



**F** OFFICE OF  
INANCIAL **M**ANAGEMENT

# **OVERVIEW OF GOVERNOR'S 2017-19 BEHAVIORAL HEALTH BUDGET**

**Select Committee on Quality  
Improvement in the State Hospitals**

**December 20, 2016**

# Governor's Behavioral Health Budget Policy Approach

- Fix immediate challenges at Western State Hospital
- Redesign system around 21<sup>st</sup> century care



# Key Areas of Opportunity

**1.** Refine the role of state hospitals to serve the right patients in the right environment.

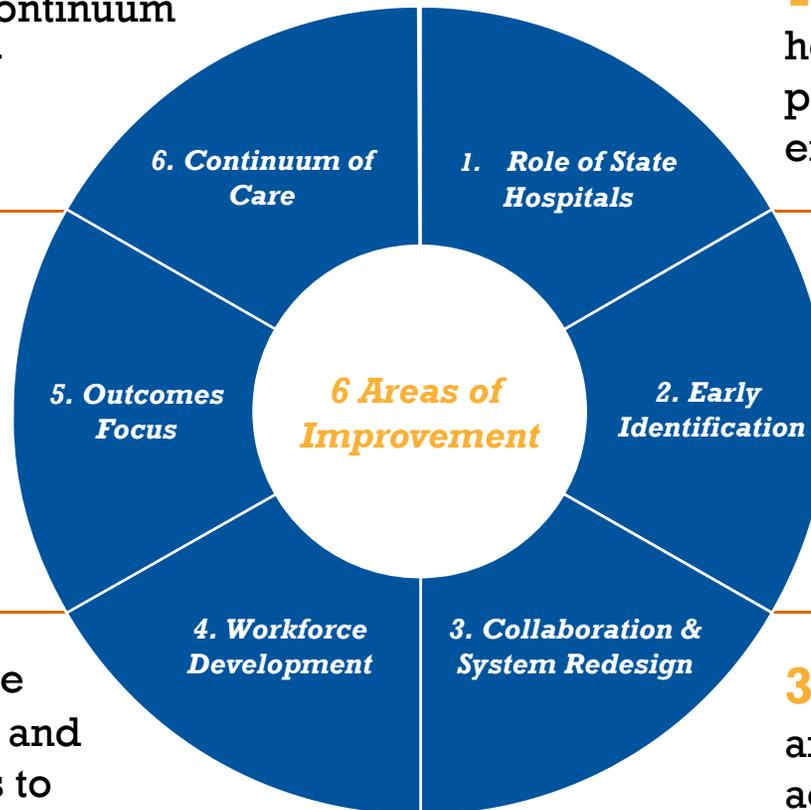
**6.** Establish a robust continuum of care and support for transitions.

**5.** Increase focus on outcomes to ensure the system delivers desired results and continuous improvement.

**2.** Improve early identification and treatment of behavioral health needs.

**4.** Support workforce development efforts and use of best practices to attract and retain staff.

**3.** Increase collaboration and redesign system to achieve patient centered care.



# Review of Initial Findings

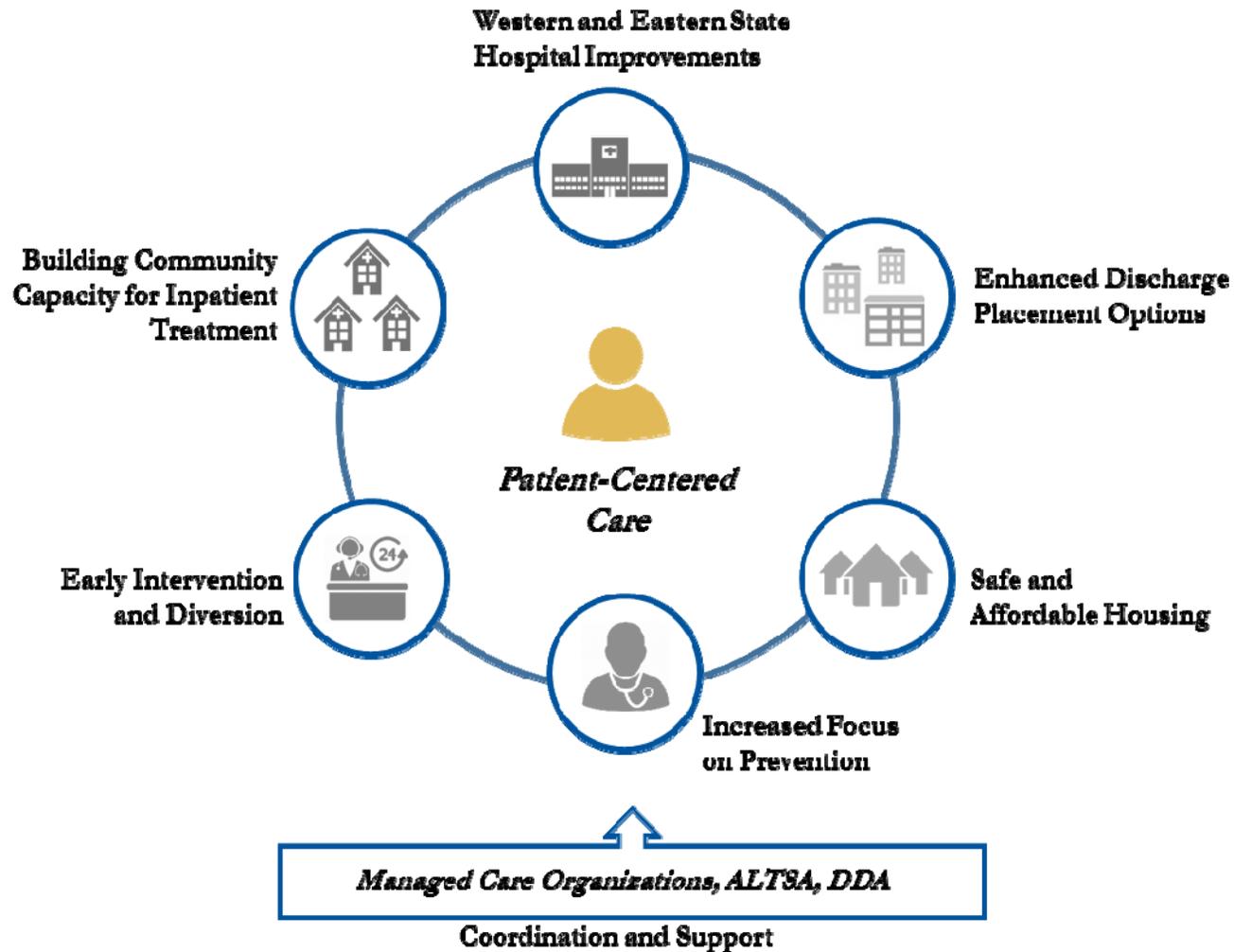
## Major Findings:

1. State hospital utilization and operations face a number of challenges.
2. Community based resources exist in a disparate set of systems that does not effectively support complex patient needs.
3. Ambiguity and lack of system-wide standardization weakens the ability of providers, BHOs, and patients alike to effectively use the system.
4. Best practices for mental health funding are incentivizing reduced institutionalization and increased outcomes-oriented community care.

## Key Challenges Identified:

- the volume of patients committed to the state hospital and subsequent admission delays
- discharge delays for patients who no longer require state hospitalization
- availability of specialized residential and other community programs
- coordination across the care continuum

# Behavioral Health System Redesign and Coordination

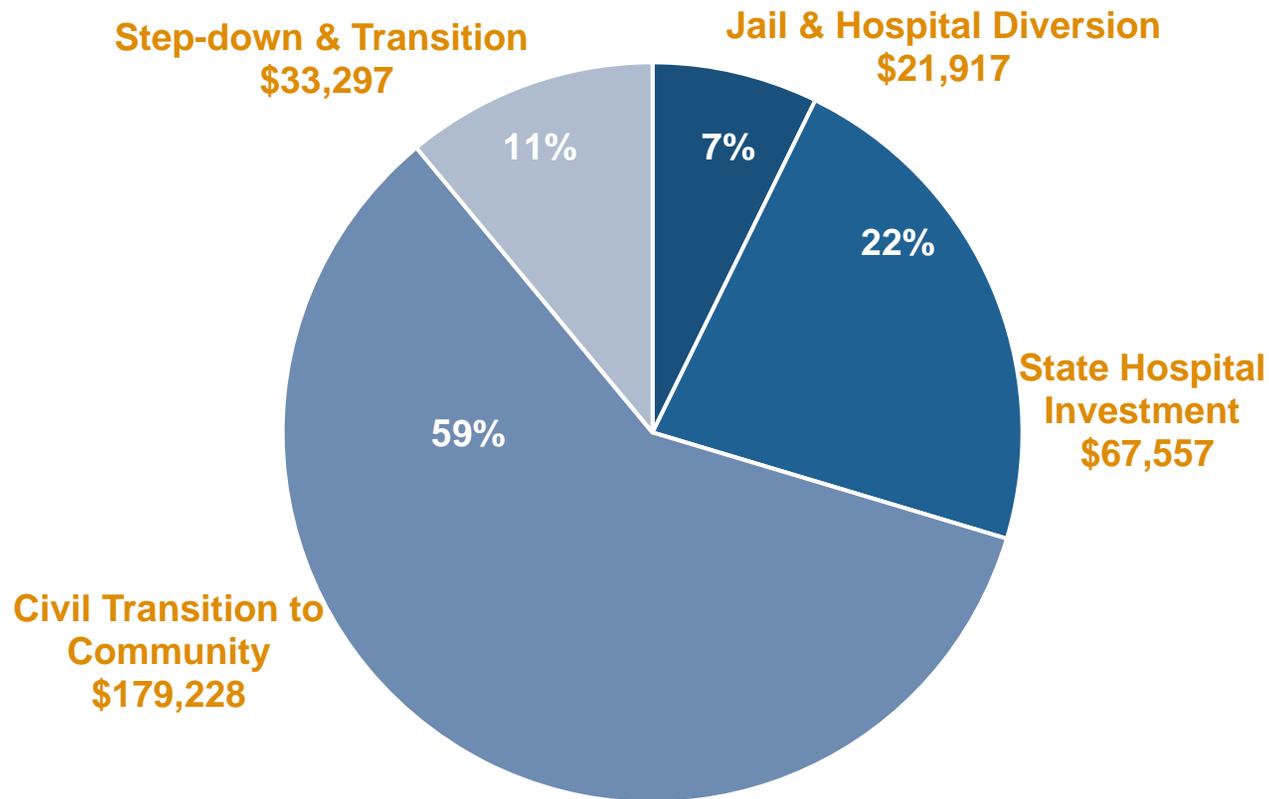


# Final Recommendations

Recommendation	Areas of Opportunity Addressed
<p><b>Recommendation 1:</b> Require the Director of the Health Care Authority to submit a state psychiatric hospital managed care risk model to the Legislature by December 31, 2017 to support putting Medicaid managed care organizations at risk for this benefit effective January 1, 2020.</p>	<ul style="list-style-type: none"> <li>✓ Collaboration and system redesign</li> <li>✓ Role of state hospitals</li> <li>✓ Workforce development</li> </ul>
<p><b>Recommendation 2:</b> Establish a new unit within the Office of Financial Management (OFM) that integrates and coordinates fiscal analysis of all behavioral health services across agencies and units of government.</p>	<ul style="list-style-type: none"> <li>✓ Collaboration and system redesign</li> <li>✓ Role of state hospitals</li> </ul>
<p><b>Recommendation 3:</b> Enhance community support by strengthening acute care episode management and community services to reduce admissions to state psychiatric hospitals. Specifically, this will be done by <b>funding 3 new mobile crisis teams, 2 new crisis walk in centers, a 15 percent increase in the number of peer support specialists</b> and the commencement of a grant program to enhance substance use disorder treatment more broadly into mental health care.</p>	<ul style="list-style-type: none"> <li>✓ Early identification</li> <li>✓ Collaboration and system redesign</li> <li>✓ Continuum of care</li> <li>✓ Workforce development</li> </ul>
<p><b>Recommendation 4:</b> Establish <b>6 new 16-bed community hospitals for civil commitments and transitional acute psychiatric care needs</b> to promote regional care and the potential for an emphasis in specialty care for co-morbid conditions. These conditions may include developmental disabilities, dementia and certain categories of co-occurring substance use disorders.</p>	<ul style="list-style-type: none"> <li>✓ Role of state hospitals</li> <li>✓ Collaboration and system redesign</li> <li>✓ Continuum of care</li> </ul>

Recommendation	Areas of Opportunity Addressed
<p><b>Recommendation 5:</b> Reform <b>state hospital programming to integrate substance use disorder treatment and add inpatient peer support.</b></p>	<ul style="list-style-type: none"> <li>✓ Collaboration and system redesign</li> <li>✓ Workforce development</li> </ul>
<p><b>Recommendation 6:</b> Align community mental health placements with identified civil placement discharge needs by (1) <b>establishing a transitional, statewide supportive housing benefit administrator</b>; (2) creating a <b>temporary Office of Behavioral Health Housing Initiatives</b>, charged with facilitating the collaboration of capacity building investment pools, and (3) establishing <b>expanded responsibility for selected state hospital transitions and management practices to AL TSA and DDA.</b></p>	<ul style="list-style-type: none"> <li>✓ Collaboration and system redesign</li> <li>✓ Care continuum</li> <li>✓ Outcomes Focus</li> </ul>
<p><b>Recommendation 7:</b> Develop regional care coordination models to <b>follow rising and high risk patients throughout the care continuum</b>, including those with significant mental health and substance use disorder needs.</p>	<ul style="list-style-type: none"> <li>✓ Care continuum</li> <li>✓ Collaboration and system redesign</li> </ul>
<p><b>Recommendation 8:</b> Invest in transitional care reform initiatives to <b>add step-up, step-down and HARPS resources.</b> Specifically, add two new, 10-bed step down facilities in Western Washington and one new 10-bed step down facility in Eastern Washington.</p>	<ul style="list-style-type: none"> <li>✓ Early identification</li> <li>✓ Collaboration and system redesign</li> <li>✓ Care continuum</li> </ul>
<p><b>Recommendation 9:</b> <b>Create an integrative technology infrastructure</b> to support behavioral health service delivery and transition to integrated care.</p>	<ul style="list-style-type: none"> <li>✓ Early identification</li> <li>✓ Outcomes Focus</li> <li>✓ Collaboration and system redesign</li> </ul>

# The Governor's 2017-19 Budget Invests Over \$300 Million in Behavioral Health



Dollars in Thousands

# Jail and Hospital Diversion & Community Support

Dollars in Thousands

Item	Beds	FTE	GF-S	Op. Total	Capital
No-and Low-Barrier Case-Managed Housing	100	.3	\$2,880	\$2,880	\$5,000
Street Outreach			\$1,660	\$1,660	\$0
Mobile Crisis Teams			\$3,712	\$4,950	\$0
Crisis Walk-in Centers	64		\$2,286	\$3,627	\$3,800

# State Hospital Investments

Dollars in Thousands

Item	Beds	FTE	GF-S	Op. Total	Capital
Substance Use Disorder Treatment & Peer Support		21	\$3,480	\$3,480	\$0
Systems Improvement Agreement		137	\$52,716	\$52,716	\$0
Hosp. Time, Leave & Attendance		1.0	\$5,723	\$6,979	\$0
Discharge Case Managers		12.9	\$1,510	\$2,821	\$0
Financial Service Specialists		8.4	\$783	\$1,561	\$0

# Move Civil Commitment Capacity to the Community

Dollars in Thousands

Item	Beds	FTE	GF-S	Op. Total	Capital
Enhanced Discharge Placement Options	356	183	\$63,075	\$99,644	\$24,500
16-Bed Community Behavioral Health Hospitals	48	334	\$2,676	\$3,754	\$22,500
Inpatient Psychiatric Rate	106		\$9,898	\$28,550	\$0
Financial Risk Model		1.0	\$140	\$280	\$0

# Step-Down & Transition Services

Dollars in Thousands

Item	Beds	FTE	GF-S	Op. Total	Capital
Permanent Supportive Housing	320	1	\$8,199	\$8,199	\$16,000
Step-down Housing	60		\$4,556	\$4,556	\$1,500
HARPS Teams			\$2,762	\$2,762	\$0
Statewide Supportive Housing Benefit Administrator		1	\$280	\$280	\$0



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