Multiple Agency Fiscal Note Summary

Bill Number: 1088 2S HB	**Title:** Children's mental health

Estimated Cash Receipts

Agency Name	2007-09		2009-11		2011-13	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Social and Health Services	0	3,498,000	0	2,293,000	0	2,202,000
Total $	0	3,498,000	0	2,293,000	0	2,202,000

Local Gov. Courts *						
Local Gov. Other **	Non-zero but indeterminate cost. Please see discussion.					
Local Gov. Total						

Estimated Expenditures

Agency Name	2007-09			2009-11			2011-13		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Social and Health Services	16.1	9,004,000	12,897,000	12.3	13,287,000	16,114,000	12.3	13,378,000	16,114,000
Total	16.1	$9,004,000	$12,897,000	12.3	$13,287,000	$16,114,000	12.3	$13,378,000	$16,114,000

Local Gov. Courts *									
Local Gov. Other **	Non-zero but indeterminate cost. Please see discussion.								
Local Gov. Total									

Prepared by: Tammy Hay, OFM	**Phone:** 360-902-0553	**Date Published:** Final 3/19/2007

* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 17429

Individual State Agency Fiscal Note

Revised

Bill Number: 1088 2S HB	Title: Children's mental health	Agency: 300-Dept of Social and Health Services

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

FUND	FY 2008	FY 2009	2007-09	2009-11	2011-13
General Fund-Federal 001-2	2,356,000	1,142,000	3,498,000	2,293,000	2,202,000
Total $	2,356,000	1,142,000	3,498,000	2,293,000	2,202,000

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	18.8	13.4	16.1	12.3	12.3
Fund					
General Fund-State 001-1	2,882,000	6,122,000	9,004,000	13,287,000	13,378,000
General Fund-Federal 001-2	2,356,000	1,142,000	3,498,000	2,293,000	2,202,000
Health Services Account-State 760-1	128,000	267,000	395,000	534,000	534,000
Total $	5,366,000	7,531,000	12,897,000	16,114,000	16,114,000

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☒ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☒ Requires new rule making, complete Part V.

Legislative Contact:		Phone:	Date: 03/05/2007
Agency Preparation:	Ken Brown	Phone: 360-902-8182	Date: 03/19/2007
Agency Approval:	Roger Wilson	Phone: (360) 902-8196	Date: 03/19/2007
OFM Review:	Tammy Hay	Phone: 360-902-0553	Date: 03/19/2007

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 1 – Intent section.

Section 2 – Definitions are amended. "Agency" now includes tribal organizations. The definition for "child" is changed from 18 to 21 years of age. Definitions are added for evidence-based practice, family, promising practice, and wraparound process.

Section 3 – Establishes a goal of the children's mental health system to be reached by year 2012. Requires DSHS and the evidence-based practice institute to develop outcome-based performance measures. Performance measure reporting for children's mental health services should be integrated into existing measurement and reporting systems implemented under chapter 71.24 RCW.

Section 4 – Requires DSHS to develop recommended revisions to the Access to Care Standards for children and to develop recommendations for a revised Children's Mental Health Benefit Package. This effort shall include a review of other states' efforts to fund family-centered children's mental health services through Medicaid programs. The Department must report its recommendations to the Legislature by January 1, 2009.

Section 5 – Requires DSHS to revise its Medicaid Healthy Options and fee-for-service program standards to improve access to mental health services for children who do not meet the Regional Support Network (RSN) Access to Care Standards. Requires the Department, effective July 1, 2008, to revise outpatient therapy services to be provided by licensed mental health professionals. Requires the Department, effective January 1, 2008, to make specific changes to Medicaid services to permit outpatient therapy (up to 20 visits per year) to children and families who do not meet RSN Access to Care Standards. The Department, in conjunction with the Evidence-Based Practice Institute established in Section 7, shall develop and implement polices to improve prescribing practices for the treatment of emotional or behavioral disturbances in children. The Department shall convene a representative group of RSN's, community mental health centers, and managed health care systems contracting with the department to establish mechanisms and develop contract language that ensures increased coordination of and access to Medicaid mental health benefits available to children and their families.

Section 6 – Requires the Department to explore the feasibility of obtaining a Medicaid state plan amendment to allow the state to receive Medicaid matching funds for health services provided to Medicaid eligible youth who are temporarily placed in juvenile detention facilities for up to 60 continuous days or until adjudication.

Section 7 – Beginning in 2007-09 biennium contracts, RSN contracts shall give networks flexibility to subcontract with individual licensed mental health professionals when necessary to meet the need for an adequate, culturally diverse, and qualified children's mental health provider network. Within funds provided in the biennial operating budget, a Children's Mental Health Evidence-Based Practice Institute shall be established at the University Of Washington Division Of Public Behavioral Health and Justice Policy. The institute shall collaborate with entities currently engaged in evaluating and promoting the use of evidence-based and promising practices. Within funds provided in the biennial operating budget, the Department shall issue a request for proposal (RFP) to implement a pilot program in the assessment and provision of appropriate diagnosis and treatment of children with mental and behavioral health disorders and track outcomes of this program.

Section 8 – Requires the Department to fully reinstate medical assistance services upon release from confinement to youths who were enrolled in medical assistance prior to confinement. Requires the Department to work collaboratively with the juvenile court administrators and regional support networks to develop procedures for determining eligibility for youth likely to be eligible, including determinations prior to release and issuances of medical assistance cards for youth determined eligible. Defines "likely to be eligible" as a youth who was enrolled anytime the year prior to confinement

and whose enrollment was terminated during confinement.

Section 9 – Educational Service District boards may respond to the RFP for operation of a wraparound model site.

Section 10 – Within funds provided in the biennial operating budget, the Department shall contract for implementation of a Wraparound model of integrated children's mental health services delivery in three counties in Washington State. Funding provided may be expended for costs associated with an RFP and contracting process; administrative costs associated with the successful bidder's operation of the Wraparound model; the evaluation in Section 10(5); and funding for services for children enrolled in the Wraparound model not otherwise covered under existing state programs.

Through an RFP process, requires the Department to contract with Educational Services Districts, RSNs or other licensed entities to operate the three county wraparound model sites. Services will begin on or before July 1, 2008 and contracts for these services are to be executed on or before April 1, 2008.

The Department shall contract with an independent entity for evaluation of the wraparound model sites.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Section 5 -- DSHS assumes FY 2008 impact for costs associated with the one to two month delay of the ProviderOne project will earn federal funding at a 50 percent match rate due to the schedule delay instead of the normal 90/10 match rate.

Section 8 -- DSHS assumes that appropriations identified for eligibility determination may be subject to Federal financial participation. For the purposes of this fiscal note, since the number of children/youth served who do not have Medicaid eligibility is unknown, this amount is indeterminate.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

2SHB 1088 establishes three additional model sites using the Wraparound process to address the needs of children/youth with complex needs that involves the formation of a team to empower the family to make key decisions regarding the care of the child/youth through partnership with professionals and the family's natural supports (Section 10). The process is to adhere to the ten principles of the Wraparound process and evidence-based Wraparound practices developed through the national Wraparound initiative at Portland State University. This version of the bill allows model sites in up to three counties in Washington state.

2SHB 1088 directs DSHS to develop recommended revisions to the Access to Care Standards for children and to develop recommendations for a revised Children's Mental Health Benefit Package. The Department must report its recommendations to the Legislature by January 1, 2009 (Section 4).

Assumptions and Impacts:

Section 10 (1)
Wraparound Process and FTE Impacts:
For the purposes of this fiscal note, DSHS assumes the population served by the proposed Wraparound sites is split between Mental Health Division (MHD) (75%), Children's Administration (CA) (20%), and Juvenile Rehabilitation Administration (JRA) (5%) and that MHD will perform the referral process. Appropriations arising from this bill will flow to the MSA Program 110 for contracting, accounting, and distribution purposes.

Model site cost estimates used for the purpose of this fiscal note are based on the existing Wraparound process provided by Catholic Community Services. Approximate costs are $5,389 per child per month and are based on the average. Caseload per site is 30 with treatment services provided for an average of 12 to 24 months depending on individual needs. Children/youth served will have high needs and are multiple service system users.

MHD costs for each child/youth are based on the full Wraparound site costs of $5,389 per child per month. The majority of Wraparound treatment services are generally not assumed to not be included in the array of services generally defined by the assigned benefits in the RSN contracts. If an RSN is awarded a contract for one of the Wraparound pilot sites, it is assumed they will continue to provide the services within the assigned benefits of their RSN contract. Since organizations other than RSNs may bid to become one of the model Wraparound sites, if awarded a contract it is assumed that those organizations will not be able to provide services already covered by an existing agreement. JRA costs for each youth are based on the full Wraparound site costs of $5,389 per child per month as they do not normally provide services included in this Wraparound model. CA services are also provided in a different system from both the Wraparound model and the RSNs. CA costs for the Wraparound model are partially covered by federal Title XIX BRS payments which reduces the wraparound cost for CA participants to approximately $2,606 per child per month.

Services included in this model Wraparound process include respite for up to 72 hours per month, parent partners and case aides, all clinical care provided at the Wraparound site, psychiatric treatment, and service facilitation. Services not included in the Wraparound process include medications, physical health care, school services, DD plans, substance abuse treatment, and foster care costs. Flexible funding is included at $350 per child per month to help meet the case management needs of the child and family. This could include case-aids in the homes or for support of the child in school. Contracts for operation of Wraparound model sites are to be executed by 4/1/2008 and service delivery operational by 7/1/2008. Costs for the three Wraparound model sites, less DSHS implementation and oversight costs, is $4,896,000 in FY 2009 and $5,722,000 in FY 2010 and ensuing years.

MHD requires 2.0 FTEs in 2007-09 and 1.0 FTE in ensuing years to support startup and operation of the three model sites; administer the Wraparound grants and; provide oversight to the process and services being delivered. This includes 1.0 FTE to review and revise Access to Care Standards, benefit packages, and amend the RSN contracts for the first two years of startup and operation only. The total MHD cost for wraparound services is $194,000 in FY 2008 and $182,000 in FY 2009.

CA requires 1.0 FTE in 2007-09 to support startup and operation of the three model sites; administer the Wraparound grants and; provide oversight to the process and services being delivered. The total CA cost for wraparound services is $103,000 in FY 2008 and $98,000 in FY 2009.

JRA requires 0.1 FTE in 2007-09 to support startup and operation of the three model sites; administer the Wraparound grants and; provide oversight to the process and services being delivered. The total JRA cost for wraparound services is $9,000 in FY 2008 and $9,000 in FY 2009.

Section 10(5) – This subsection requires contracting with an independent entity for evaluation of the wraparound model sites and measuring outcomes for the children served. The performance measures proposed to determine the effectiveness of children's mental health system would require data from information systems across DSHS and from data systems external to the agency. This estimate would require three years of data gathering with the first outcome report at the end of the third year. The cost estimate is a minimum of $75,000 per year which could increase based on the factors included in the evaluation.

Section 2 – The definition for "child" is changed from 18 to 21 years of age. The number of youth who would be served in this age group is unknown. The impact for this requirement is indeterminate.

Section 3(2) – The performance measures proposed to determine the effectiveness of children's mental health system would require data from information systems across DSHS and from data systems external to the agency. Given RDA's expertise in linking client-level data from multiple information systems for outcome measurement, it is likely that RDA would be tasked to develop the data infrastructure for this new outcome-based performance measurement system. Costs

for this requirement are $187,000 and 2.0 FTE in FY 2008 and are $174,000 and 2.0 FTE in FY 2009.

Revision in Access to Care Standards:
Section 4 – Requires the department to develop recommended revisions to the current access to care standards for children. The estimate of the cost of this actuarial analysis is $250,000 for Phase I and $150,000 for Phase II. The analysis is required beginning in FY 2008 to:
1. Evaluate the workings of the current access to care standards, including a summary of clients being denied access to the mental health system and marginal clients gaining access to the system;
2. Identify current Evidence Based Practices that may not be occurring in the mental health system today that need to be supported and funded prospectively;
3. Revise the access to care standards to address the findings in steps 1 and 2;
4. Define IT needs to support implementation and tracking of access to care assessments;
5. Quantify the population that would be served under the new access to care standards and,
6. Perform a cost analysis of providing benefits under the new access to care standards.
7. Develop capitation rates to CMS specifications.

It is estimated that Steps 1-5 of the process would take a year to complete. Step 7, capitation rate development, would be a second phase of the work after the initial results were presented to and approved by the Legislature following the 1/1/2009 Phase I deadline. The follow up capitation rate development can be completed by the end of FY 2009. The cost of an actuarial analysis is estimated to be $200,000 in FY 2008 and $200,000 in FY 2009.

Section 5(1) – For the purposes of this fiscal note, DSHS assumes the Legislature intends to raise the maximum number of Medicaid covered "outpatient therapy visits" for children from 12 up to 20 visits annually (January 1, 2008) and to expand the types of licensed mental health professionals allowed to provide children outpatient mental health therapies (July 1, 2008). This results in costs for update of the MMIS legacy system and ProviderOne. The ProviderOne implementation costs could be eliminated if the adoption of the 20- visit per-year Medicaid Healthy Options managed care and fee-for-service program standard was made effective July 1, 2008. The timeframe between July 1, 2007 and July 1, 2008 marks an important time in phase 2 of the ProviderOne project. However, if these changes are required between July 1, 2007 and July 1, 2008, this would require the project to undo much of the work and redesign it to facilitate the changes. This is estimated to create a one to two month delay in the project schedule. This will increase the ProviderOne Project Team overhead and FTE costs (4.25 FTE per month). Based on a one to two month delay, this requirement is estimated at $3 million and 6.4 FTEs in FY 2008.

Though not included in the expenditures section of this fiscal note, a preliminary estimate for the costs associated with the expansion of children's outpatient services follows. Based on the Milliman estimate of 12/13/2006, the added costs each year would be about $2.6 million ($1.3 million in Title XIX) for children served through the fee-for-services programs (excluding CHP which does not have a mental health benefit).

Section 5(2) (b) – Requires the department to identify those children with emotional or behavioral disturbances who may be at high risk due to off-label use of prescription medication, use of multiple medications, high medication dosage, or a lack of coordination among multiple prescribing providers. For the purposes of this fiscal note, the department assumes this requirement is designed to address a clinical and safety problem – specifically the growing number of children being treated with "off label" mental health drugs (for uses other than those approved by the FDA), unproven combinations of drugs, and dosing beyond federal Food and Drug Administration (FDA) recommendations. HRSA-Medical Assistance will contract out the evaluation process and requires FTE support to manage the process. Though there is the potential for minor cost savings due to efficiencies achieved in prescribing practices, savings cannot be predicted due to the following factors:
-- The off-label (for uses other than those approved by the FDA) anti-psychotic drugs in children may not change because of refill protections under the state Preferred Drug List (PDL) Program.
-- The use of certain drugs, dosing, combination use, and multiple prescribers differ regionally and among primary care, mental health Advanced Registered Nurse Practitioners (ARNP), and pediatric psychiatrists.
-- The addition of newer and often more expensive mental health drugs being added to the drug market and PDL Program can negate savings.

-- Children received a multitude of different drugs and drug classes. Each drug class is used for its own indications and uniqueness. Different interventions among the different drug classes may not have similar clinical result or cost savings.
-- Differing clinical opinions between consultants reflects a wider variation in the provider community in which change cannot be predicted.
Costs for this requirement are $211,000 and 0.8 FTE in FY 2008 and are $395,000 and 1.5 FTE in FY 2009.

Section 7(3) – This legislation requires the Department to issue a request for proposal (RFP) to implement a pilot program in the assessment and provision of appropriate diagnosis and treatment of children with mental and behavioral health disorders and track outcomes of this program. Costs for this requirement are $411,000 in FY 2008 and $504,000 in FY 2009.

Section 8 impacts:
Eligibility Determination Impacts:
This legislation refers to standardized statewide screening and application practices to facilitate the application of confined youth who may be eligible for medical assistance efforts in addition to the Wraparound program. Therefore, JRA assumes all youth will be evaluated. Currently only youth in the Mental Health target population are evaluated. As youth leave JRA institutions, JRA will need to confirm if the youth is Medicaid eligible, which will require coordination between JRA and HRSA/Medical Assistance. The total JRA cost for eligibility coordination is $45,000 and 0.6 FTE in FY 2008 and $45,000 and 0.6 FTE in FY 2009.

DSHS assumes ESA will have the lead within DSHS for doing eligibility determinations for youth being released from county run juvenile detention facilities. There are 29 of these facilities statewide, and they serve youth up to age 18 who typically stay in these facilities less than 30 days (short-term). These facilities serve approximately 30,000-35,000 youth per year. HRSA currently does medical eligibility determinations for foster care and JRA youth under age 19 who leave JRA facilities.

Implementation of Section 8 will have a workload impact for ESA at the Headquarters and local/field office levels primarily associated with doing medical eligibility determinations for all youths leaving county run juvenile detention facilities and all youths age 18 or over leaving a JRA facility. While it is assumed that not all youth will meet eligibility requirements, it will be necessary to complete an application for all youths likely to be eligible. It is also assumed that additional resources will be needed to coordinate with county run juvenile and JRA facilities at the statewide and local levels. ACES changes will also be required to add facility types and names for JRA and county facilities to the data reporting processes currently in place. Additional impacts to ACES would be the creation of reports and would depend on the number and complexity of those reports. The total ESA cost for eligibility coordination and determination is $420,000 and 5.6 FTE in FY08 and $373,000 and 5.6 FTE in FY09.

HRSA may require additional FTEs associated with the increased number of expedited medical determinations. To the extent that this bill results in more children being made eligible for Medicaid, MA will incur additional costs at the rate of about $200/month/added child. Data source is the Governor's Juvenile Justice Advisory Committee's 2005 Juvenile Justice Report, September 2006). Estimates are based on adult jail LOS data for King, Kitsap, Snohomish, & Thurston County jail data for CY 04, analysis of CY 04 JUVIS data in WSIPP criminal recidivism database, and statistics provides by Research and Data Analysis regarding Medical eligibility status of juveniles in JRA facilities before and after release. The total HRSA cost for eligibility coordination and determination is $297,000 and 0.3 FTE in FY 2008 and $605,000 and 0.6 FTE in FY 2009.

The total impact to the department for expedited eligibility requirements is $717,000 and 5.9 FTE in FY 2008 and $978,000 and 6.2 FTE in FY 2009.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	18.8	13.4	16.1	12.3	12.3
A-Salaries and Wages	956.000	637,000	1,593,000	1,138,000	1,138,000
B-Employee Benefits	341.000	201,000	542,000	364,000	364,000
C-Personal Service Contracts	1.000.000	1,056,000	2,056,000	1,712,000	1,712,000
E-Goods and Services	2.479.000	264,000	2,743,000	512,000	512,000
G-Travel	8.000	8,000	16,000	12,000	12,000
J-Capital Outlays	113.000	16,000	129,000	28,000	28,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	459.000	5,337,000	5,796,000	12,326,000	12,326,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	10.000	12,000	22,000	22,000	22,000
Total:	$5,366,000	$7,531,000	$12,897,000	$16,114,000	$16,114,000

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	**Salary**	FY 2008	FY 2009	2007-09	2009-11	2011-13
Business Analyst (ProviderOne)	61,200	6.4		3.2		
CA Program Manager	66,000	1.0	1.0	1.0	1.0	1.0
Financial Svcs Spec 3	38,667	4.6	4.6	4.6	4.6	4.6
ITAS5	66,000	1.0	1.0	1.0	1.0	1.0
JR Community Counselor	40,000	0.1	0.1	0.1	0.1	0.1
JRA Coordinator	47,500	0.4	0.4	0.4	0.4	0.4
JRA Progam Administrator	60,000	0.2	0.2	0.2	0.1	0.1
Medical Assistance Spec 3	31,667	0.8	1.6	1.2	1.6	1.6
MHD Program Manager	62,000	2.0	2.0	2.0	1.0	1.0
Office Assistant 3	28,000	0.3	0.5	0.4	0.5	0.5
Research Investigator 2	56,000	1.0	1.0	1.0	1.0	1.0
Social and Health Prog Mgr	46,896	1.0	1.0	1.0	1.0	1.0
Total FTE's		18.8	13.4	16.1	12.3	12.3

Part IV: Capital Budget Impact

N/A

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Section 8 -- The department shall adopt rules and policies providing that when youth who were enrolled in a medical assistance program immediately prior to confinement are released from confinement, their medical assistance coverage will be fully reinstated on the day of their release, subject to any expedited review of their continued eligibility for medical assistance coverage that is required under federal or state law.

ATTACHMENT 1

2SHB 1088

Children's Mental Health Services

Fiscal Summary

	FY08	FY09	FY10	FY11	FY12	FY13
I. Summary of Major Impacts:						
A. Impact estimates:						
Wraparound Start-up costs	386,000	91,000	0	0	0	0
Wraparound Model Sites	0	4,946,000	5,772,000	5,772,000	5,772,000	5,772,000
MHD Wraparound Oversight & Implementation	97,000	91,000	91,000	91,000	91,000	91,000
CA Wraparound Oversight & Implementation	103,000	98,000	98,000	98,000	98,000	98,000
JRA Wraparound & Expedited Eligibility Coord	54,000	54,000	45,000	45,000	45,000	45,000
MSA-RDA Data Development	187,000	174,000	174,000	174,000	174,000	174,000
ACS Actuarial Analysis	200,000	200,000	0	0	0	0
HRSA - MMIS/ProviderOne System Changes	3,000,000	0	0	0	0	0
Prescribing Practices (Section 5(2)(b))	211,000	395,000	395,000	395,000	395,000	395,000
Private Provider Pilot (Section 7(3))	411,000	504,000	504,000	504,000	504,000	504,000
Expedited Eligibility Determinations(Section 8)	717,000	978,000	978,000	978,000	978,000	978,000
SUBTOTAL	**5,366,000**	**7,531,000**	**8,057,000**	**8,057,000**	**8,057,000**	**8,057,000**
	0	0	0	0	0	0
B. Other Workload Impact	**0**	**0**	**0**	**0**	**0**	**0**
	0	**0**	**0**	**0**	**0**	**0**
II. DSHS Operating Budget Cost Impact						
Total OPERATING Impact	**5,366,000**	**7,531,000**	**8,057,000**	**8,057,000**	**8,057,000**	**8,057,000**
BIEN		12,897,000		16,114,000		16,114,000
III. DSHS FTE impact						
Wraparound Start-up costs	1.0	1.0	0.0	0.0	0.0	0.0
Wraparound Model Sites	0.0	0.0	0.0	0.0	0.0	0.0
MHD Wraparound Oversight & Implementation	1.0	1.0	1.0	1.0	1.0	1.0
CA Wraparound Oversight & Implementation	1.0	1.0	1.0	1.0	1.0	1.0
JRA Wraparound & Expedited Eligibility Coord	0.7	0.7	0.6	0.6	0.6	0.6
MSA-RDA Data Development	2.0	2.0	2.0	2.0	2.0	2.0
ACS Actuarial Analysis	0.0	0.0	0.0	0.0	0.0	0.0
HRSA - MMIS/ProviderOne System Changes	6.4	0.0	0.0	0.0	0.0	0.0
Prescribing Practices (Section 5(2)(b))	0.8	1.5	1.5	1.5	1.5	1.5
Private Provider Pilot (Section 7(3))	0.0	0.0	0.0	0.0	0.0	0.0
Expedited Eligibility Determinations(Section 8)	5.9	6.2	6.2	6.2	6.2	6.2
Total FTE impact	**18.8**	**13.4**	**12.3**	**12.3**	**12.3**	**12.3**
BIEN		16.1		12.3		12.3
IV. Revenue						
Local Supporting Revenue	0	0	0	0	0	0
BIEN		-		-		-
V. Capital Impact						
Construction/Renovation	**0**	**0**	**0**	**0**	**0**	**0**

2SHB 1088
Children's Mental Health Services

TOTAL

		FY08	FY09	FY10	FY11	FY12	FY13
FTEs		18.8	13.4	12.3	12.3	12.3	12.3
	Biennial		16.1		12.3		12.3
A Salaries and Wages		956,000	637,000	569,000	569,000	569,000	569,000
B Benefits		341,000	201,000	182,000	182,000	182,000	182,000
C Personal Services		1,000,000	1,056,000	856,000	856,000	856,000	856,000
E Goods and Services		2,479,000	264,000	256,000	256,000	256,000	256,000
G Travel		8,000	8,000	6,000	6,000	6,000	6,000
J Equipment		113,000	16,000	14,000	14,000	14,000	14,000
N Grants Client Svcs		459,000	5,337,000	6,163,000	6,163,000	6,163,000	6,163,000
S Interagency Reimb.		0	0	0	0	0	0
T Interagency Reimb.		10,000	12,000	11,000	11,000	11,000	11,000
Total		**5,366,000**	**7,531,000**	**8,057,000**	**8,057,000**	**8,057,000**	**8,057,000**
	Biennial		12,897,000		16,114,000		16,114,000
Funds							
Fund 001-1	GF-S	2,882,000	6,122,000	6,598,000	6,689,000	6,689,000	6,689,000
	Biennial		9,004,000		13,287,000		13,378,000
Fund 001-2	GF-F	2,356,000	1,142,000	1,192,000	1,101,000	1,101,000	1,101,000
	Biennial		3,498,000		2,293,000		2,202,000
760-1 HSA	Health Svcs Acct	128,000	267,000	267,000	267,000	267,000	267,000
	Biennial		395,000		534,000		534,000
Total by Fund		**5,366,000**	**7,531,000**	**8,057,000**	**8,057,000**	**8,057,000**	**8,057,000**

FTE Detail	FY08	FY09	FY10	FY11	FY12	FY13
MHD Program Manager	2.0	2.0	1.0	1.0	1.0	1.0
CA Program Manager	1.0	1.0	1.0	1.0	1.0	1.0
JRA Program Administrator	0.2	0.2	0.1	0.1	0.1	0.1
JRA Coordinator	0.4	0.4	0.4	0.4	0.4	0.4
JR Community Counselor	0.1	0.1	0.1	0.1	0.1	0.1
ITAS5 (RDA - 1.0 FTE)	1.0	1.0	1.0	1.0	1.0	1.0
Research Investigator 2	1.0	1.0	1.0	1.0	1.0	1.0
Financial Svcs Spec 3	4.6	4.6	4.6	4.6	4.6	4.6
Social & Health Program Manager 2	1.0	1.0	1.0	1.0	1.0	1.0
Medical Assistance Specialist 3	0.8	1.6	1.6	1.6	1.6	1.6
Office Assistant 3 (Prescribing Practices)	0.3	0.5	0.5	0.5	0.5	0.5
Business Analyst (ProviderOne)	6.4	0.0	0.0	0.0	0.0	0.0
Total FTEs	**18.8**	**13.4**	**12.3**	**12.3**	**12.3**	**12.3**
Biennial		16.1		12.3		12.3

SALARY CALCULATION:

FTE Detail	FY08	FY09	FY10	FY11	FY12	FY13	Avg
MHD Program Manager	62,000	62,000	62,000	62,000	62,000	62,000	62,000
CA Program Manager	65,000	65,000	65,000	65,000	65,000	65,000	65,000
JRA Program Administrator	60,000	60,000	60,000	60,000	60,000	60,000	60,000
JRA Coordinator	47,500	47,500	47,500	47,500	47,500	47,500	47,500
JR Community Counselor	40,000	40,000	40,000	40,000	40,000	40,000	40,000
ITAS5	66,000	66,000	66,000	66,000	66,000	66,000	66,000
Research Investigator 2	56,000	56,000	56,000	56,000	56,000	56,000	56,000
Social & Health Program Manager	46,896	46,896	46,896	46,896	46,896	46,896	46,896
Financial Svcs Spec 3	38,667	39,333	39,333	39,333	39,333	39,333	39,222
Medical Assistance Specialist 3	31,666	31,666	31,666	31,666	31,666	31,666	31,666
Office Assistant 3	28,000	28,000	28,000	28,000	28,000	28,000	28,000
Business Analyst - ProviderOne	61,200	61,200	61,200	61,200	61,200	61,200	61,200

2SHB 1088
Children's Mental Health Services

Wraparound Estimates (2SHB 1088)

Assumption

1) Operating costs is based on unit costs survey submitted by Catholic Community Services.

2) Number of youth served per team is 30 (based on costs survey submitted by Catholic Community Services).

3) **Services included in the wrap around process:**
Respite (up to 72 hours)
Parent partners/case aides
All clinical care provided by the host site
Psychiatrist cost
Service facilitation

Services that are excluded from the wraparound process. These services will continue to be provided directly by the current systems and include:
Medication
Physical health care
School plans/DD plans/ Substance abuse service
Foster Care costs

4) Training and consultation costs is based on the work done for MHTF in Nov. 04.

5) It is important to the success of the team to include flexible fund to pay for activities that promote socialization. The estimate is each team will need $350 per child per month with the understanding that there is a flexibility to transfer fund between team if necessary.

6) Total estimated costs are for 3 sites.

7) Service costs covered by Medicaid in the current system are not covered here. For example, if a child is receiving services through the WrapAround Process, they still get their mental health treatment from the PIHP as a regular service (e.g. individual or family treatment)

Annual Operating Costs per Team

Direct staff salary and benefit	878,000
Direct service support staff salary and benefit	394,000
Administrative Costs	668,000
Total Operating Costs	1,940,000
Cost per ADP per month	5,389

	FY08	FY09	Biennium
DSHS oversight and implementation team (2.1 FTEs)	209,000	198,000	407,000

Estimated Costs	FY 2008 (April to June 08)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013		Objects
Ramp up (salary, benefit, and admin. for 3 months)	189,000						100% GF-S	N
Training (on going)	50,000	50,000	50,000	50,000	50,000	50,000	100 % GF-S	E
Consultation (on going)	50,000	50,000	50,000	50,000	50,000	50,000	100% GF-S	C
Operating Costs		4,393,000	5,219,000	5,219,000	5,219,000	5,219,000	100% GF-S	N
Flexible Fund (socialization costs)		378,000	378,000	378,000	378,000	378,000	100% GF-S	N
Evaluation Costs		75,000	75,000	75,000	75,000	75,000	100% GF-S	E
DSHS oversight and implementation team (2.1 FTEs)	209,000	198,000	198,000	198,000	198,000	198,000		Staffing Model
Total Costs	498,000	5,144,000	5,970,000	5,970,000	5,970,000	5,970,000		

	FY 2008	FY 2009	Objects
HB 1088 Start-up cost Appropriation	**500,000**	**5,000,000**	N

Other 1088 Fiscal Impacts:							
FTE	1.0	1.0	0.0	0.0	0.0	0.0	
MHD staffing (1 FTE) - Review & revise access to care standards, benefit packages, & amend RSN contracts	97,000	91,000	0	0	0	0	Staffing Model

Assumptions:
-- * Total impact cost excludes expedited Medicaid
-- Assume all funding appropriated to MHD
-- Contracts for operation of wraparound model sites executed by 4/1/2008 and service delivery operational by 7/1/2008.
-- CA assumes all children served under wraparound model are Medicaid eligible.
-- MHD and JRA assume all children served under wraparound model are non-Medicaid eligible.

	FY1			FY2											
Dollars per child per month	**April**	**May**	**June**	**July**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**
MHD 75% ($5,400)	10,778	43,111	86,222	161,667	188,611	215,556	242,500	296,389	344,889	361,056	361,056	361,056	361,056	361,056	361,056
JRA 5%$5,400)	5,389	5,389	5,389	10,778	10,778	16,167	16,167	21,556	21,556	26,944	26,944	26,944	26,944	26,944	26,944
CA 20% ($2,606)	5,211	13,028	20,845	26,056	31,267	39,084	46,901	46,901	46,901	46,901	46,901	46,901	46,901	46,901	46,901
Total	**21,378**	**61,528**	**112,456**	**198,500**	**230,656**	**270,806**	**305,567**	**364,845**	**413,345**	**434,901**	**434,901**	**434,901**	**434,901**	**434,901**	**434,901**
Caseload (number of children per month)															
MHD	2	8	16	30	35	40	45	55	64	67	67	67	67	67	67
JRA	1	1	1	2	2	3	3	4	4	5	5	5	5	5	5
CA	2	5	8	10	12	15	18	18	18	18	18	18	18	18	18
Total	**5**	**14**	**25**	**42**	**49**	**58**	**66**	**77**	**86**	**90**	**90**	**90**	**90**	**90**	**90**

2SHB 1088

Children's Administration
Wraparound Model Sites

Assumptions:

WrapAround Model Site contractors will be Child Placing Agencies qualified to provide Behavioral Rehabilitation Services.

All children referred by CA to the model sites will be Medicaid eligible.

CA will need to fund foster care placements for these children, in addition to the services provided by the Wraparound Model Site.

CA will fund services from the Model Site Provider to the level of the average BRS monthly service cost.

Monthly Cost of Wraparound Services per Child	$5,389
Flex funds per month	$350
Foster Care Level IV for 12+ years	$1,328
TOTAL	$7,067
CA Monthly Per Cap for Behavioral Rehabilitation Services	$4,461
Additional Funding Needed for CA Children Served in Model Sites	**$2,606**

2SHB 1088
Children's Mental Health Services

Children's Adminstration Costs -- Wraparound Services

	SFY08	SFY09	SFY10	SFY11	SFY12	SFY13
	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs
CA	1.0	1.0	1.0	1.0	1.0	1.0
Total	1.0	1.0	1.0	1.0	1.0	1.0

Object level costs

	SFY08	SFY09	SFY10	SFY11	SFY12	SFY13
A	65,000	65,000	65,000	65,000	65,000	65,000
B	17,000	17,000	17,000	17,000	17,000	17,000
E	12,000	12,000	12,000	12,000	12,000	12,000
J	8,000	3,000	3,000	3,000	3,000	3,000
G	0	0	0	0	0	0
T	1,000	1,000	1,000	1,000	1,000	1,000
TOTAL:	103,000	98,000	98,000	98,000	98,000	98,000

By Fund Type

GF-S	47,000	44,000	44,000	44,000	44,000	44,000
GF-F	56,000	54,000	54,000	54,000	54,000	54,000
GF-L	0	0	0	0	0	0
Total	103,000	98,000	98,000	98,000	98,000	98,000

2SHB 1088
Children's Mental Health Services

JRA Administrative Costs -- Wraparound and Medicaid Eligibility Services

Assumptions

1) Total estimated costs are for 3 sites.

2) Annual operating costs based on following staff model:

Position	FTE	Monthly Salary	Step and Range	Purpose:
Program Administrator - Wraparound Coordination HQ	0.1	$ 5,015	WMS 2	Wrap Around/Connections coordination of appropriate service and support strategies for unique needs of juvenile offenders with behavior mental health issues.
Program Administrator - Medicaid Coordination HQ	0.1	$ 5,015	WMS 2	**Mental Health coordination; assume coordination for FY08 and FY09 only.**
Juvenile Rehab. Coordinator at Institutions	0.4	$ 4,003	49 K	Institutions to screen, identify, initiate, and process Medicaid applications/paperwork for youth receiving services; assumes .10 FTE increase per institution to perform new workload created by legislation.
JRA Parole Counselor	0.1	$ 3,371	47F	More applications processed increases Parole Case Mgr workload to assist families when not responding, etc.
Total FTEs	**0.7**			

3) Per Clark County the Wrap Around/Connections team currently has capacity for 25 families at a time and serves 150 families per year. Youth served through this program have better outcomes than youth served pre-wrap.

4) In our analysis of JRA youth in the Wrap Around Program in Clark County, of the 150 youth per year who participated in the Program, only 4 were JRA youth, which equates to 2.7%. This information was obtained from Rita Gaylor, Clark County Wrap Project Mngr. Therefore JRA assumes impact of this proposed legislation to be 5% or double the current percentage in the Clark County Program.

5) The legislation refers to standardized statewide screening and application practices to facilitate the application of confined youth who may be eligible for medical assistance efforts in addition to the wrap around program, therefore JRA assumes all youth will be evaluated. Currently only youth in the Mental Health target population are evaluated and it is not done on a consistent basis. As youth leave JRA institutions, JRA will need to confirm if the youth is Medicaid eligible, which will require coordination between JRA and HRSA/MAA.

6) JRA is revising our assumptions to identify an impact for the Prog Adm for Medicaid Coordination-HQ for FY2008 and FY2009 based on coordination efforts tapering off after FY2009.

1088- JRA fiscal impacts:

a. Section 8: Coordination for youth being released from confinement for medical coverage to be reinstated. Will require coordination.
b. Section 10: Serve youth in Wrap Around Model to be established in 3 counties.

Operating Costs	FY08	FY09	Bien 07-09	Carryforward Bien 2009-11 and Bien 2011-13
FTEs	**0.7**	**0.7**	**0.7**	**0.6**
Prog Adm Wrap Around Coordination	9,000	9,000	18,000	18,000
Prog Adm Med Coordination	9,000	9,000	18,000	0
Juvenile Rehab. Coordinator	30,000	30,000	60,000	60,000
Parole Counselor	6,000	6,000	12,000	12,000
Total Operating Costs	**$ 54,000**	**$ 54,000**	**$ 108,000**	**$ 90,000**
By Funds:				
GF-State	46,000	46,000	92,000	82,000
GF-F TXIX	8,000	8,000	16,000	8,000
	$ 54,000	**$ 54,000**	**$ 108,000**	**$ 90,000**

	SFY08	SFY09	SFY10	SFY11	SFY12	SFY13
FTE	0.7	0.7	0.6	0.6	0.6	0.6
A	35,000	35,000	29,000	29,000	29,000	29,000
B	11,000	11,000	9,000	9,000	9,000	9,000
E	8,000	8,000	7,000	7,000	7,000	7,000
J	-		-	-	-	-
G			-	-	-	-
T	-		-	-	-	-
	54,000	54,000	45,000	45,000	45,000	45,000
State	47,000	47,000	38,000	38,000	38,000	38,000
Fed	7,000	7,000	7,000	7,000	7,000	7,000

2SHB 1088
Children's Mental Health Services

MHD Adminstrative Costs -- Wraparound Services and Access to Care

	SFY08	SFY09	SFY10	SFY11	SFY12	SFY13
	FTEs	FTEs	FTEs	FTEs	FTEs	FTEs
MHD	2.0	2.0	1.0	1.0	1.0	1.0
Total	2.0	2.0	1.0	1.0	1.0	1.0

Object level costs

	SFY08	SFY09	SFY10	SFY11	SFY12	SFY13
A	124,000	124,000	62,000	62,000	62,000	62,000
B	34,000	34,000	17,000	17,000	17,000	17,000
E	14,000	14,000	7,000	7,000	7,000	7,000
J	16,000	4,000	2,000	2,000	2,000	2,000
G	4,000	4,000	2,000	2,000	2,000	2,000
T	2,000	2,000	1,000	1,000	1,000	1,000
TOTAL:	194,000	182,000	91,000	91,000	91,000	91,000

By Fund Type

GF-S	146,000	136,000	68,000	68,000	68,000	68,000
GF-F	48,000	46,000	23,000	23,000	23,000	23,000
GF-L	0	0	0	0	0	0
Total	194,000	182,000	91,000	91,000	91,000	91,000

2SHB 1088
Children's Mental Health Services

ESA -- Methodology & Assumptions

1) ESA will need to process applications for all youths (of all ages) leaving county run juvenile detention facilities
2) ESA will process applications for all youths age 18 or over leaving either JRA
3) ACES changes will be required to add facility types and facility names for JRA and county facilities (possibly IMDs) to the lists currently in place. Additional impacts to ACES would be creation of reports and would depend on the number and complexity of those reports.

County-run Facilities

Total # juvenile arrests in CY 04		36,667	
Total # admissions to detention facility in CY 04		30,464	
(Source: Governor's Juvenile Justice Advisory Committee's 2005 Juvenile Justice Report, September 2006)			
% of admissions to juvenile detention with LOS >30 days		15%	4,569.60
(estimate is based on adult jail LOS data for King, Kitsap, Snohomish, & Thurston County jail data for CY 04)			

Juvenile Rehabilitation Administration (JRA) Facilities

# released from JRA facility (avg 2004/2005)	1,564		29.9%	467.49
		(29.9% age 18 or above upon exit)		

Workload Impact -- Applications

90 minutes per application	hours	1.5
est # youths that will require expedited medical review upon release		5,037.09
average monthly applications	# annual apps divided by 12	419.8
hours per month for applications	# avg monthly apps times 1.5 hrs	629.6
138 hours per month per FTE		
FTEs needed per month for applications	**# hr/month divided by FTE hrs**	**4.6**

Workload Impact -- Coordination with Facilities

Estimated that 1 FTE will be needed to coordinate with facilities, develop new processes, coordinate ACES requirement changes, and develop manual changes and train staff.	**1.0**
Total FTEs needed	**5.6**

	SFY08	SFY09	SFY10	SFY11	SFY12	SFY13
FTEs	**5.6**	**5.6**	**5.6**	**5.6**	**5.6**	**5.6**
A	218,000	220,000	220,000	220,000	220,000	220,000
B	79,000	79,000	79,000	79,000	79,000	79,000
E	65,000	65,000	65,000	65,000	65,000	65,000
J	49,000	-	-	-	-	-
G	4,000	4,000	4,000	4,000	4,000	4,000
T	5,000	5,000	5,000	5,000	5,000	5,000
	420,000	**373,000**	**373,000**	**373,000**	**373,000**	**373,000**

State	210,000	187,000	187,000	187,000	187,000	187,000
Fed	210,000	186,000	186,000	186,000	186,000	186,000

2SHB 1088
Children's Mental Health Services

HRSA Division of Finance & Rates Development
FN Request # 07-1088-1

	ADMINISTRATIVE IMPACTS				PROGRAM SERVICES IMPACTS			
					Additional Clients	Average Monthly Per Cap Cost FY08		FY09
County-run Facilities	*Assumed that ESA Administered CSOs will handle these Determinations*							
Total # juvenile arrests in CY 04 (1)		36,667			New Eligibles - County Run Facilities			
Total # admissions to detention facility in CY 04 (1)		30,464						
% of admissions to juvenile detention with LOS >30 days	15%	4,570			Avg Monthly	213	$ 166.21	$ 173.38
% estimated to be eligible for expedited determinations	56%	2,559			Total	2,559	$ 425,000	$ 443,000
Institute for Mental Disease (IMD) Facilities								
CLIP Facilities	*Assumed that ESA Administered CSOs will handle these Determinations*				New Eligibles - IMDs			
# released from CLIP facilities (FY 06)	63	60.00	60.00	-				
# estimated to be eligible for expedited determinations	14.3%	8.57						
CSTC Facility					Avg Monthly	0.5	$ 166.21	$ 173.38
# released from CSTC facility (avg 2004/2005)	57	56.00	50.00	6.00	Total	6	$ 1,000	$ 1,000
# estimated to be eligible for expedited determinations	0.0%	-						
Juvenile Rehabilitation Administration (JRA) Facilities								
	Total Released		<18 Yrs of Age		New Eligibles - JRA Facilities			
# released from JRA facility (avg 2004/2005)	1,564	29.9%	1,097					
# estimated to be eligible for expedited determinations (4)		72.0%	428		Avg Monthly	58	$ 166.21	$ 173.38
# estimated no DSHS medical coverage @ release (4)		39.0%	263	691		696	$ 116,000	$ 121,000

Workload Impact -- Screening		
10 minutes per person	0.17	hours
est # youths that will be screened for expedited eligibility determination	1,097	
average monthly screenings (# annual applications ÷12)	91	
Screening hours per month (Average monthly applications X .17 hrs)	15.2	
FTEs needed per month for screening (5)	**0.1**	
Workload Impact -- Applications		
90 minutes per application	1.5	hours
est # youths that will require expedited medical review upon release	691	applications
monthly average applications (# annual applications ÷12)	58	monthly average apps
hours per month for applications (Average monthly applications X 1.5 hrs)	87.0	
2088 annual hours / FTE; 174 monthly hours / FTE		
FTEs per month for applications (# hrs/month ÷ FTE hrs)	**0.5**	
Total FTEs needed	**0.6**	

Summary of Estimated HRSA Medical Impacts						
	SFY08	SFY09	SFY10	SFY11	SFY12	SFY13
FTEs	**0.3**	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**
A	11,000	21,000	21,000	21,000	21,000	21,000
B	4,000	8,000	8,000	8,000	8,000	8,000
C	-	-				
E	4,000	7,000	7,000	7,000	7,000	7,000
J	8,000	2,000	2,000	2,000	2,000	2,000
G	-	-	-	-	-	-
N	270,000	566,000	566,000	566,000	566,000	566,000
T	-	1,000	1,000	1,000	1,000	1,000
	297,000	**605,000**	**605,000**	**605,000**	**605,000**	**605,000**
001-1 GF-S	14,000	20,000	20,000	20,000	20,000	20,000
001-C GF-F	155,000	318,000	318,000	318,000	318,000	318,000
760-1 HSA	128,000	267,000	267,000	267,000	267,000	267,000

Methodology & Assumptions

(1) Source: Governor's Juvenile Justice Advisory Committee's 2005 Juvenile Justice Report, September 2006)
(2) Estimate is based on adult jail LOS data for King, Kitsap, Snohomish, & Thurston County jail data for CY 04
(3) Estimate based on analysis of CY 04 JUVIS data in WSIPP criminal recidivism database)
(4) Statistics from Division of Research and Data Analysis re Medical eligibility status of juveniles in JRA facilities before and after release.
(5) 174 hours per month per FTE

JRA Releases

	FY04			FY05		
	Under 18	18 & Over	Total	Under 18	18 & Over	Total
	1,153	482	1,635	1,040	452	1,492
	70.5%	29.5%		69.7%	30.3%	
24% with No Coverage Prior or Post Confinement	276	116	392	250	108	358
39% Lapsed coverage while confined	450	188	638	406	176	582
37% Covered in 1st Month After Release	427	178	605	384	168	552

2-Year Average - FY04 & FY05		
Under 18	18 & Over	Total
1,097	467	1,564
428	182	610
263	112	375

Releases from JRA Facilities
Population with Lapsed Coverage on Release needing Expedited Eligibility
Population with No Prior Coverage needing Expedited Eligibility
(annualized estimate based on 11 months of actuals).
72% had DSHS coverage in the 12 mos prior to confinement
39% "lost" coverage while confined (e.g., Covered at some point in the 12 months prior but not covered in the month after release).
37% DSHS covered after release (includes a small proportion of youth who did not have coverage prior to confinement).

2088
174

0.24
0.39
0.37

2SHB 1088
Children's Mental Health Services

MMIS/ProviderOne System Changes

	ADMINISTRATIVE IMPACTS
System Changes required to MMIS Legacy System and ProviderOne	This bill would require changes to the current design of the ProviderOne system. The ProviderOne implementation costs could be eliminated if the adoption of the 20- visit per-year Medicaid healthy options managed care and fee-for-service program standard was made effective July 1, 2008. ProviderOne project is approaching several critical points in its project timeline. The timeframe between July 1, 2007 and July 1 2008 marks an important time in phase 2 of the project. If such changes were required after July 1, 2008, this would provide no impact to the project. However, if these changes were required between July 1, 2007 and July 1, 2008, this would require the project to undo much of the work and redesign it to facilitate the changes. This is estimated to create a 1 to 2 month delay, meaning that the schedule for the rest of the project would need to be pushed back. There are certain overhead costs that are based on time, such as rent, utilities, contractual payments, and employee salaries. Therefore pushing back a project by 1 to 2 months creates costs that wouldn't have existed if there were no delays. According to CNSI, the vendor creating this new system, their monthly overhead costs are $1.5 million. Our in-house ProviderOne project team has monthly overhead costs of $500,000 and 4.25 FTE. Therefore, pushing back the scheduling of the project by one month would result in a $2.0 million per month cost that

Summary of Estimated HRSA Medical Impacts

	SFY08	SFY09	SFY10	SFY11	SFY12	SFY13
FTEs	**6.4**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
A	356,000	0	0	0	0	0
B	154,000	0	0	0	0	0
C	188,000	0	0	0	0	0
E	2,302,000	0	0	0	0	0
J	0	0	0	0	0	0
G	0	0	0	0	0	0
N	0	0	0	0	0	0
T	0	0	0	0	0	0
	3,000,000	**0**	**0**	**0**	**0**	**0**
001-1 GF-S	1,500,000	0	0	0	0	0
001-C GF-F	1,500,000	0	0	0	0	0
760-1 HSA	0	0	0	0	0	0

Annual FTEs **6.4** (4.25 FTEs @ 1.5 month delay)

WMS Business Analyst 61,200

2SHB 1088
Children's Mental Health Services

Fiscal Note Request
Cost Impacts -- DSHS MSA - Program 110

		SFY08	SFY09	SFY10	SFY11	SFY12	SFY13
Avg FTEs		**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**
Staff Months		**24.00**	**24.00**	**24.00**	**48.00**	**48.00**	**48.00**
Object							
A		**122,000**	**122,000**	**122,000**	**122,000**	**122,000**	**122,000**
B		**32,000**	**32,000**	**32,000**	**32,000**	**32,000**	**32,000**
C		**0**	**0**	**0**	**0**	**0**	**0**
EA		14,000	14,000	14,000	14,000	14,000	14,000
EB		0	0	0	0	0	0
ED		0	0	0	0	0	0
EF		0	0	0	0	0	0
EG		0	0	0	0	0	0
EL		0	0	0	0	0	0
EN		1,000	1,000	1,000	1,000	1,000	1,000
EP		0	0	0	0	0	0
ER		0	0	0	0	0	0
EZ		0	0	0	0	0	0
E Total		**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**
G		**0**	**0**	**0**	**0**	**0**	
J		**16,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**
N		**0**	**0**	**0**	**0**	**0**	**0**
P		**0**	**0**	**0**	**0**	**0**	**0**
S		**0**	**0**	**0**	**0**	**0**	**0**
TE		**0**	**0**	**0**	**0**	**0**	**0**
TZ		**2,000**	**2,000**	**2,000**	**2,000**	**2,000**	**2,000**
Total Obj		**187,000**	**174,000**	**174,000**	**174,000**	**174,000**	**174,000**
FTE		**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**
Funds							
001-1 0011	STATE	**118,000**	**92,000**	**19,000**	**110,000**	**110,000**	**110,000**
001-2 001B	SSDI	**3,000**	**4,000**	**7,000**	**3,000**	**3,000**	**3,000**
001-2 E61L	FOOD STAMP	**7,000**	**9,000**	**17,000**	**7,000**	**7,000**	**7,000**
001-A 563I	T4D SUP ENF	**9,000**	**10,000**	**20,000**	**8,000**	**8,000**	**8,000**
001-A 658L	T4E FOSTER CARE	**7,000**	**8,000**	**15,000**	**6,000**	**6,000**	**6,000**
001-A 659L	T4E ADOPT ASST	**1,000**	**1,000**	**2,000**	**1,000**	**1,000**	**1,000**
001-C 19UL	T19 ADMIN	**42,000**	**50,000**	**94,000**	**39,000**	**39,000**	**39,000**
Total Funds		**187,000**	**174,000**	**174,000**	**174,000**	**174,000**	**174,000**
Federal/Other		69,000	82,000	155,000	64,000	64,000	64,000
State-GFS		118,000	92,000	19,000	110,000	110,000	110,000

Federal %	37.00%
State %	63.00%

Assumptions: The performance measures proposed to determine the effectiveness of children's mental health system would require data from information systems across DSHS and from data systems external to the agency. Given RDA's expertise in linking client-level data from multiple information systems for outcome measurement, it is likely that RDA would be tasked to develop the data infrastructure for this new outcome-based performance measurement system. The performance measure and data infrastructure development work would require significant additional analytical and programming resources for an extended period of time.

2SHB 1088
Children's Mental Health Services

Section 5(2)(b) Requirements -- Review and Coordination of Prescribing Practices

Section 5(2)(b) in this bill speaks to DSHS needing a process to evaluate the appropriateness of psychiatric medications being prescribed to children. This will impact HRSA-Medical Assistance. It is estimated that we will need 1.5 FTEs plus funding to contract out the evaluation process.

Assumptions for 1088 5(2)(b) cost modeling

1) This model uses a contracted rate rather than a staffing model
2) The model assumes some HRSA support for PA and benefit management (1.5 FTE)
3) The contracted model assumes record review and telemedicine @ $225/review
4) Based on the ADHD experience we estimate ~1300 reviews per year are possible

Pediatric and Adolescence Record Review and Telemedicine / Second Opinion

Needed Medical Assistance FTEs

		Cost	
	Annual FTE	**SFY08**	**SFY09**
Medical Assistance Specialist 3	1.0	39,000	65,000
Office Assistance 3	0.5	21,000	28,000

Contracted Record Review and Consults

Workdays per Year	240		
Minus Vacation/Sick Days	192		
Records Reviewed per Day	5	960	Annualized
Consultations per Day	2	384	Annualized
Total Reviews		**1,344**	Annualized
Cost/Review	**$ 225**	**per review**	
		SFY08	**SFY09**
Consulting Costs		$ 151,200	$ 302,400

Total Cost	**211,200**	**395,400**

Object Breakdown	**SFY08**	**SFY09**	**SFY10**	**SFY11**	**SFY12**	**SFY13**
FTE	0.8	1.5	1.5	1.5	1.5	1.5
A	25,000	50,000	50,000	50,000	50,000	50,000
B	10,000	20,000	20,000	20,000	20,000	20,000
C	151,000	302,000	302,000	302,000	302,000	302,000
E	9,000	18,000	18,000	18,000	18,000	18,000
J	16,000	4,000	4,000	4,000	4,000	4,000
T	0	1,000	1,000	1,000	1,000	1,000
Total	**211,000**	**395,000**	**395,000**	**395,000**	**395,000**	**395,000**
Fund Source	**SFY08**	**SFY09**	**SFY10**	**SFY11**	**SFY12**	**SFY13**
GF-S 001-1	106,000	198,000	198,000	198,000	198,000	198,000
GF-F 001-2	105,000	197,000	197,000	197,000	197,000	197,000
Total	**211,000**	**395,000**	**395,000**	**395,000**	**395,000**	**395,000**

2SHB 1088
Children's Mental Health Services

Primary Care Provider Pilot Program

Summary of Estimated HRSA-MA Pilot Project Impacts - Sec.7(3)						
	SFY08	SFY09	SFY10	SFY11	SFY12	SFY13
FTEs	0.0	0.0	0.0	0.0	0.0	0.0
A - Salaries	0	0	0	0	0	0
B - Benefits	0	0	0	0	0	0
C - Contracts	411,000	504,000	504,000	504,000	504,000	504,000
E - Goods & Services	0	0	0	0	0	0
J - Equipment	0	0	0	0	0	0
G - Travel	0	0	0	0	0	0
N - Grants & Client Services	0	0	0	0	0	0
T - Interagency	0	0	0	0	0	0
-	411,000	504,000	504,000	504,000	504,000	504,000
-						
001-1 General Fund - State	205,000	252,000	252,000	252,000	252,000	252,000
001-2 General Fund - Federal (Admin)	206,000	252,000	252,000	252,000	252,000	252,000
001-C General Fund - Federal (TXIX)	0	0	0	0		
760-1 Health Services Account	0	0	0	0		

Cost estimates are based on the following assumptions:

	Annual Cost (Salary & Benefits)	
Child Psychiatrist	$ 200,000	
Research Psychologist	$ 180,000	
IT Specialist	$ 130,000	
Research Analyst	$ 50,000	
Administrative Assistant	$ 40,000	
Initial Participants (PCPs)	100	Divided into 10 PCP Teams

Training Costs - One Time	FY08	FY09
Assessment Materials (Tools and Texts)	$ 77,800	$ -
Assessment Tools ($750/person)	*$ 75,000*	$ -
Text ($28/person)	*$ 2,800*	$ -
Travel, Food, Lodging for 4 Days of Training	$ 30,000	$ -
Telepsychiatry Service to Deliver Lectures to Distant Providers	$ 2,400	$ -
Child Psychiatrists' Time will be Compensated (but Expenses will not be Reimbursed)	$ 20,000	$ -
Trainers Paid $1,000 per hour of lecture or $500 per hour of discussion	$ 27,500	$ -
Total	$ 157,700	$ -

Collaborative Teams - On-Going Costs	FY08	FY09
Child Psychiatrists (1 per team @ $2,000 per month)	$ 120,000	$ 240,000
Admin Child Psychiatrists (1 per team, total 0.5 Annual FTEs)	$ 50,000	$ 100,000
Total	$ 170,000	$ 340,000

Website:

Costs - One-Time in FY08, On-Going in FY09	FY08	FY09
IT Specialist (0.1 Annual FTEs)	$ 13,000	$ 6,420
Child Psychiatrist (0.1 FTEs)	$ 20,000	$ 7,100
Total	$ 33,000	$ 13,520

Evaluation Costs - On-Going	FY08	FY09
Research Analyst (1.0 Annual FTE)	$ -	$ 50,000
Total	$ -	$ 50,000

Telephone Triage - On-Going Costs	FY08	FY09
Child Psychiatrist (1.0 Annual FTEs)	$ 50,000	$ 100,000
Total	$ 50,000	$ 100,000

Total:	FY08	FY09
	$ 410,700	$ 503,520
Rounded	$ 411,000	$ 504,000

2SHB 1088
Children's Mental Health Services

Fiscal Note Request
Cost Impacts -- Actuarial Review of Access to Care Standards

	SFY08	SFY09	SFY10	SFY11	SFY12	SFY13
Avg FTEs	0.0	0.0	0.0	0.0	0.0	0.0
Staff Months	0.00	0.00	0.00	0.00	0.00	0.00
Object						
A	0	0	0	0	0	0
B	0	0	0	0	0	0
C	200,000	200,000	0	0	0	0
E Total	0	0	0	0	0	0
G	0	0	0	0	0	
J	0	0	0	0	0	0
N	0	0	0	0	0	0
P	0	0	0	0	0	0
S	0	0	0	0	0	0
TE	0	0	0	0	0	0
TZ	0	0	0	0	0	0
Total Obj	200,000	200,000	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0	0.0
Funds						
001-1 0011 STATE	200,000	200,000	0	0	0	0
Total Funds	200,000	200,000	0	0	0	0
Federal/Other	0	0	0	0	0	0
State-GFS	200,000	200,000	0	0	0	0

Federal %	0.00%
State %	100.00%

Assumptions:

Section 4 -- Requires the department to develop recommended revisions to the current access to care standards for children. An actuarial analysis is required in FY 2008 to:

1. Evaluate the workings of the current access to care standards, including a summary of clients being denied access to the mental health system and "marginal" clients gaining access to the system.
2. Identify current Evidence Based Practices that may not be occurring in the mental health system today that need to be supported and funded prospectively.
3. Revise the access to care standards to address the findings in steps 1 and 2.
4. Define IT needs to support implementation and tracking of access to care assessments, including statewide standardization of a single assessment instrument. This process may include a test or pilot run of the assessment tool with select RSNs.
5. Quantify the population that would be served under the new access to care standards.
6. Perform a cost analysis of providing benefits under the new access to care standards.
7. Develop capitation rates to CMS specifications.

LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

Bill Number: 1088 2S HB	**Title:** Children's mental health

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- [ ] Cities:
- [X] Counties: Regional Service Networks, Juvenile Detention Facilities, Juvenile Court
- [ ] Special Districts:
- [ ] Specific jurisdictions only:
- [ ] Variance occurs due to:

Part II: Estimates

- [ ] No fiscal impacts.
- [ ] Expenditures represent one-time costs:
- [ ] Legislation provides local option:
- [ ] Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

Indeterminate Impact

Estimated expenditure impacts to:

Indeterminate Impact

Part III: Preparation and Approval

Fiscal Note Analyst: Anne Pflug	Phone: 425 785 8557	Date: 03/06/2007
Leg. Committee Contact:	Phone:	Date: 03/05/2007
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 03/09/2007
OFM Review: Tammy Hay	Phone: 360-902-0553	Date: 03/13/2007

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

SUMMARY
-Expands the definition of child to age 21 from 18
-Requires the Department of Social and Health Services (DSHS) to recommend revisions to access-to-care standards and the children's mental health benefits package by January 2009.
-Expands the Medicaid children's mental health outpatient therapy benefit from 12 to 20 visits per year effective 2007-2009 and expands treatment providers to include licensed mental health professionals.
-Establishes a children's mental health evidence-based practice institute to among other things provide training to providers.
-Requires DSHS to apply for medicaid services to confined youth
-Requires DSHS to expedite the reinstatement of medical coverage for youth released from confinement.
-Establishes a wraparound services pilot program in up to three counties.

SECTIONS THAT MAY HAVE LOCAL GOVERNMENT IMPACT
Section 2 changes the definition "child" to 21 instead of 18.
Sec. 3. Establishes program goals for of the children's mental health system to be reached by year 2012. Requires DSHS and the evidence-based practice institute to develop outcome-based performance measures.
Sec. 4. Requires DSHS to develop recommended revisions to the Access to Care Standards for children and to develop recommendations for a revised Children's Mental Health Benefit Package. The Department must report its recommendations to the Legislature by January 1, 2009.
Sec. 5. Requires DSHS to revise its Medicaid Healthy Options and fee-for-service program standards to improve access to mental health services for children who do not meet the Regional Support Network (RSN) Access to Care Standards. Requires the Department to make specific changes to Medicaid services to permit outpatient therapy (up to 20 visits per year instead of 12) to children and families who do not meet RSN Access to Care Standards. The Department, within the constraints of Title XIX and Federal Medicaid requirements is to give "strong consideration" to evidence-based services, family-based interventions and community support systems.
Sec. 6. Requires the Department to apply for services for Medicaid eligible youth who are temporarily placed in juvenile detention facilities for up to 60 continuous days or until adjudication.
Section 7 requires RSN contracts, beginning in 2007-09 to give networks flexibility to contract with licensed mental health professionals in addition to providers in licensed community mental health agencies.
Section 8 requires the medical assistance coverage of youths who had coverage immediately prior to being confined to a juvenile facility or mental institution to be fully reinstated on the day of their release and requires DSHS, in collaboration with county juvenile court administrators and regional service networks, to establish who were enrolled in medical assistance prior to confinement. Requires the Department to work collaboratively with the juvenile court administrators and regional support networks to develop procedures for determining eligibility for youth
likely to be eligible, including determinations prior to release and issuances of medical assistance cards for youth determined eligible. Defines "likely to be eligible" as a youth who was enrolled anytime the year prior to confinement and whose enrollment was terminated during confinement.
Section 10 Requires the Department to contract with the RSNs or other agencies to operate the three-county sites. Services will begin on or before July 1, 2008 and contracts for these services are to be executed on or before April 1, 2008.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

SUMMARY
2SHB 1088 would have a significant (greater than $1M per year) although indeterminate impact on local government expenditures. Revenue and expenditures of RSN's partcially funded and operated by counties would be effected by the measure along with county juvenile detention faciliities. If mental health interventions are successful for a larger population of children utilization of other local governments services such as substance abuse treatment, criminal justice services, services to the homeless and emergency medical response may be reduced.

DISCUSSION OF SECTIONS THAT MAY IMPACT LOCAL GOVERNMENT

Background -- Counties participate in Regional Service Networks across the state as partcial funders, program administrators and in some cases service providers. The bulk of the funding for RSN's comes from the state. There are 29 short term juvenile detention facilities across the state owned and operated by counties regionally or individually serving up to 35,000 children per year primarily for stays of less than 30 days.

Section 5 relates to providing mental health services to children that don't meet current RSN access to care standards and increasing medicaid funded visits per year from 12 to 20 implemented for the 2007-09 biennium. Section 5 also allows contracting with licensed

mental health professionals to provide services. It is unclear whether RSN's would be funded to serve the children not meeting current access to care standards and additional medicaid funded visits. If RSN's are the primary service provider, then record systems, data bases, reporting and contracting procedures may need to be changed to serve a larger and different group of clients than are served now. It is unknown what state contract or funding requirement changes would need to be accomodated and therefore how much they may cost.

Section 4 relates to changing access to mental health services for children through modification of current RSN "access to care standards". The new standards may be implemented for the 2009-11 biennium. Depending on the standards selected, RSN cost impacts may include transition costs for diagnosis and intake procedure changes, adding service providers and records and data base changes. Increasing the numbers of qualifying children under the new standards would require additional funding for service delivery.

The number of children that may be served under different access to care standards is unknown however it is clear that a larger number of children need mental health services and if provided, these interventions may result in a reduction in the utilizatoin rates for other public services provided by local government including among others substance abuse treatment, criminal justice services, services to the homeless and emergency medical response. Washington State has a significantly higher than National average of students with emotional and behavioral disabilities dropping out of school. Research demonstrates that these students do not have success in post school settings with a greater than average number of them not participating in post-secondary educational settings or employment. Additionally, data from the Center for Change in Transition also shows these students not living independently after leaving school. Data shows that a high percentage of youth in the juvenile justice system are students who have received special education services. (Washington State Special Education Advisory Council, ANNUAL REPORT 2004-05).

The Washington State Public Policy Institute March 2007 Long-Term Outcomes of Public Mental Health Clients: Interim Report for 2002–2005 found that 35,700 (28% of 2002 DSHS/MHD clients) were below 18 years of age. The Superintendent of Public Instruction's Special Education Operations division reports that students with Individual Education Plans who have developmental delays (age 3 to 5); health impairments, including mental health and emotional/behavioral disabilities totaled 42,300 in 2005. It is likely that not all of these students could benefit from mental health care intervention but it is also likely that not all students needing mental health care were identfied by school assessments. If it is assumed that at least 6,600 additional children need services (or 18%) then funding for appropriate treatment plans for these additional children may be at the approximate order of magnitude required by RSNs.

Section 10 relates to providing pilot projects for wrap around services to children at up to three county sites to be implemented for the 2007-09 biennium. Up to 90 service slots (30 at each site) are anticipated assuming the model referred to in the legislation. The estimated cost is $5389 per month per child reduced by federal reimbursments. Funding levels and sources for these services is unknown and may impact counties or RSN's if they are the contracted provider or if base funding is reduced in order to provide funding for the wrap around pilot projects. Ninety service slots funded for one year without federal reimbursement reductions total $5.8M dollars.

Section 6 and 8 relate to medicaid funding for mental health services to juveniles in juvenile detention facilities, including 29 county juvenile detention facilities. Section 6 would explore providing medicaid funded services inside detention facilities and Section 8 relates to providing for medicaid mental health services upon release. Implementation of Section 8 would involve assuring enrollment of juveniles in medicaid upon release from county detention facilities. Turnaround in local juvenile facilities can be rapid because stays are often short (less than 30 days), volume is high with up to 35,000 children subject to detention each year at 29 locations. In order to assure that qualified juveniles receive medicaid medical cards at release it is likely that intake and exit procedures will need to changed; data collection and/or data base changes will need to be made; and additional records may need to be obtained. Staff time would be involved in setting up the new procedures and making changes to existing systems prior to implementation. After implementation there may be on-going additional costs for coordination with the state; acqusition of records and the execution of intake and exit procedure changes. Given the high volume, these costs may be notable unless very short stays are exempted or other methods of reducing time per juvenile can be devised.

SOURCES
DSHS fiscal note
Individuals with Disabilities Act Part B State Summary Report, Special Education,
SPI,(2005http://www.k12.wa.us/SpecialEd/pubdocs/data/State_Summary_LRE_CC_0506.xls)
Washington State Public Policy Institute March 2007 Long-Term Outcomes of Public Mental Health Clients: Interim Report for 2002–2005
Washington State Special Education Advisory Council ANNUAL REPORT 2004-05
Washington State Association of Counties

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

SUMMARY
New funding for expanding services to children who do not meet current access to care standards (Sec 4 and 5); are in or transitioning out of juvenile detention; or, will be clients of the up to three county wraparound services pilots is dependent on legislative appropriation in the 2007-09 budget. Mandated new service requirements without funding or with inadequate funding may result in shifts in service quality or quantity amoung existing RSN client groups or inadequate services to children that do not and can not meet service delivery mandates. See

expenditures section for a general discussion of the number of children that may require mental health services beyond those that meet current access to care standards.