

DSHS - Health and Recovery Services Administration
 FY09 Supplemental and 09/11 Governor's Budget Request

December 18, 2008

Medical Assistance	FY09 Supplemental				Total 09/11			
	FTEs	State	Federal	Total	FTEs	State	Federal	Total
Funding is provided for continue implementation of ProviderOne payment system	2.5	612	3,316	3,928	51.7	16,754	15,141	31,895
Additional resources are provided to obtain the necessary documents to establish Medicaid applicants' citizenship as required by federal statute.	0.0	0	0	0	0.0	248	248	496
Governor Directed Freeze and Reductions	(7.0)	(16,428)	(2,583)	(19,011)	(100.0)	(57,324)	(57,324)	(114,648)
<i>Hiring Freeze</i>	0.0	(3,540)	0	(3,540)	0.0	(8,092)	(8,092)	(16,184)
<i>1% Reduction</i>	0.0	(10,930)	0	(10,930)	0.0	(29,146)	(29,146)	(58,292)
<i>Eliminate First Steps Childcare Program</i>	(2.0)	(100)	0	(100)	(2.0)	(400)	0	(400)
<i>Eliminate Family Planning Nurses in CSOs</i>	(1.0)	(240)	(2,160)	(2,400)	(1.0)	(958)	(8,622)	(9,580)
<i>Eliminate Family Planning Supplies</i>	0.0	(13)	(117)	(130)	0.0	(52)	(468)	(520)
<i>Do Not Start Foster Care Nurse Hotline</i>	0.0	(44)	(44)	(88)	0.0	(88)	(88)	(176)
<i>Eliminate Interactive Provider Network Database</i>	(2.0)	(10)	(10)	(20)	(2.0)	(40)	(40)	(80)
<i>Eliminate Medicaid Asthma In-Home Pilot</i>	0.0	(134)	0	(134)	0.0	(536)	0	(536)
<i>Do Not Start Senior Dental Pilot</i>	0.0	(50)	(50)	(100)	0.0	(100)	(100)	(200)
<i>Eliminate Cover All Kids Outreach</i>	(1.0)	(1,170)	0	(1,170)	0.0	0	0	0
<i>Eliminate Center for Foster Care Health</i>	(1.0)	(144)	(149)	(293)	(1.0)	(574)	(594)	(1,168)
<i>Eliminate Chronic Care Management Contracts</i>	0.0	(53)	(53)	(106)	0.0	(210)	(210)	(420)
<i>All Other Governor Directed Reductions</i>	0.0	0	0	0	(94.0)	(17,128)	(9,964)	(27,092)
Eligibility & Service Reductions	(5.9)	(8,029)	(4,892)	(12,921)	(5.6)	(333,889)	(63,979)	(397,868)
<i>Eliminate Non-Emergent AEM Coverage</i>	0.0	0	0	0	0.0	(34,799)	0	(34,799)
<i>Eliminate General Assistance - Unemployable Program</i>	0.0	0	0	0	0.0	(254,718)	(39,020)	(293,738)
<i>Eliminate Adult Day Health Transportation</i>	0.0	(1,334)	(1,334)	(2,668)	0.0	(10,674)	(11,168)	(21,842)
<i>Eliminate Foster Care Health Care Pilot</i>	0.0	0	0	0	0.0	(574)	(594)	(1,168)
<i>Eliminate New Parent Support Services</i>	0.0	(287)	(287)	(574)	0.0	(5,581)	(5,362)	(10,943)
<i>Reduction of Durable Medical Equipment</i>	0.0	(1,400)	(1,400)	(2,800)	0.0	(15,000)	(575)	(15,575)
<i>Eliminate Medicare Part C Premium Coverage</i>	0.0	(308)	0	(308)	0.0	(1,232)	0	(1,232)
<i>Stop 250% to 300% FPL Kids Expansion</i>	0.0	(2,300)	(4,271)	(6,571)	0.0	0	0	0
<i>Lower Eligibility for Children's Health Care Coverage</i>	0.0	0	0	0	0.0	(6,083)	(7,902)	(13,985)
<i>Claim TXIX Match for Non-Coop Pregnant Women</i>	0.0	(2,400)	2,400	0	0.0	(5,228)	642	(4,586)
Rate & Payment Methodology Changes	0.0	(7,223)	(7,223)	(14,446)	0.0	(103,042)	(122,062)	(225,104)

Medical Assistance	FY09 Supplemental				Total 09/11			
	FTEs	State	Federal	Total	FTEs	State	Federal	Total
<i>Move All Hospitals to OPPS</i>	0.0	0	0	0	0.0	(4,500)	(4,135)	(8,635)
<i>Equalize Rates Paid for Childbirth</i>	0.0	0	0	0	0.0	(446)	(413)	(859)
<i>Reduce Enhancement Rate Paid to FQHC for Children in HO Program</i>	0.0	0	0	0	0.0	(15,905)	(16,081)	(31,986)
<i>Reduce HO Premiums for CY2009 by 1%</i>	0.0	(2,104)	(2,104)	(4,208)	0.0	(10,656)	(21,581)	(32,237)
<i>Reduce Amount of Growth Assumed for HO Premiums in CY2010 and CY2011</i>	0.0	0	0	0	0.0	(27,005)	(27,588)	(54,593)
<i>Rollback 2007-2009 Pediatric Rate Increase</i>	0.0	(600)	(600)	(1,200)	0.0	(2,554)	(2,870)	(5,424)
<i>Reduce Expenditures for Inpatient Hospital Services by 4%</i>	0.0	(3,819)	(3,819)	(7,638)	0.0	(34,552)	(44,018)	(78,570)
<i>Reduce Expenditures for Outpatient Hospital Services by 4%</i>	0.0	(700)	(700)	(1,400)	0.0	(7,424)	(5,376)	(12,800)
Pharmacy & Hospital Purchasing Initiatives	0.0	(15,000)	(15,000)	(30,000)	0.0	(116,318)	(288,635)	(404,953)
<i>Implement Pharmaceutical Purchasing Initiatives</i>	0.0	(15,000)	(15,000)	(30,000)	0.0	(90,060)	(265,070)	(355,130)
<i>Implement Prorated Inpatient Payment Policy</i>	0.0	0	0	0	0.0	(7,760)	(7,803)	(15,563)
<i>Eliminate Payment for Over-the-Counter Drugs and Supplies</i>	0.0	0	0	0	0.0	(18,498)	(15,762)	(34,260)
Increased Federal Participation	0.0	(350)	350	0	0.0	(53,711)	53,711	0
<i>Claim FMAP for Transportation Administrative Costs</i>	0.0	(350)	350	0	0.0	(1,636)	1,636	0
<i>Higher FMAP for 150% to 200% FPL Kids in SCHIP</i>	0.0	0	0	0	0.0	(52,075)	52,075	0
Federal Stimulus Package by increasing the FMAP rate by 5.5% beginning on January 1, 2009 through June 30, 2010	0.0	(96,783)	96,783	0	0.0	(348,302)	348,302	0
Premiums for the Healthy Options program are reduced by one percent. This reduction is within actuarially sound levels.	0.0	(1,278)	(1,242)	(2,520)	0.0	0	0	0
Total Medical Assistance	(10.5)	(144,479)	69,509	(74,970)	(53.9)	(995,584)	(114,598)	(1,110,182)

Mental Health	FY09 Supplemental				Total 09/11			
	FTEs	State	Federal	Total	FTEs	State	Federal	Total
State funding is provided for two dementia wards at WSH due to CMS decertification and the resulting loss of federal match.		1,098	(1,098)	0				
Federal Stimulus Package by increasing the FMAP rate by 5.5% beginning on January 1, 2009 through June 30, 2010		(14,964)	14,964	0		(41,974)	41,974	0
Governor Directed Freeze and Reductions		(14,764)	(1,394)	(16,158)	(19.4)	(8,832)	(1,325)	(10,157)
Eliminate various pilots and studies which were funded in prior biennia					(2.1)	(4,944)	0	(4,946)
Reduce non-Medicaid rates for services provided through the Regional Support Networks (RSN) by 1.73%. This reduction is within actuarially sound levels						(19,350)	0	(19,350)
Reduce medicaid rates for services provided through the Regional Support Networks (RSN) by 7.5%. This reduction is within actuarially sound levels						(11,195)	(11,295)	(22,490)
Funding is shifted from state dollars to the Mental Health Block Grant						(2,002)	0	(2,002)
This reflects additional funding for the caseload growth relating to the Community Integration Assistance Program (CIAP)						336	0	336
This is to upgrade PYXIS System which administers and dispenses medications for the state hospitals.						1,416	0	1,416
Total Mental Health	0.0	(28,630)	12,472	(16,158)	(21.5)	(86,545)	29,354	(57,193)
DASA	FY09 Supplemental				Total 09/11			
FTEs	State	Federal	Total	FTEs	State	Federal	Total	
One-time swap to leverage federal funding - SAPT block grant		(17,000)	17,000	0				
Governor Directed Freeze and Reductions		(15,613)		(15,613)	(6.0)	(3,352)	0	(3,352)
Transfers CD Tribal services to Medical Assistance					0.0	2	(16,000)	(15,998)
Funding is provided for increased lease costs to Pioneer Center North					0.0	40	0	40
Increased Federal Funding Authority for TXIX, Access to Recovery, Strategic Prevention Framework State Incentive Grant, and Reduce Underage Drinking grants					4.0	0	17,362	17,362
Funding is reduced for adult outpatient and residential services to about 13,000 low-income clients and reducing detoxification services for about 2,700 low-income clients. The ADATSA living stipends are eliminated, affecting about 6,500 clients. Additionally, funding for drug court offenders is reduced for about 200 clients.					0.0	(12,826)	(5,000)	(17,826)
Total DASA	0.0	(32,613)	17,000	(15,613)	(2.0)	(16,136)	(3,638)	(19,774)
Total HRSA	(10.5)	(205,722)	98,981	(106,741)	(55.9)	(1,098,265)	(88,882)	(1,187,149)

DSHS - Health and Recovery Services Administration
 FY09 Budget Reductions
 December 18, 2008

Item		How	Effective Date	FTEs	State \$ Savings
Medical Assistance:					
1.	0% Rate Increase for HO contracts on 1/1/09	No action needed	January 1, 2009		\$3,270,000
2.	Drug Rebates	Monitor collections by OFR	Immediately		Tbd
3.	Hiring Freeze/Vacancy Savings	Hiring Freeze/Vacancy Savings	Immediately	51.5	\$1,000,000
4.	Anticipated overall budget savings	Limit & monitor all expenditures	Immediately		\$1,000,000
5.	TZ Reductions	Monitor ISSD	January 1, 2009		\$16,000
6.	Equipment Reductions	Limit & monitor all expenditures	Immediately		\$88,000
7.	Printing Reductions	Limit & monitor all expenditures	Immediately		\$100,000
8.	Print Service Contracts savings	Limit & monitor all expenditures	Immediately		\$12,000
9.	Claim FMAP for Transportation	Limit & monitor all expenditures	Immediately		\$350,000
10.	Claim SCHIP for non-coop pregnant women	Limit & monitor all expenditures	Immediately		\$2,400,000
11.	Reduce HO Contracts by 1%	Change contract	February 1, 2009		\$2,103,726
12.	Reduce RDA budget by 50%	Terminate contract - 30 days notification	January 1, 2009		\$63,500
13.	First Steps Childcare	Terminate contract - 30 days notification	January 1, 2009	2.0	\$100,000
14.	FP Nurses in CSOs	Terminate contract - 30 days notification	January 1, 2009	1.0	\$239,500
15.	Family Planning Supplies	Terminate contract - 30 days notification	January 1, 2009		\$13,000
16.	Foster Care Nurse Line	Terminate contract - 30 days notification	January 1, 2009		\$44,000
17.	Interactive Provider Network Database (IPND)	Terminate contract - 30 days notification	January 1, 2009	2.0	\$10,000
18.	Medicaid Asthmas in-home pilot	Terminate contract - 30 days notification	January 1, 2009		\$134,000
19.	Senior Dental Pilot	Terminate contract - 30 days notification	January 1, 2009		\$50,000
20.	Cover for all Kids	Terminate contract - 30 days notification	January 1, 2009	1.0	\$1,170,000
21.	Cover for all Kids - Reserve \$	None	Immediately		\$77,000
22.	Center for Foster Care Health	Terminate contract - 30 days notification	January 1, 2009	1.0	\$143,500
23.	Chronic Care Mgmt.	Terminate contract - 30 days notification	January 1, 2009		\$52,500
24.	Eliminate Part C co-pay	Need 10 days notice to clients	January 1, 2009		\$308,000
25.	Reduce MSS (parenting support for new borns) by 5%	MMIS	February 1, 2009		\$286,542
26.	Pharmacy initiatives	Various strategies are implemented on 1/1/09	January 1, 2009		\$15,000,000
27.	DME adjustment to match Medicare	MMIS	January 1, 2009		\$1,400,000
28.	Transportation savings for no ADH	Dependent on ADSA	April 1, 2009		\$1,334,250
29.	Stop 250-300% Kids Expansion	Emergency WAC	January 1, 2009		\$2,300,000
30.	Reduce pediatric rates by 7%	Reduce rates paid on EPSDT; E&M	January 1, 2009		\$600,000
31.	Inpatient hospital rateable @ 4%	MMIS System change; SPA	April 1, 2009		\$3,818,500
32.	Outpatient hospital rateable - effective rate @ 4%	MMIS System change	April 1, 2009		\$700,000
Total Medical Assistance				58.5	\$38,184,018

DSHS - Health and Recovery Services Administration
 FY09 Budget Reductions
 December 18, 2008

Mental Health:

	Item	How	Effective Date	FTEs	NGFS savings
1.	Hospital Inventory Management	Limit & monitor all expenditures	Immediately		\$3,090,000
2.	Equipment Freeze	Limit & monitor all expenditures	Immediately		\$62,700
3.	Travel Freeze	Limit & monitor all expenditures	Immediately		\$58,600
4.	Fuel Consumption at WSH	Limit & monitor all expenditures	Immediately		\$11,000
5.	RSN Medicaid Services ratable 1.73%	Terminate contract - 30 days notification	February 1, 2009		\$1,394,000
6.	RSN Non-Medicaid @ 7.5% Reduction	Terminate contract - 30 days notification	February 1, 2009		\$4,031,250
7.	Fund Shift King County MIO and WIMHRT contracts to FBG	Terminate contract - 30 days notification	January 1, 2009		\$417,084
8.	Telesage	Terminate contract - 30 days notification	January 1, 2009		\$125,000
9.	Reduce WIMHRT	Terminate contract - 30 days notification	January 1, 2009		\$39,792
10.	Innovative Service Grant Funds	Terminate contract - 30 days notification	January 1, 2009		\$635,625
11.	Spokane utilization contract	Terminate contract - 30 days notification	February 1, 2009		\$625,000
		Total Mental Health		0.0	\$10,490,051
DASA:					
1.	SAPT Fund Swap	Submit Letter to Feds			\$27,000,000
2.	ICR Spokane Pilot Funding - SB6665	No action needed			\$546,000
3.	Hiring Freeze/Vacancy Savings	Hiring Freeze/Vacancy Savings	Immediately	7.0	\$377,857
4.	Remove Drug court treatment funding	Terminate contract - 30 days notification	February 1, 2009		\$353,000
5.	Reduce state only low-income treatment and detox by 50%	Terminate contract - 30 days notification	February 1, 2009		\$1,550,000
6.	Eliminate all ADATSA services	Terminate contract - 30 days notification	February 1, 2009		\$2,800,000
7.	Focus Letter	Terminate contract - 30 days notification	January 1, 2009		\$3,850
8.	Epic Crisis Nursery	Terminate contract - 30 days notification	January 1, 2009		\$25,000
9.	Fetal Alcohol Syndrome	Terminate contract - 30 days notification	January 1, 2009		\$5,000
10.	Parent Trust	Terminate contract - 30 days notification	January 1, 2009		\$50,000
11.	WA PAVE	Terminate contract - 30 days notification	January 1, 2009		\$48,250
12.	NoFAS Washington	Terminate contract - 30 days notification	January 1, 2009		\$20,000
13.	UW - FASDPN	Terminate contract - 30 days notification	January 1, 2009		\$177,000
14.	Dr. Reis	Terminate contract - 30 days notification	January 1, 2009		\$13,271
15.	OSPI	Terminate contract - 30 days notification	January 1, 2009		\$15,858
		Total DASA		7.0	\$32,985,086
		Total HRSA		65.5	\$81,659,155

DSHS - Health and Recovery Services Administration
 FY09 Budget Reduction - Contracts

December 18, 2008

Medical Assistance Contract Cancellation Listing:

HO Contracts	2,103,726
RDA Contract	63,500
First Steps Childcare	100,000
FP Nurses in CSOs	239,500
Family planning supplies	13,000
Foster Care Nurse Line	44,000
Interactive Provider Network Database (IPND)	10,000
Medicaid Asthma In-home Pilot	134,000
Senior Dental Pilot	50,000
Cover for all Kids	1,247,000
Center for Foster Care Health	143,500
Chronic Care Mgmt.	52,500
Total	<u><u>4,200,726</u></u>

Mental Health Contract Cancellation Listing:

Telesage	125,000
Reduce WIMHRT	39,792
Innovative Service Grant Funds	635,625
Total	<u><u>800,417</u></u>

DASA Contract Cancellation Listing:

Focus Letter	3,850
Epic Crisis Nursery	25,000
FAS	5,000
Parent Trust	50,000
WA PAVE	48,250
NoFAS Washington	20,000
UW - FASDPN	177,000
Dr. Reis	13,271
OSPI	15,858
Total	<u><u>358,229</u></u>