

SHB 2127 - H AMD 1231
By Representative Hinkle

FAILED 02/28/2012

1 Beginning on page 48, line 19, strike all of section 204 and insert
2 the following:

3 "Sec. 204. 2011 2nd sp.s. c 9 s 204 (uncodified) is amended to
4 read as follows:

5 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MENTAL HEALTH PROGRAM**

6	(1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS	
7	General Fund--State Appropriation (FY 2012)	((\$317,392,000))
8		<u>\$316,380,000</u>
9	General Fund--State Appropriation (FY 2013)	((\$322,982,000))
10		<u>\$320,482,000</u>
11	General Fund--Federal Appropriation	((\$448,732,000))
12		<u>\$449,801,000</u>
13	General Fund--Private/Local Appropriation	\$17,864,000
14	Hospital Safety Net Assessment Fund--State	
15	Appropriation	((\$6,802,000))
16		<u>\$5,251,000</u>
17	TOTAL APPROPRIATION	((\$1,113,772,000))
18		<u>\$1,109,778,000</u>

19 The appropriations in this subsection are subject to the following
20 conditions and limitations:

21 (a) ((~~\$109,342,000~~)) \$107,988,000 of the general fund--state
22 appropriation for fiscal year 2012 and ((~~\$109,341,000~~)) \$106,091,000 of
23 the general fund--state appropriation for fiscal year 2013 are provided
24 solely for persons and services not covered by the medicaid program.
25 This is a reduction ((~~of \$4,348,000 each fiscal year~~)) from the
26 nonmedicaid funding that was allocated for expenditure by regional
27 support networks during fiscal year 2011 prior to supplemental budget
28 reductions. This ((~~\$4,348,000~~)) reduction shall be distributed among
29 regional support networks proportional to each network's share of the
30 total state population. To the extent possible, levels of regional

1 support network spending shall be maintained in the following priority
2 order: (i) Crisis and commitment services; (ii) community inpatient
3 services; and (iii) residential care services, including personal care
4 and emergency housing assistance.

5 (b) \$6,590,000 of the general fund--state appropriation for fiscal
6 year 2012, \$6,590,000 of the general fund--state appropriation for
7 fiscal year 2013, and \$7,620,000 of the general fund--federal
8 appropriation are provided solely for the department and regional
9 support networks to continue to contract for implementation of high-
10 intensity programs for assertive community treatment (PACT) teams. In
11 determining the proportion of medicaid and nonmedicaid funding provided
12 to regional support networks with PACT teams, the department shall
13 consider the differences between regional support networks in the
14 percentages of services and other costs associated with the teams that
15 are not reimbursable under medicaid. The department may allow regional
16 support networks which have nonmedicaid reimbursable costs that are
17 higher than the nonmedicaid allocation they receive under this section
18 to supplement these funds with local dollars or funds received under
19 section 204(1)(a) of this act. The department and regional support
20 networks shall maintain consistency with all essential elements of the
21 PACT evidence-based practice model in programs funded under this
22 section.

23 (c) \$5,850,000 of the general fund--state appropriation for fiscal
24 year 2012, \$5,850,000 of the general fund--state appropriation for
25 fiscal year 2013, and \$1,300,000 of the general fund--federal
26 appropriation are provided solely for the western Washington regional
27 support networks to provide either community- or hospital campus-based
28 services for persons who require the level of care previously provided
29 by the program for adaptive living skills (PALS) at western state
30 hospital.

31 (d) The number of nonforensic beds allocated for use by regional
32 support networks at eastern state hospital shall be 192 per day. The
33 number of nonforensic beds allocated for use by regional support
34 networks at western state hospital shall be 557 per day through June
35 2012, 527 per day from July 2012 through September 2012, and 497 per
36 day from October 2012 through the end of fiscal year 2013.

37 (e) From the general fund--state appropriations in this subsection,
38 the secretary of social and health services shall assure that regional

1 support networks reimburse the aging and disability services
2 administration for the general fund--state cost of medicaid personal
3 care services that enrolled regional support network consumers use
4 because of their psychiatric disability.

5 (f) \$4,582,000 of the general fund--state appropriation for fiscal
6 year 2012 and \$4,582,000 of the general fund--state appropriation for
7 fiscal year 2013 are provided solely for mental health services for
8 mentally ill offenders while confined in a county or city jail and for
9 facilitating access to programs that offer mental health services upon
10 release from confinement.

11 (g) The department is authorized to continue to contract directly,
12 rather than through contracts with regional support networks, for
13 children's long-term inpatient facility services.

14 (h) \$750,000 of the general fund--state appropriation for fiscal
15 year 2012 and \$750,000 of the general fund--state appropriation for
16 fiscal year 2013 are provided solely to continue performance-based
17 incentive contracts to provide appropriate community support services
18 for individuals with severe mental illness who were discharged from the
19 state hospitals as part of the expanding community services initiative.
20 These funds will be used to enhance community residential and support
21 services provided by regional support networks through other state and
22 federal funding.

23 (i) \$1,125,000 of the general fund--state appropriation for fiscal
24 year 2012 and \$1,125,000 of the general fund--state appropriation for
25 fiscal year 2013 are provided solely for the Spokane regional support
26 network to implement services to reduce utilization and the census at
27 eastern state hospital. Such services shall include:

28 (i) High intensity treatment team for persons who are high
29 utilizers of psychiatric inpatient services, including those with co-
30 occurring disorders and other special needs;

31 (ii) Crisis outreach and diversion services to stabilize in the
32 community individuals in crisis who are at risk of requiring inpatient
33 care or jail services;

34 (iii) Mental health services provided in nursing facilities to
35 individuals with dementia, and consultation to facility staff treating
36 those individuals; and

37 (iv) Services at the sixteen-bed evaluation and treatment facility.

1 At least annually, the Spokane regional support network shall
2 assess the effectiveness of these services in reducing utilization at
3 eastern state hospital, identify services that are not optimally
4 effective, and modify those services to improve their effectiveness.

5 (j) \$1,529,000 of the general fund--state appropriation for fiscal
6 year 2012 and \$1,529,000 of the general fund--state appropriation for
7 fiscal year 2013 are provided solely to reimburse Pierce and Spokane
8 counties for the cost of conducting 180-day commitment hearings at the
9 state psychiatric hospitals.

10 (k) Regional support networks may use local funds to earn
11 additional federal medicaid match, provided the locally matched rate
12 does not exceed the upper-bound of their federally allowable rate
13 range, and provided that the enhanced funding is used only to provide
14 medicaid state plan or waiver services to medicaid clients.
15 Additionally, regional support networks may use a portion of the state
16 funds allocated in accordance with (a) of this subsection to earn
17 additional medicaid match, but only to the extent that the application
18 of such funds to medicaid services does not diminish the level of
19 crisis and commitment, community inpatient, residential care, and
20 outpatient services presently available to persons not eligible for
21 medicaid.

22 (l) Given the recent approval of federal medicaid matching funds
23 for the disability lifeline and the alcohol and drug abuse treatment
24 support act programs, the department shall charge regional support
25 networks for only the state share rather than the total cost of
26 community psychiatric hospitalization for persons enrolled in those
27 programs.

28 (m) \$750,000 of the general fund--state appropriation for fiscal
29 year 2012, \$750,000 of the general fund--state appropriation for fiscal
30 year 2013, and \$1,500,000 of the general fund--federal appropriation
31 are provided solely to adjust regional support network capitation rates
32 to account for the per diem rates actually paid for psychiatric care
33 provided at hospitals participating in the certified public expenditure
34 program operated pursuant to section 213 of this act.

35 (2) INSTITUTIONAL SERVICES

36	General Fund--State Appropriation (FY 2012)	((\$115,317,000))
37		<u>\$115,146,000</u>
38	General Fund--State Appropriation (FY 2013)	((\$114,111,000))

1		<u>\$108,574,000</u>
2	General Fund--Federal Appropriation	((\$153,324,000))
3		<u>\$154,002,000</u>
4	General Fund--Private/Local Appropriation	((\$67,325,000))
5		<u>\$67,416,000</u>
6	TOTAL APPROPRIATION	((\$450,077,000))
7		<u>\$445,138,000</u>

8 The appropriations in this subsection are subject to the following
9 conditions and limitations:

10 (a) The state psychiatric hospitals may use funds appropriated in
11 this subsection to purchase goods and supplies through hospital group
12 purchasing organizations when it is cost-effective to do so.

13 (b) \$231,000 of the general fund--state appropriation for fiscal
14 year 2012 and \$231,000 of the general fund--state appropriation for
15 fiscal year 2013 are provided solely for a community partnership
16 between western state hospital and the city of Lakewood to support
17 community policing efforts in the Lakewood community surrounding
18 western state hospital. The amounts provided in this subsection (2)(b)
19 are for the salaries, benefits, supplies, and equipment for one full-
20 time investigator, one full-time police officer, and one full-time
21 community service officer at the city of Lakewood.

22 (c) \$45,000 of the general fund--state appropriation for fiscal
23 year 2012 and \$45,000 of the general fund--state appropriation for
24 fiscal year 2013 are provided solely for payment to the city of
25 Lakewood for police services provided by the city at western state
26 hospital and adjacent areas.

27 (d) \$20,000,000 of the general fund--state appropriation for fiscal
28 year 2012 and \$20,000,000 of the general fund--state appropriation for
29 fiscal year 2013 are provided solely to maintain staffed capacity to
30 serve an average daily census in forensic wards at western state
31 hospital of 270 patients per day.

32 (3) SPECIAL PROJECTS

33	General Fund--State Appropriation (FY 2012)	\$1,168,000
34	General Fund--State Appropriation (FY 2013)	((\$1,164,000))
35		<u>\$1,726,000</u>
36	General Fund--Federal Appropriation	\$4,109,000
37	General Fund--Private/Local Appropriation	\$700,000
38	TOTAL APPROPRIATION	((\$7,141,000))

The appropriations in this subsection are subject to the following conditions and limitations:

(a) \$1,161,000 of the general fund--state appropriation for fiscal year 2012 and \$1,161,000 of the general fund--state appropriation for fiscal year 2013 are provided solely for children's evidence based mental health services. Funding is sufficient to continue serving children at the same levels as fiscal year 2009.

(b) \$700,000 of the general fund--private/local appropriation is provided solely for the University of Washington's evidence based practice institute which supports the identification, evaluation, and implementation of evidence-based or promising practices for serving children and youth with mental health disorders. The department shall enter into an interagency agreement with the office of the attorney general for expenditure of \$700,000 of the state's proceeds of the *cy pres* settlement in *State of Washington v. AstraZeneca (Seroquel)* for this purpose.

(c) \$55,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for the department to contract with the evidence-based practice institute to consult with the department and the Washington state institute for public policy in efforts to identify and expand the use of evidence-based practices for mental health prevention and treatment services to children in accordance with Engrossed Second Substitute House Bill No. 2536 (children services/delivery). Funding provided in this subsection may not be used to pay for costs of the director of the institute and shall lapse if Engrossed Second Substitute House Bill No. 2536 (children services/delivery) is not enacted by June 30, 2012.

(d) \$509,000 of the general fund--state appropriation for fiscal year 2013 is provided solely for training costs associated with implementation of Engrossed Second Substitute House Bill No. 2536 (children services/delivery). The amounts provided in this subsection must be used for coordinated evidence-based practice training to programs providing mental health, child welfare, and juvenile justice services to children. If Engrossed Second Substitute House Bill No. 2536 (children services/delivery) is not enacted by June 30, 2012, the amount provided in this subsection shall lapse.

(4) PROGRAM SUPPORT

1	General Fund--State Appropriation (FY 2012)	((\$4,476,000))
2		<u>\$4,486,000</u>
3	General Fund--State Appropriation (FY 2013)	((\$4,261,000))
4		<u>\$4,385,000</u>
5	General Fund--Federal Appropriation	((\$7,227,000))
6		<u>\$7,309,000</u>
7	General Fund--Private/Local Appropriation	\$446,000
8	TOTAL APPROPRIATION	((\$16,410,000))
9		<u>\$16,626,000</u>

10 (a) The appropriations in this subsection are subject to the
11 following conditions and limitations: In accordance with RCW
12 43.20B.110, 43.135.055, and 71.24.035, the department is authorized to
13 increase license and certification fees in fiscal years 2012 and 2013
14 to support the costs of the regulatory program. The fee schedule
15 increases must be developed so that the maximum amount of additional
16 fees paid by providers statewide in the 2011-2013 fiscal biennium is
17 \$446,000. The department's fee schedule shall have differential rates
18 for providers with proof of accreditation from organizations that the
19 department has determined to have substantially equivalent standards to
20 those of the department, including but not limited to the joint
21 commission on accreditation of health care organizations, the
22 commission on accreditation of rehabilitation facilities, and the
23 council on accreditation. To reflect the reduced costs associated with
24 regulation of accredited programs, the department's fees for
25 organizations with such proof of accreditation must reflect the lower
26 costs of licensing for these programs than for other organizations
27 which are not accredited.

28 (b) \$19,000 of the general fund--state appropriation for fiscal
29 year 2012, \$17,000 of the general fund--state appropriation for fiscal
30 year 2013, and \$34,000 of the general fund--federal appropriation are
31 provided solely to support a partnership among the department of social
32 and health services, the department of health, and agencies that
33 deliver medical care and behavioral health services in Cowlitz county.
34 The partnership shall identify and recommend strategies for resolving
35 regulatory, licensing, data management, reporting, and funding barriers
36 to more effective integration of primary medical and behavioral health
37 care services in the county.

1 (c) \$105,000 of the general fund--state appropriation for fiscal
2 year 2013 and \$68,000 of the general fund--federal appropriation are
3 provided solely for staffing costs associated with implementation of
4 Engrossed Second Substitute House Bill No. 2536 (children
5 services/delivery). The amounts provided in this subsection must be
6 used for coordinated evidence-based practice implementation amongst the
7 department's programs providing mental health, child welfare, and
8 juvenile justice services to children. If Engrossed Second Substitute
9 House Bill No. 2536 (children services/delivery) is not enacted by June
10 30, 2012, the amounts provided in this subsection shall lapse."

11 On page 208, after line 25, insert the following:

12 "NEW SECTION. Sec. 724. A new section is added to 2011 1st sp.s.
13 c 50 (uncodified) to read as follows:

14 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--GOODS AND SERVICES**

15	General Fund--State Appropriation (FY 2012)	(\$1,644,000)
16	General Fund--State Appropriation (FY 2013)	(\$6,580,000)
17	TOTAL APPROPRIATION	(\$8,224,000)

18 The appropriations in this section are solely for the purposes
19 designated in this section and are subject to the following conditions
20 and limitations:

- 21 (1) Appropriations are adjusted to reflect savings associated with
22 a 10 percent reduction in expenditures related to goods and services.
23 (2) The office of financial management shall update agency
24 appropriation schedules to reflect the changes to funding levels in
25 this section as identified by agency and in the amounts specified in
26 LEAP Document HW2-2012 dated February 17, 2012.
27 (3) For agencies with appropriations from accounts other than the
28 general fund--state, the office of financial management shall work with
29 agencies to achieve potential savings in other accounts.

30 NEW SECTION. Sec. 725. A new section is added to 2011 1st sp.s.
31 c 50 (uncodified) to read as follows:

32 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--PERSONAL SERVICE CONTRACTS**

33	General Fund--State Appropriation (FY 2012)	(\$1,076,000)
34	General Fund--State Appropriation (FY 2013)	(\$4,311,000)
35	TOTAL APPROPRIATION	(\$5,387,000)

1 The appropriations in this section are solely for the purposes
2 designated in this section and are subject to the following conditions
3 and limitations:

4 (1) Appropriations are adjusted to reflect savings associated with
5 a 20 percent reduction in expenditures related to personal service
6 contracts.

7 (2) The office of financial management shall update agency
8 appropriation schedules to reflect the changes to funding levels in
9 this section as identified by agency and in the amounts specified in
10 LEAP Document PSC-2012 dated February 17, 2012.

11 (3) For agencies with appropriations from accounts other than the
12 general fund--state, the office of financial management shall work with
13 agencies to achieve potential savings in other accounts."

14 Correct the title.

EFFECT: There is a net increase in general fund--state of \$12.8 million and total funds of \$20.0 million. A number of changes are made to mental health funding including 1) Regional Support Network (RSN) Medicaid capitation rate funding is reduced by 1 percent through consolidation of RSNs in accordance with House Bill 2139 (regional support networks) rather than being reduced by approximately 3.5 percent with no savings assumed from consolidation; 2) a portion of RSN non-Medicaid funding is restored so that the reduction is 3.0 percent rather than 5.2 percent; 3) funding for Spokane RSN to develop community alternatives for state hospital patients is restored rather than being eliminated; 4) funding is provided for 4 FTEs to increase resources available for forensic evaluations in jails; 5) funding for headquarters is restored to current levels rather than being reduced by 5 FTEs; 6) funding for services to individuals with mental illnesses in or transitioning from jails is restored rather than being reduced by 50 percent; and 7) a requirement for the department to report outcome data on individuals in jail who are referred for regional support network services is eliminated.

Office of Financial Management--Special Appropriations: OFM must reduce agency allotments to reflect savings associated with a 10% reduction in agency purchases of goods and services and a 20% reduction in agency expenditures for personal services contracts.

FISCAL IMPACT:

DSHS--Mental Health Division: Increases General Fund--State by

\$12,804,000. Increases General Fund--Federal by \$7,079,000. Increases General Fund--Private/Local by \$91,000.

OFM--Special Appropriations: Reduces General Fund--State by \$13,611,000.

NET GFS FISCAL IMPACT: Decreases General Fund--State by \$807,000.

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