.45	195,652.62
Greater Columbia RSN	-	-	-
Chelan / Douglas RSN	413,358.57	275,949.36	101,219.13
Timberlands RSN	3,558.80	50,331.60	-
Thurston / Mason RSN	55,415.60	164,721.60	237,422.80
Southwest WA Behavioral Health	99,646.40	14,743.60	-
Pierce RSN	-	-	70,159.20
Peninsula RSN	-	99,646.40	-
North Sound RSN	-	-	92,528.80
King RSN	-	68,125.60	395,026.80
Grays Harbor RSN	88,970.00	217,595.20	308,090.40
	660,949.37	1,023,998.81	1,400,099.75

PAYMENTS TO RSNs	FY13	FY14	FY15
RSN			
Combined Spokane/North Central	8,674.22	8,549.79	15,152.43
Greater Columbia RSN	198,005.07	195,867.62	124,235.12
Chelan / Douglas RSN	0.00	-	9,048.33
Timberlands RSN	2,865.88	79,405.48	137,018.39
Thurston / Mason RSN	1,598.18	1,260.61	3,646.59
Southwest (Cowlitz) RSN	1,644.68		
Southwest WA Behavioral Health	5,226.62	9,841.82	67,310.23
Pierce RSN	16,421.95	10,690.91	22,065.97
Peninsula RSN	20,215.16	67,719.17	251,966.43
North Sound RSN	37,785.32	91,431.91	58,058.86
King RSN	33,192.73	47,232.11	11,547.53
Grays Harbor RSN	4,513.63		-
Clark RSN	331.26		
	330,474.70	511,999.42	700,049.88

REIMBURSEMENT TO HOSPITALS	FY13	FY14	FY15
Eastern State Hospital	206,679.28	66,442.73	148,435.87
Western State Hospital	123,795.39	307,581.99	551,614.00

Institutional and Community Daily Costs

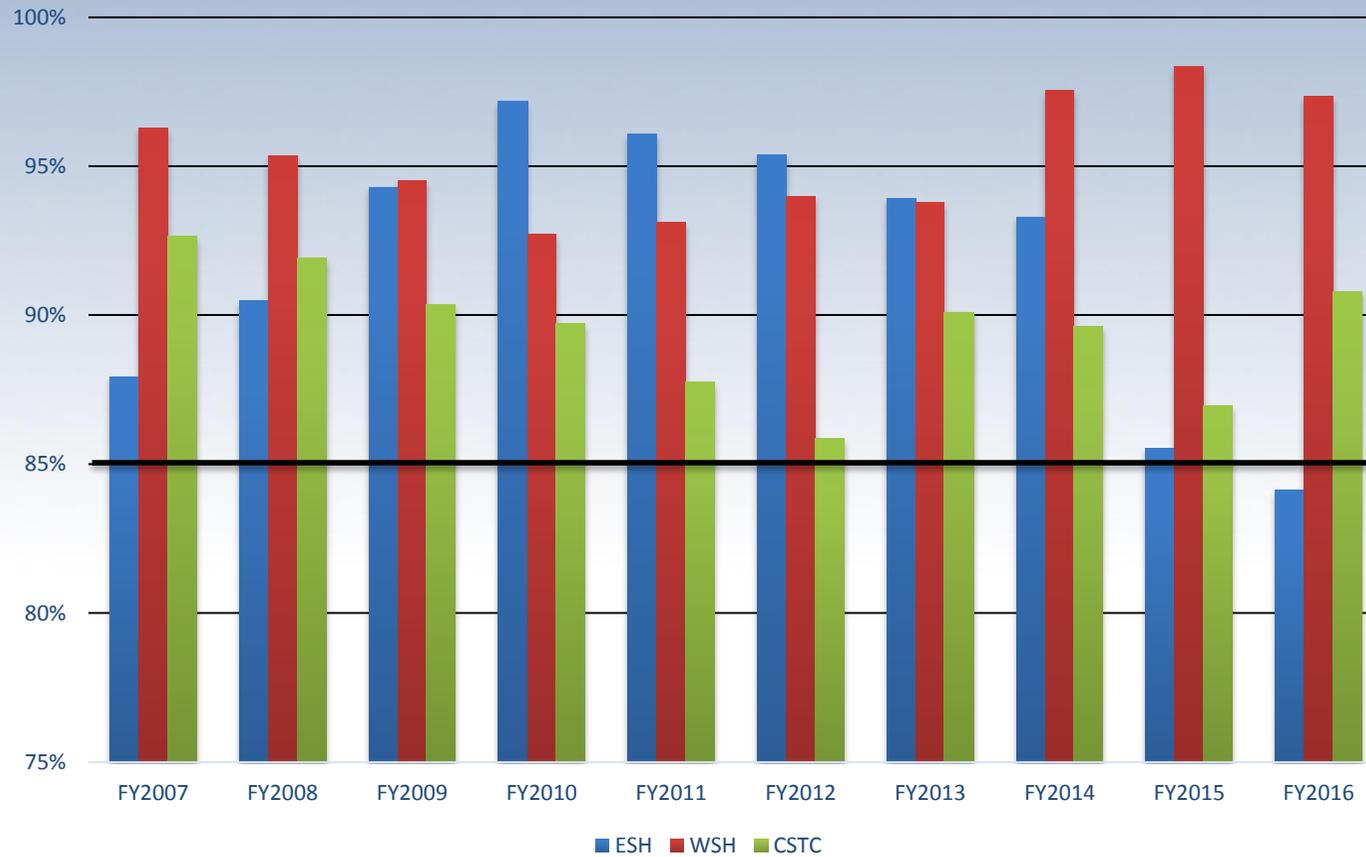
AVERAGE DAILY CENSUS



Note: 2016 numbers are not yet final.

Hospital Occupancy Rates

Occupancy Rate History



**Optimal industry standard is 85%

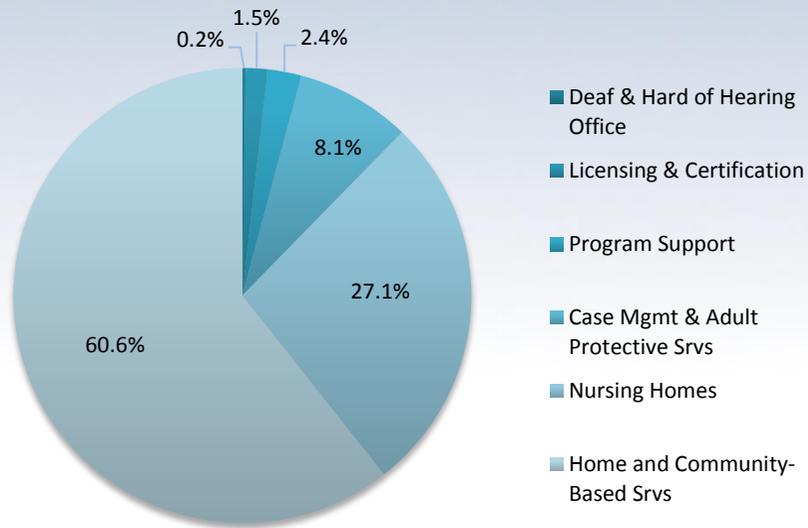
Financing Overview Take Away

- 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

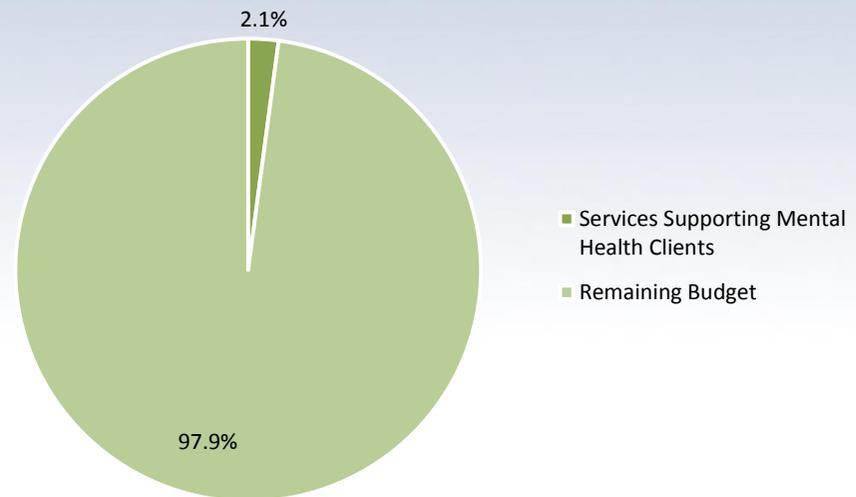
Financing Overview
Aging and Long-Term Support Administration

Aging and Long-Term Support Administration

Fiscal Year 2017 Budget = \$2.4B



Services Supporting Mental Health Clients = \$50M



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
 - Medication review
 - 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
 - Medication review
 - 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

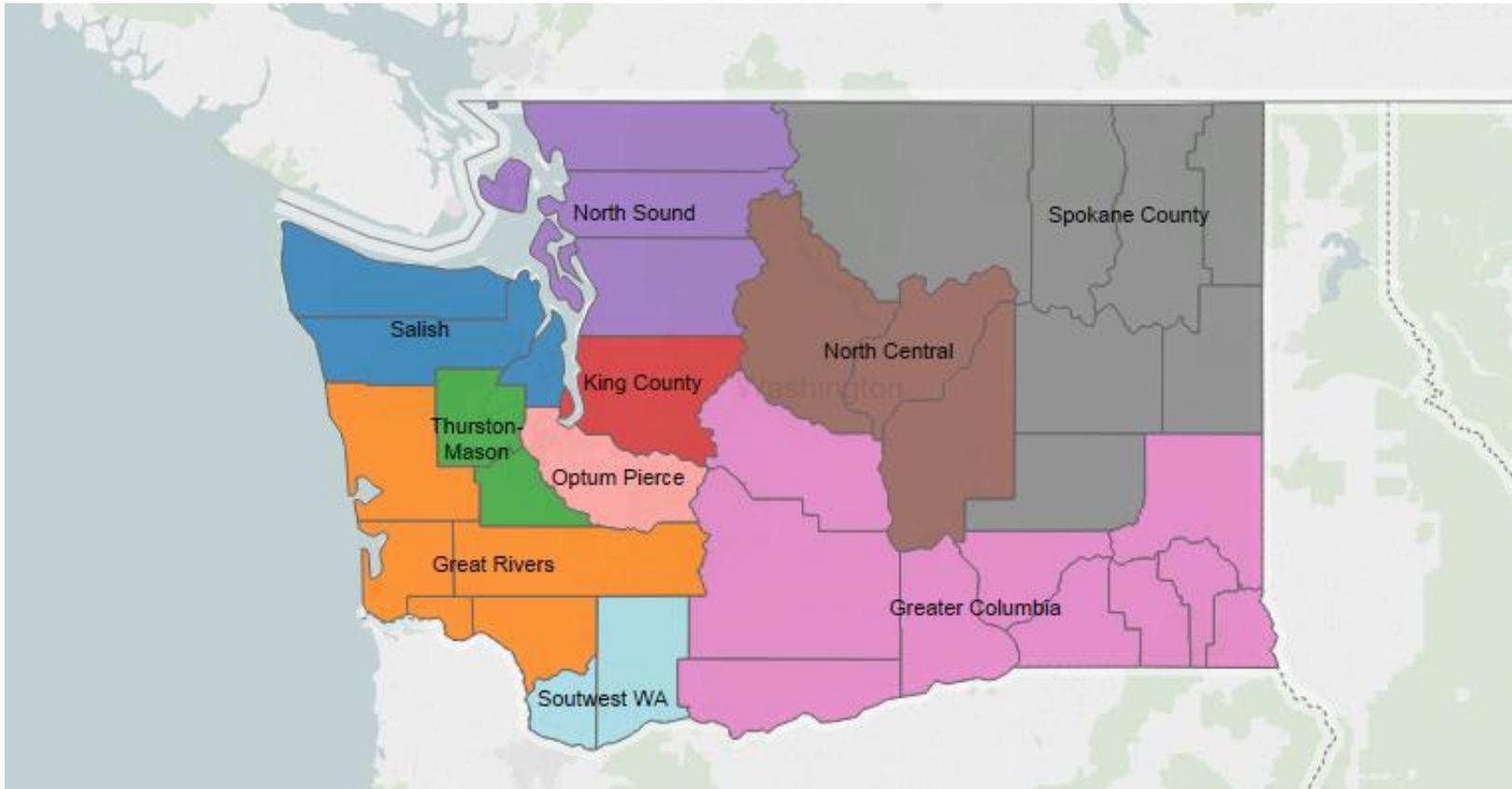
Financing Overview
Health Care Authority

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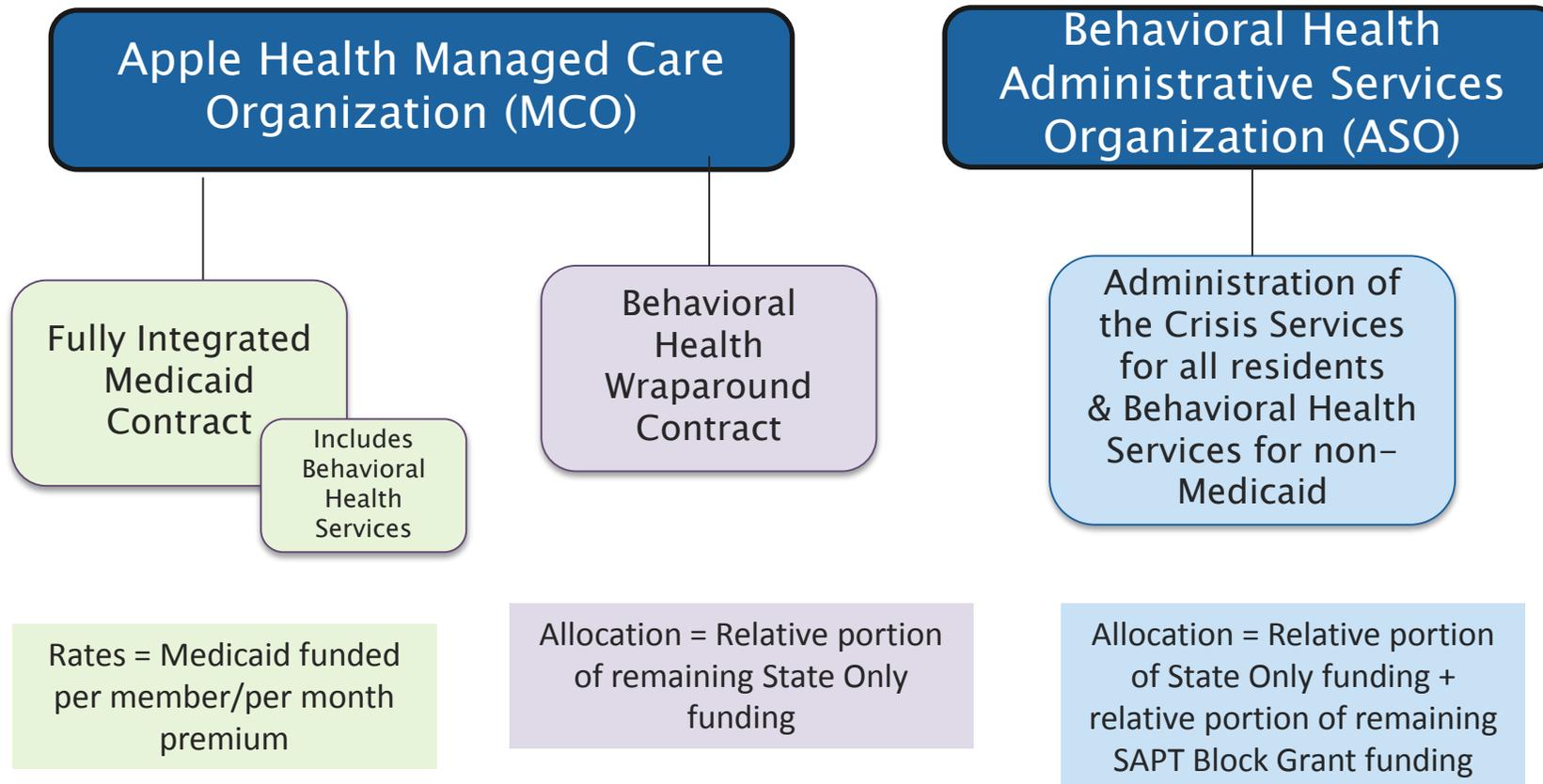
E2SSB 6312 (2014)

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



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

Maintain and Administer Crisis Services

- Maintain 24/7/365 regional crisis hotline
- Provide mental health crisis services, including mobile outreach team
- Administer Involuntary Treatment Act
- Administer Chemical Dependency Involuntary Commitment Act

Manage SUD and Related Benefits

- Identify and evaluate alcohol and drug involved individuals requiring protective custody, detention, or involuntary commitment services
- Manage case finding, investigation and assessment activities, and legal proceeding for CD ITA cases
- Provide short-term substance use disorder crisis services to the publically intoxicated

Provide Administrative and Financial Services and Support

- Operate Behavioral Health Ombudsman
- Manage the administration of the Mental Health Block Grant (MHBG)
- Manage the administration of the Criminal Justice Treatment Account (CJTA) funds and Juvenile Drug Court funds

Services not included in MCO Contracts

Crisis services
for all
members of
the community

- Includes DMHPs

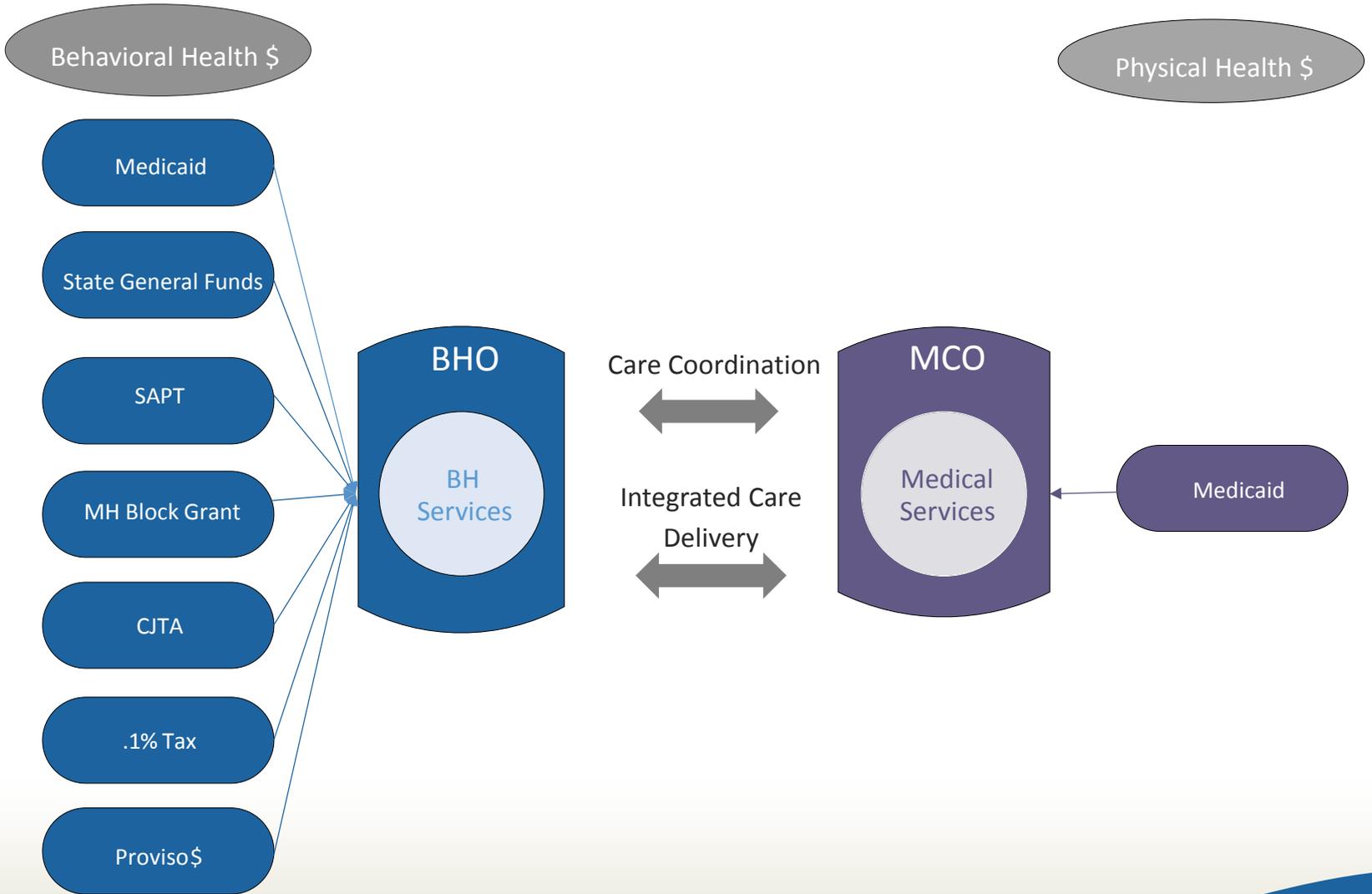
State-funded
services for
Non-Medicaid
beneficiaries

County-
funded
services for
Medicaid and
Non-Medicaid

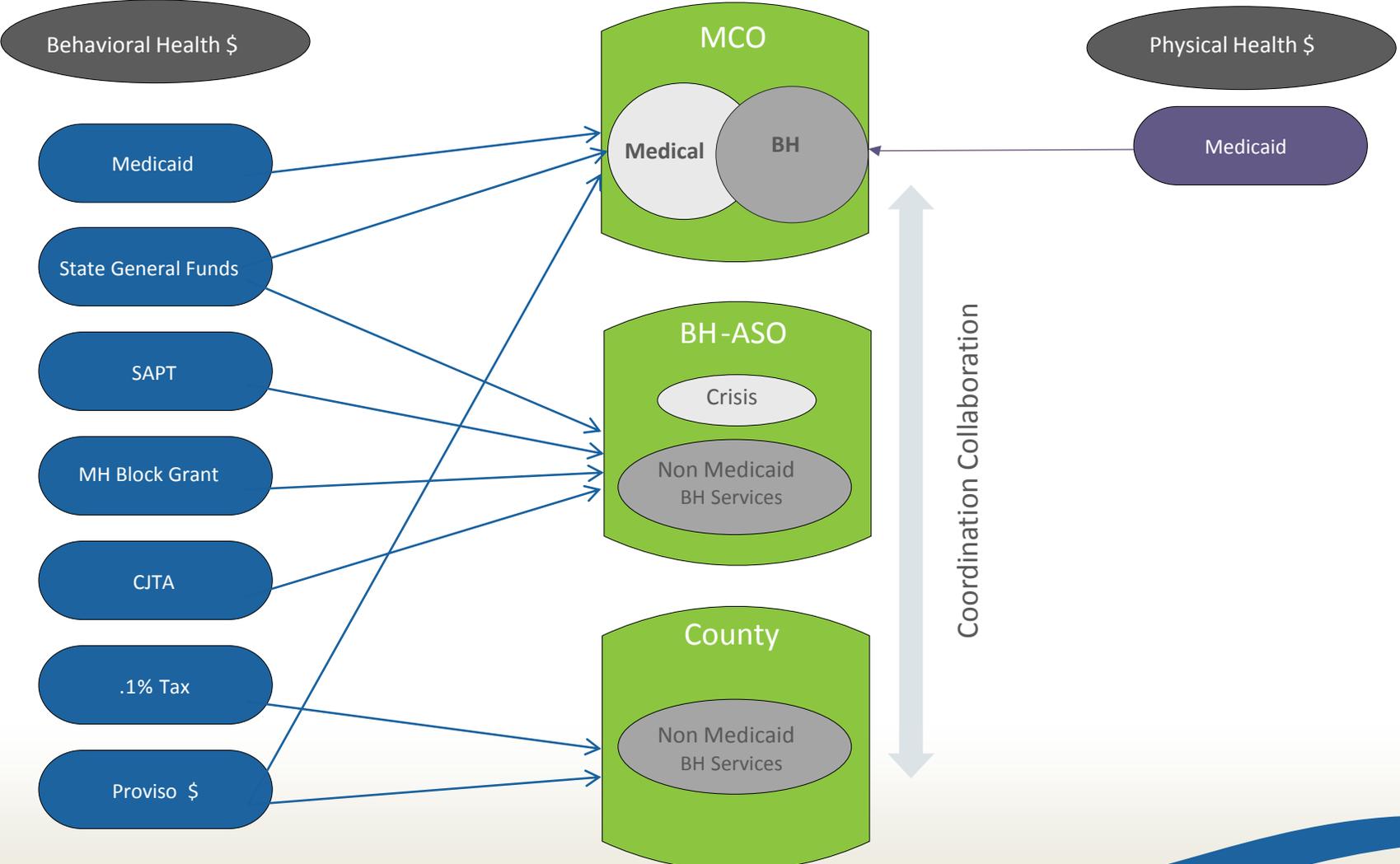
Miscellaneous

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

Current Funds Flow



Southwest Washington Funds Flow



Questions?