

Program 050

DSHS - Long Term Care

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2007-09 Expenditure Authority	1,220.7	1,440,567	1,565,349	3,005,916
Supplemental Changes				
Federal Funds Technical Adjustment				
Forecast Cost/Utilization		(8,673)	(20,254)	(28,927)
Technical Corrections		216	225	441
Adult Family Home Fiscal Year 2009 Vendor Rate		1,588	1,658	3,246
Long Term Care Task Force Initiatives		1,121		1,121
Nursing Home Forecast Adjustment		(1,827)	(1,901)	(3,728)
Adult Protective Services Fatality Reviews #		82	82	164
Nursing Home Rate Adjustment		1,827	1,901	3,728
Shared Living Lawsuit		17,898	18,726	36,624
Finish Caregiver Respite Project	1.5	309		309
Reduced Federal Financial Participation		2,160	(2,160)	
Nursing Home License Fee Increase		(2,175)	2,175	
Nursing Home Worker Wages		7,360	7,688	15,048
Pension Plan 1 COLA Funding		18	20	38
PEBB Rate Reduction		(1,143)	(1,175)	(2,318)
Interagency Rate Changes		25	24	49
Mileage Rate Adjustments		35	35	70
Postage Rate Adjustments		16	18	34
Mandatory Caseload Adjustments		(12,373)	(11,670)	(24,043)
Mandatory Workload Adjustments	(9.7)	(731)	(672)	(1,403)
FMAP Match Adjustment		105	(105)	
Transfers		(582)	91	(491)
Subtotal - Supplemental Changes	(8.2)	5,256	(5,294)	(38)
Total Proposed Budget	1,212.5	1,445,823	1,560,055	3,005,878
Difference	(8.2)	5,256	(5,294)	(38)
Percent Change	(0.7)%	0.4%	(0.3)%	0.0%

SUPPLEMENTAL CHANGES

Federal Funds Technical Adjustment

A technical adjustment is made to properly align expected federal earnings between federal fund types. (General Fund-Federal)

Forecast Cost/Utilization

The per capita cost of community-based services is projected to be lower than the rate included in the 2007-09 biennial budget. Funding adjustments are also made to reflect changes in the rate of Federal Medical Assistance Percentage (FMAP) reimbursement. (General Fund-State, General Fund-Federal)

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Technical Corrections

Funding authority is adjusted in several programs within the Department of Social and Health Services (DSHS) to correct for technical errors in the 2007-09 biennial budget. These corrections include changes related to the personal needs allowance, Office of Deaf and Hard of Hearing, and the Office of Financial Recovery.

Additionally, Public Safety Education Account funding for the Family Policy Council is shifted from the first year to the second year to more accurately align program expenditures. (General Fund-State, General Fund-Federal)

Adult Family Home Fiscal Year 2009 Vendor Rate

Chapter 184, Laws of 2007, gave adult family home owners the ability to collectively bargain their rates. Since the owners did not elect a representative by October 1, 2007, bargaining did not take place. The rate for adult family homes is increased by 4.8 percent, rather than 2.0 percent in Fiscal Year 2009. This makes an 8 percent overall rate increase in the 2007-09 fiscal period, which is comparable to the increase received by boarding homes.

(General Fund-State, General Fund-Federal)

Long Term Care Task Force Initiatives

The Governor's Long Term Care Task Force recommended support for long-term care services that allow care to be given in the least restrictive environment whenever possible. An additional 500 unpaid caregivers will receive services such as respite and training to help them to continue providing care for elderly, vulnerable, and developmentally disabled relatives in their own homes.

Nursing Home Forecast Adjustment

The 2007-09 budget established a maximum average annual rate limit for Fiscal Year 2008 of \$158.11 per patient day. The forecasted caseload per capital estimated an expected rate of \$159.03 per Medicaid patient day for Fiscal Year 2008, primarily due to increased patient acuity. An across-the-board reduction is made to nursing home rates to reflect the maximum allowable daily rate. (General Fund-State, General Fund-Federal)

Adult Protective Services Fatality Reviews #

Adult Protective Services teams will conduct fatality reviews of deaths under suspicious circumstances to improve the safety of vulnerable senior citizens. These reviews will be conducted when the death of a vulnerable adult appears to be related to abuse, abandonment, exploitation, neglect, or self-neglect. (General Fund-State, General Fund-Federal)

Nursing Home Rate Adjustment

The 2007-09 budget established a maximum average annual rate limit for Fiscal Year 2008 of \$158.11 per patient day. The forecasted caseload per capital estimated an expected rate of \$159.03 per Medicaid patient day for Fiscal Year 2008, primarily due to increased patient acuity. This item increases the maximum daily rate allowed to the projected level so that an across-the-board rate reduction is avoided. (General Fund-State, General Fund-Federal)

Shared Living Lawsuit

Authorized service hours for in-home care providers who live with their clients are increased to comply with a Washington State Supreme Court decision that invalidated WAC 388-106-0130(3)(b), informally referred to as the Shared Living Rule. In-home providers who live with their clients and contract with the Department of Social and Health Services to provide direct care services to the disabled and elderly are now paid for services that were previously denied, including laundry, meal preparation, and shopping. (General Fund-State, General Fund-Federal)

Finish Caregiver Respite Project

The online caregiver assessment tool is a two-year project scheduled to be completed in June 2009. Only the first year of the project was funded in the 2007-09 budget. One-time funding is provided for Fiscal Year 2009 to complete the project.

Reduced Federal Financial Participation

The Centers for Medicare and Medicaid Services (CMS) has ruled that professionals performing administrative work rather than direct care are not eligible for an enhanced federal match rate of 75 percent. In addition, CMS has ruled that expenditures for staff who apply for Social Security benefits on behalf of children in foster care cannot be charged exclusively to Medicaid Title XIX. These staff will be allocated across all funding sources using a cost allocation process similar to the one used for social worker staff. Because some activities will be state only, funding is provided to cover the reduced federal participation. (General Fund-State, General Fund-Federal)

Nursing Home License Fee Increase

Statute requires that annual nursing facility license fees generate enough funding to reimburse the Department for its costs to issue the licenses. This fee has not been adjusted for several years. In addition, nurses who perform licensing duties received a substantial salary increase, effective July 1, 2007, which now must be recovered by fee revenue. To pay for the Department's administrative costs and the nurses' increased salaries, the license fee will increase from \$275 per bed to \$428 per bed on July 1, 2008. Local expenditure authority is increased by \$2,175,000 and state funding is decreased by an equal amount. (General Fund-State, General Fund-Private/Local)

Nursing Home Worker Wages

Nursing homes have difficulty recruiting and retaining workers in jobs such as nurse aides, dietary aides, laundry aides and housekeepers. A rate increase is provided to increase worker wages or benefits or to hire additional staff for those jobs. (General Fund-State, General Fund-Federal)

Pension Plan 1 COLA Funding

Funding was provided in the 2007-09 budget for the additional employer contributions to retirement systems required by modifications to the eligibility criteria for the uniform COLA in the Public Employees' Retirement System Plan 1 (PERS 1) and the Teachers' Retirement System Plan 1 (TRS 1) in Senate Bill 5175. This item moves that funding from the State Employee Compensation Adjustments agency into individual agency budgets. (General Fund-State, other funds)

PEBB Rate Reduction

The state contributes 88 percent of the total weighted average of the employee health care premium and also pays for the cost of dental, life and long-term disability insurance. Total Public Employees Benefit Board (PEBB) expenditures for the 2007-09 Biennium are anticipated to be lower than budgeted because (1) health plan costs for calendar year 2008 are lower than expected, which will benefit both the state and its employees; (2) the Uniform Medical Plan continues to perform better than projected; and (3) funding was removed from the PEBB administrative cost allocation for an information technology system replacement due to the restrictive nature of federal funding. The state employer contribution rate will be reduced from \$732 per month to \$575 per month. This one-time reduction will leave an unrestricted fund balance of \$19.2 million at the end of Fiscal Year 2009. (General Fund-State, various other funds).

Interagency Rate Changes

Since final enactment of the 2007-09 budget, the Washington State Patrol increased the rates it charges for background checks. In addition, the Department of Information Services' charges have been adjusted as a result of a regulatory ruling. (General Fund-State, General Fund-Federal)

Mileage Rate Adjustments

Reimbursements for client-related travel are increased to the allowable automobile mileage rate of \$.485 per mile. (General Fund-State, General Fund-Federal)

Postage Rate Adjustments

Funding is provided to address the 5.1 percent postage rate increase for first-class mail. (General Fund-State, General Fund-Federal)

Mandatory Caseload Adjustments

The Caseload Forecast Council estimates lower Nursing Home and Home and Community Services caseloads. (General Fund-State, General Fund-Federal)

Mandatory Workload Adjustments

A workload model is used to increase or decrease staff levels depending on the change in forecasted caseload. Since the caseloads for Nursing Homes and Home and Community Services have declined more than was assumed in the 2007-09 biennial budget, an adjustment is made to decrease staff. (General Fund-State, General Fund-Federal)

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FMAP Match Adjustment

Washington state's federal medical assistance percentage (FMAP) rate was set for Federal Fiscal Year 2009 at 50.94 percent. When converted to state fiscal year, the new FMAP rate for state Fiscal Year 2009 for Title XIX services will be 51.09 percent. The 2007-09 budget assumed an FMAP rate of 51.52 percent. Growth in personal income, especially for western states, is causing the decrease in federal participation. Additional state funding is provided to offset reduced federal participation. (General Fund-State, General Fund-Federal)

Transfers

Transfers between DSHS programs are made to properly align FTE staff and appropriations with those programs expected to realize the expenditures or savings. These transfers net to zero agency-wide. (General Fund-State, General Fund-Federal)