Multiple Agency Fiscal Note Summary

Bill Number: 5894 E S SB	**Title:** Behavioral health system

Estimated Cash Receipts

Agency Name	2017-19		2019-21		2021-23	
	GF- State	Total	GF- State	Total	GF- State	Total
Washington State Health Care Authority	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Department of Social and Health Services	0	4,228,000	0	4,538,000	0	4,538,000
Total $	**0**	**4,228,000**	**0**	**4,538,000**	**0**	**4,538,000**

Estimated Expenditures

Agency Name	2017-19			2019-21			2021-23		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Administrative Office of the Courts	.0	0	0	.0	0	0	.0	0	0
Office of Financial Management	Fiscal note not available								
Washington State Health Care Authority	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Social and Health Services	44.4	9,047,000	13,145,000	45.0	9,668,000	14,060,000	45.0	9,668,000	14,060,000
Department of Health	.0	0	0	.0	0	0	.0	0	0
University of Washington	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Washington State University	Non-zero but indeterminate cost and/or savings. Please see discussion.								
The Evergreen State College	1.0	490,841	490,841	.8	372,516	372,516	.8	376,989	376,989
Total	**45.4**	**$9,537,841**	**$13,635,841**	**45.8**	**$10,040,516**	**$14,432,516**	**45.8**	**$10,044,989**	**$14,436,989**

Local Gov. Courts *									
Loc School dist-SPI									
Local Gov. Other **	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Impact

NONE

Prepared by: Devon Nichols, OFM	**Phone:** (360) 902-0582	**Date Published:** Preliminary 6/ 2/2017

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

** See local government fiscal note

FNPID: 49003

FNS029 Multi Agency rollup

Judicial Impact Fiscal Note

Bill Number: 5894 E S SB	Title: Behavioral health system	Agency: 055-Administrative Office of the Courts

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

Account	FY 2018	FY 2019	2017-19	2019-21	2021-23
Counties					
Cities					
Total $					

Estimated Expenditures from:

COUNTY	FY 2018	FY 2019	2017-19	2019-21	2021-23
County FTE Staff Years					
Account					
Local - Counties					
Counties Subtotal $					
CITY	**FY 2018**	**FY 2019**	**2017-19**	**2019-21**	**2021-23**
City FTE Staff Years					
Account					
Local - Cities					
Cities Subtotal $					
Local Subtotal $					
Total Estimated Expenditures $					

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

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.

Legislative Contact	Andy Toulon	Phone: 360-786-7178	Date: 03/24/2017
Agency Preparation:	Sam Knutson	Phone: 360-704-5528	Date: 03/29/2017
Agency Approval:	Ramsey Radwan	Phone: 360-357-2406	Date: 03/29/2017
OFM Review:	Gwen Stamey	Phone: (360) 902-9810	Date: 04/03/2017

Request # 5894 ESSB-1

Part II: Narrative Explanation

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

Please see attached Judicial Impact Note (JIN).

II. B - Cash Receipts Impact

II. C - Expenditures

Part III: Expenditure Detail

III. A - Expenditure By Object or Purpose (State)

State	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years					
Total $					

III. B - Expenditure By Object or Purpose (County)

County	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years					
Total $					

III. C - Expenditure By Object or Purpose (City)

City	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years					
Total $					

Part IV: Capital Budget Impact

Part II: Narrative Explanation

This bill would amend multiple statutes, revising the Involuntary Treatment Act, the Community Health Services Act, provisions for the criminally insane, and provisions for public and private facilities for the mentally ill in regards to: (1) integrating risk for long-term civil involuntary treatment into managed care; (2) development of community long-term involuntary treatment capacity; (3) state hospital reforms; (4) improving access to assisted outpatient mental health treatment; (5) reduce demand for forensic services; (6) address managed care entities to provide fully integrated care; and (6) provide for data management.

Part II.A – Brief Description of what the Measure does that has fiscal impact on the Courts

Sections 405 and 406 – Would establish new processes for initial evaluation and filing of a petition for assisted outpatient treatment.

II.B - Cash Receipt Impact

None.

II.C – Expenditures

The new processes established in Sections 405 and 406 are similar to that for inpatient treatment evaluation and filing/hearing petitions. It is expected that these new processes and hearings would be similar. There is no judicial data available to estimate the number of new filings and hearings that would be required. Impact is expected to be minimal.

Forms would need to be updated, and court education would be required. This can be managed within existing resources.

Individual State Agency Fiscal Note

Bill Number: 5894 E S SB	Title: Behavioral health system	Agency: 107-Washington State Health Care Authority

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

Estimated Capital Budget Impact:

NONE

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:	Andy Toulon	Phone: 360-786-7178	Date: 03/24/2017
Agency Preparation:	Kathryn Kingman	Phone: 360-725-0455	Date: 03/29/2017
Agency Approval:	Rene Newkirk	Phone: 360-725-1307	Date: 03/29/2017
OFM Review:	Robyn Williams	Phone: (360) 902-0575	Date: 04/03/2017

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.

See attached narrative

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.

See attached narrative

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.

See attached narrative

Part III: Expenditure Detail

Part IV: Capital Budget Impact

None

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.

See attached narrative

Bill Number: 5894 ES SB HCA Request #: 17-102

Part II: Narrative Explanation

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

The bill modifies the state behavioral health system in several ways primarily related to involuntary commitment. The bill would:

- Integrate risk long term involuntary treatment at the state hospitals into managed care contracts by 2020
- Develop community long term involuntary treatment capacity
- Make short term reforms to the state hospitals
- Improve access to assisted outpatient mental health treatment
- Reduce demand for forensic services
- Utilize Washington State Institute for Public Policy to evaluate integration efforts

The bill expands upon initial integrations efforts established in 2SSB 6312, passed during the 2014 legislative session, to further integrate the purchasing of state hospital and community long term involuntary commitment beds.

The engrossed substitute bill has few changes that impact HCA directly. Like the substitute, it:

1) Removes references to behavioral health organizations (BHOs), changing those references to facilities certified by the department,
2) Makes development of long term involuntary treatment capacity the sole responsibility of the Department of Social and Health Services (DSHS) and,
3) Requires that entities demonstrate the ability to coordinate the delivery of a minimum number of days of patient care.

In addition the engrossed bill:

1) Adds a stipulation to Part 1 that the contracts for the consultant are exempt from competitive bid requirements in RCW 39.26.125,
2) Section 201 (Item 4) specifies that contracts must allow DSHS to obtain complete identification unless that information can be obtained from existing data sources available to state agencies,
3) Spells out some further requirements for remanding a patient to care and requires that DSHS shall confer with the Department of Health (DOH) and hospitals to review laws and regulations to identify changes,
4) Adds discharge provisions.

At a minimum, the agency would need to make sweeping contract amendments, request rates, enter into new procurements, modify rules, engage with stakeholders and participate in various workgroups to implement various portions of the bill.

PART I

Requires that long term involuntary civil treatment provided by the state hospitals be integrated into managed care contracts (MCOs) by January 1, 2020. The exact mechanism for integration will be determined with assistance from Office of Financial Management (OFM) who shall hire a consultant to develop a risk model and make recommendations by December 31, 2017.

PART II

The state shall increase its purchasing of long-term involuntary treatment capacity in the community over time.

DSHS and facilities certified by the department/MCOs must 1) work with willing community hospitals and evaluation and treatment (E&T) facilities to assess their capacity to become certified to provide long-term mental health (MH) placements and 2) Enter into contracts/payment arrangements with these facilities, to the extent that willing facilities are available.

The Health Care Authority (HCA) would be the entity that would have to purchase the portion of the long-term beds allocated to facilities certified by the department to replace state hospital allocations and increase that purchasing over time. This would require drafting new contracts with these facilities, creating a request for proposal (RFP), going through a new procurement process, and working with providers in the community to inform them about this change and monitor that process. HCA would also have to develop the standardized behavioral health (BH) assessment tool to measure acuity among long-term civil commitment patients.

Contracts would need to be modified to provide that the MCO may designate where treatment is to be provided.

PART III

The bill targets short term state hospital reforms with the intention to expand capacity for community placements for complex patients with developmental disabilities or long-term care needs in settings such as nursing homes, assisted living facilities, adult family homes, enhanced service facilities, state-operated living alternatives, and supported housing.

Requires discharge planning for long-term involuntary patients to start at admission, with an expanded coordination role for the Aging and Long-Term Support Administration (ALTSA) & Developmental Disabilities Administration (DDA) if they are responsible for the cost of community care.

State hospitals and certified long-term involuntary treatment facilities must allow the managed care entities access to the patient and their records for coordination of care purposes. This would likely require contract amendments and amendments to agency policies and procedures regarding access to patient information for care coordination.

Requires the establishment of an individualized discharge plan arranging for transition to a community placement no more than 14 days after the date of the determination. If the MCO/BHO does not do this within the 14 days, it must reimburse DSHS for the cost of state hospital beds until the discharge plan is established. Creates an appeal process if there is a dispute about ready-to-discharge or the discharge is delayed by a third party not under the control of the BHO or fully integrated managed care (FIMC) organizations. This would require amending contracts.

PART IV

Modifies access to Assisted Outpatient Mental Health Treatment by lowering eligibility requirements and simplifying filing requirements.

Requires HCA to participate in the workgroup with DSHS to determine performance terms for the FIMC contracts.

PART VI

Requires HCA to establish a work group to examine FIMC structural options for 2020, including:

- A model in which HCA contracts with both a MCO to provide physical and BH services and an Administrative Services Organization (ASO) to provide crisis services
- A model where HCA approves an organization operated by county governments that functions as a coordinating entity for any MCO providing FIMC in that area, including coordinating a network of behavioral health providers, operating a health IT infrastructure, and providing crisis and non-Medicaid services

The work group that examines FIMC options must submit a report to the legislature and governor by December 1, 2017, identifying recommendations for reducing barriers to FIMC.

Section 40 requires DSHS and HCA to establish a separate work group to determine performance terms for fully integrated managed care contracts.

II. B - Cash Receipts Impact

Indeterminate impact. See explanation below.

II. C - Expenditures

Indeterminate impact; over $50,000. After the initial study required by the bill is complete there may be more information available to help define the costs.

Administrative impacts are indeterminate but HCA anticipates that, at a minimum, a WMS level manager to coordinate HCA's workgroup efforts, a Fiscal Information Data Analyst to provide required analyses, and additional actuarial costs approximating $100K may be incurred. These costs can be refined once the risk model is developed by OFM. This will also allow the programmatic fiscal impact to be defined.

The agency assumes that the bill intends for integration of the risk for state hospital beds into existing managed care contracts with health plans or other managed care entities by January 2020.

HCA would need to revise the current managed care contracts to accommodate the inclusion of long term involuntary civil treatment. Changes would require rate-setting updates to incorporate the cost of treatment for individuals who are committed to mental health (MH) treatment into the rate. Currently, those costs are built directly into the State hospital's direct budget. Cost of treatment for individuals who otherwise would have been in the State Hospital would need to be built into the managed care per member per month (PMPM).

In addition, there will likely be Centers for Medicare and Medicaid Services (CMS) implications in MCO contracts with blended managed care rates for Institutes for Mental Disease (IMD) even under a waiver as CMS has stated in prior guidance that the costs for IMDs are the responsibility of the state.

Development of community beds would assist in development of long term capacity outside the state hospitals and likely be eligible for federal matching funds provided that the facility is not designated as an IMD. This is particularly helpful in offsetting the impacts new federal rules, which limit the use of federal funds for patients residing in IMD's.

Effective July 2017, the state cannot make a monthly capitation payment to an MCO or BHO, or pay for any managed care costs, when the individual has stayed in an IMD for more than 15 days in a calendar month. This rule is particularly problematic, as not only would the patients care in the IMD be ineligible for federal matching funds, any medically necessary services, during those months when a capitation payment is not available, would also not be eligible for federal match. CMS has issued guidance that it is the responsibility of the states to cover such costs for patients residing in IMD facilities.

PEB benefits impacts—None

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

Uncertain

Individual State Agency Fiscal Note

Revised

Bill Number: 5894 E S SB	Title: Behavioral health system	Agency: 300-Department of Social and Health Services

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

ACCOUNT	FY 2018	FY 2019	2017-19	2019-21	2021-23
General Fund-Federal 001-2	1,959,000	2,269,000	4,228,000	4,538,000	4,538,000
Total $	1,959,000	2,269,000	4,228,000	4,538,000	4,538,000

Estimated Expenditures from:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	43.8	45.0	44.4	45.0	45.0
Account					
General Fund-State 001-1	4,213,000	4,834,000	9,047,000	9,668,000	9,668,000
General Fund-Federal 001-2	1,902,000	2,196,000	4,098,000	4,392,000	4,392,000
Total $	6,115,000	7,030,000	13,145,000	14,060,000	14,060,000

Estimated Capital Budget Impact:

NONE

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:

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☐ 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:	Andy Toulon	Phone: 360-786-7178	Date: 03/24/2017
Agency Preparation:	Sara Corbin	Phone: 360-902-8194	Date: 05/19/2017
Agency Approval:	Ken Brown	Phone: 360-902-7583	Date: 05/19/2017
OFM Review:	Devon Nichols	Phone: (360) 902-0582	Date: 06/02/2017

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 101: Requires the Health Care Authority to integrate risk for long-term involuntary civil treatment provided by state hospitals into managed care contracts by January 1, 2020. Requires the Office of Financial Management (OFM) to engage a consultant to create a state psychiatric hospital managed care risk model to be submitted to the governor and select committee on quality improvement in state hospitals by December 31, 2017. The risk model is required to include analysis and recommendations.

Section 201: Requires the Department of Social and Health Services (DSHS) to purchase a portion of the state's long-term treatment capacity allocated to behavioral health organizations (BHO's) in willing community facilities capable of providing alternatives to treatment in a state hospital. It requires the state to increase its purchasing of long-term involuntary treatment capacity in the community over time. Requires DSHS to establish rules for certification of facilities interested in providing care under this section. In addition, this section requires DSHS to develop contracts that allow complete identification information and admission and discharge dates for patients served under this authority. It also requires facilities certified by DSHS to report specific information to the department until January 1, 2022.

Section 302: Requires state hospitals to screen patients upon admission for substance use disorder and provide coordinated services targeted to reduce recidivism to patients with an identified need. The Aging and Long-Term Support Administration (ALTSA) and Developmental Disabilities Administration (DDA) must assume expanded responsibility beginning at admission for aiding its clients to transition from state hospitals and certified long-term involuntary treatment facilities into the community.

Section 303: Requires BHO's and integration entities to establish an individualized discharge plan arranging for transition to an identified placement in the community within no more than fourteen days of the determination. The plan must provide for a date certain by which discharge must be completed. Requires the entity to reimburse DSHS for days of care provided after the fourteenth day following determination if the plan is not fulfilled. The reimbursement rate per day will be the same rate under RCW 71.24.310. DSHS will be required to establish a process for appeal to the secretary or secretary's designee. The requirements of this section are suspended when the risk for the state hospital treatment or state-contracted inpatient treatment in a certified community long-term involuntary treatment facility is integrated into managed care contracts.

Section 304: Requests that state hospitals take steps to employ qualified advanced registered nurse practitioners (ARNP) and physician assistants (PA) supervised by a psychiatrist. The role of the psychiatrists at the state hospital is expanded to include supervision of ARNP's and PA's. Requires the department work with the University of Washington, Department of Psychiatry and Behavioral Sciences and the appropriate department of Washington State University to conduct an analysis and develop a plan to create a training and supervision program at the state hospitals for psychiatric ARNP's and PA's. Requires that the plan include an appraisal of risks, barriers, and benefits to implementation as well as an implementation timeline. In addition, requires DSHS report to OFM and the legislature on findings and recommendations by December 15, 2017.

Sections 401-406: The legislature intents to implement less restrictive alternative treatment for those unlikely to voluntarily participate in outpatient treatment based on a history of non-adherence with treatment, or is likely to benefit form LRA treatment.

Section 501(1): The legislature intends to implement crisis walk-in centers to be deployed in high-need urban areas that allow individuals to self-refer or be referred by emergency services or police and stay up to twenty-three hours under observation.

Section 501(2): The legislature intends to expand availability of clubhouses to provide community-based programs which promote rehabilitation, recovery, and reintegration services to adults with persistent mental illness.

Section 601(2): Requires a member of DSHS to attend a work group to examine options for the structuring of integration of physical and behavioral health services by 2020.

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.

Federal funds are Title XIX.

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.

Community Costs -
Section 101: OFM is required to develop a risk model to allow manage care entities to contract with a certified provider within a fixed capitation rate. Behavioral Health Administration (BHA) will need additional staff resources to coordinate and provide data to OFM when requested. Data will need to be collected and coordinated with up to 53 different community hospitals including Provider One (P1) claims, Health Care Authority (HCA), and the Center for Medicaid Service (CMS) costs reports for each entity. Staff include 0.5 FTE Information Technology Systems Application Specialist 6. The funding split is assumed to be 60 percent GF-State and 40 percent GF-Federal.
• FY 2018 $64,000 Total Funds, $38,000 GF-State, 0.5 FTE
• FY 2019 and ongoing $63,000 Total Funds, $38,000 GF-State, 0.5 FTE

Section 201: The department will be required to contract directly with up to 53 community providers for long-term beds. Staff will be needed to oversee this program, administer contracts, and certify new facilities. Staff include 1.0 Program Administrator (WMS Band 2), 1.0 Contract Manager (WMS Band 1), and 2.0 Program Specialist 5. The funding split is assumed to be 60 percent GF-State and 40 percent GF-Federal.
• FY 2018 $419,000 Total Funds, $251,000 GF-State, 4.0 FTE
• FY 2019 and ongoing $423,000 Total Funds, $254,000 GF-State, 4.0 FTE

Section 207: Data will need to be collected and coordinated with the hospitals and the Department of Health (DOH) on cost effective treatment and reports submitted to the select committee on quality improvement. Staff include 0.5 FTE Information Technology Systems Application Specialist 6. The funding split is assumed to be 60 percent GF-State and 40 percent GF-Federal.
• FY 2018 $64,000 Total Funds, $38,000 GF-State, 0.5 FTE
• FY 2019 and ongoing $63,000 Total Funds, $38,000 GF-State, 0.5 FTE

Aging and Long-Term Support Administration (ALTSA) and Developmental Disabilities Administration (DDA) Costs –
Section 302:

ALTSA has a current base of 10.7 FTE (9 discharge case managers and 1.7 financial eligibility) for discharges/diversions assigned to state hospital caseloads. It is important to note the FTE are not solely state hospital dedicated staff. They determine financial eligibility, functional eligibility for LTSS and support discharge and diversions from the state hospitals. Their state hospital caseload size can fluctuate each month based on the number of referrals received from the state hospital and the number of people they are actively working with to identify appropriate community placements. In addition to their work related to assessment and discharge process, some staff carry a community caseload of individuals who have discharged from the state hospital and have duties that include such things as:
- Community annual assessment or reassessment when there is a significant change in a person's condition
- Identify and authorize services
- Identify and arrange community placement options and work with residential providers to arrange other needed services and community supports
- Work with clients, vendors and providers to obtain necessary items, such as equipment and environmental modifications
- Coordinate with behavioral health organizations, providers and medical professionals to ensure clients have what is necessary in their community placement to meet personal care, along with medical and behavioral support needs that are outside the ALTSA funding stream
- Provide in person and phone technical assistance and consultation to providers to support clients in their goal to remain in the community
- Facilitate and/or participate in individual case staffings to support community based person centered planning

The goal is to create a comprehensive and robust system that supports person-centered discharge planning in a way that maximizes a person's ability to maintain community stability and community integration:
- Developing community providers who have the expertise and sufficient staffing levels to serve a high needs population so recidivism is reduced
- Creating a regulatory structure that supports providers who are willing to provide high quality care to individuals with complex needs and provide technical assistance and educations that assists them in being successful in serving this population
- Ensuring access to intensive care coordination and supportive resources necessary to stabilize situations when loss of housing and providers is imminent
- Providing oversight and contract monitoring activities to ensure quality of services
- Partnering with the state hospital and BHOs to identify and set up the complete list of services needed to make the placement successful for both the individual as well as the provider

Some of the lessons learned from developing Enhanced Service Facilities (ESFs) that shaped this FTE request is the fact that ESF and Specialized Behavior Supports (SBS) providers require a higher level of in person and dedicated staff from HCS in order to develop and implement the complex person centered plans required for this population. HCS HQ and regional staff were relied upon by ESF providers to problem solve staffing issues, licensing challenges and coordination with community support providers. We found that almost daily in person contact by HCS regional staff essential in establishing each new ESF and that level of support has continued through routine targeting of dedicated case management, contract monitoring and complaint investigation resources. In order to build additional capacity in the community for these placements we need to have similar approaches to new ESFs, SBS providers and other AFHs we work with who admit patients from the hospitals.

Given all of the information, the assumptions used for the discharge and financial FTE are below:
- 8.0 discharge FTE to assess approximately 340 individuals for a client to staff ratio at 38 to 1. It is anticipated more assessments will occur than discharge/diversions due to the fact not everyone will be determined to need long-term supports and services. As part of the discharge planning, estimate approximately 150 individuals will

need long-term supports and services. The lower staffing ratio is critical to ensure coordination between the providers, BHOs and other partners providing services is occurring to create a successful community placement.
- The department also requires 1.0 Social Specialist 4 to supervise direct line staff.
- Due to the limited number of financial FTE currently supporting state hospital discharge/diversions (0.5 FTE at Western and 1.0 FTE at Eastern) in order to meet the demand and have individuals ready for placement, the program requires 3.0 FTE at Western and 1.0 FTE at Eastern.

The funding split is assumed to be 50 percent GF-State and 50 percent GF-Federal.
• FY 2018 $1,236,000 Total Funds, $618,000 GF-State, 13.0 FTE
• FY 2019 and ongoing $1,166,000 Total Funds, $583,000 GF-State, 13.0 FTE

Duties and expectations for DDA are similar to those noted above. As in the case of ALTSA, DDA does not have dedicated staff at the state hospitals to assist with transitioning DDA enrolled individuals back to the community when they have met their discharge treatment goals. Given the complex needs of DDA enrolled individuals at the state-hospitals, DDA requests 3.0 FTEs (2.0 WSH & 1.0 ESH) to provide enhanced case management to support transition planning activities of individuals when they are identified as ready for discharge and an additional FTE (1.0 WSH & 1.0 ESH) at each state-hospital to support financial eligibility work needed to ensure that the individual is eligible for enrollment on Medicaid at the time of discharge. Individuals at the state hospitals, typically, also have ongoing mental health and challenging behavior issues that require ongoing support. Because of this, these individuals require a higher degree of person-centered support planning with the individual and community vendor's service providers and specialists to ensure that support needs are being addressed timely and in a way that allows the individual to be able to continue to live and remain safe after they are discharged to the community. Timely service and person-centered support planning also helps to resolve unmet needs, before an individual decompensates, which helps to mitigate the need for a possible detainment and readmission to the state hospital.

The funding split is assumed to be 50 percent GF-State and 50 percent GF-Federal.
• FY 2018 $472,000 Total Funds, $236,000 GF-State, 5.0 FTE
• FY 2019 and ongoing $455,000 Total Funds, $227,000 GF-State, 5.0 FTE

Western State Hospital Costs -
Section 302: Currently, Western State Hospital (WSH) provides an initial cursory review upon admission and a limited number of patient groups to provide additional teaching and support while the patient is hospitalized. Based on the DSHS Cache database, CY 2016 statistics indicate that 34 percent of all WSH patient admissions have some kind of substance abuse disorder in addition to mental illness.

The current level of funding provides a process that allows WSH to deliver a cursory substance abuse screening for patients when they are admitted to the hospital. Additionally, WSH provides three groups to focus on more prevalent substance abuse disorders commonly found among the patient population.

This bill will require WSH to develop a more complete program for identification and treatment of patients with a substance use disorder. For WSH, a successful program will require a 1.0 FTE Certified Chemical Dependency Professional at the masters' level (WMS position). Given the difficulty of recruitment of psychiatrists, WSH will be able to get the program underway more quickly using a certified drug and alcohol professional, which in turn will ensure that all patients that have been diagnosed with this disorder are provided the level of service and community treatment referrals necessary to be successful after discharge from the state hospital.

With the development and maintenance of this new program, additional administrative staff may be required in

future biennia. The current plan is to use existing clerical support to support the program head.

In addition, WSH will require 8.0 FTE Masters Level staff that have a certificate in addiction counseling. These positions will work directly with the treatment team when developing individual patient treatment plans. They will provide individualized counseling sessions for patients to help with their addictions as well as be responsible for leading patient groups that will provide the peer support from other patients that are struggling with addiction.

The WSH plan would be to use its current treatment structure with break out groups to limit the additional staff needed to provide treatment. The treatment structure is assumed to be 3.0 per forensic services, 2.0 for geriatric, and 3.0 for the central treatment mall. If the need is higher in forensic or central, staff will be moved from the geriatric treatment area. Currently staff must bring patients into the community prior to discharge for a substance use disorder evaluation, or the patient must connect with services until after discharge. The current difficulty of providing a doctor's referral for outpatient treatment when a patient is ready for discharge, results in recidivism. Recidivism is likely to decrease with continued treatment in the community. The funding split is assumed to be 88 percent GF-State and 12 percent GF-Federal.
• FY 2018 $1,201,000 Total Funds, $1,057,000 GF-State, 9.0 FTE
• FY 2019 and ongoing $1,137,000 Total Funds, $1,001,000 GF-State, 9.0 FTE

Eastern State Hospital Costs -
Section 302: Currently Eastern State Hospital (ESH) provides a cursory review upon admission and a limited number of patient groups to provide additional teaching and support while patients are hospitalized. Based on the DSHS Cache database, CY 2016 statistics indicate that 69 percent of all ESH patient admissions have some kind of substance use disorder in addition to mental illness.

The current level of funding provides a process that allows ESH to deliver a cursory substance use disorder screening for patients when they admitted to the hospital. Additionally ESH provides three different patient groups to focus on some of the more prevalent substance use disorders commonly found among the patient population. Of the patients affected by substance use disorder approximately 10 percent receive some kind of supportive treatment services in the hospital as an effort to reduce recidivism.

This bill requires ESH to develop a program for identification and treatment of patients with substance use disorder. A successful program will require a medical provider or psychiatrist that is board certified in addiction counseling. This position will have the responsibility for the development and oversight of the Substance Use Disorder Program to ensure that all patients that have been diagnosed with this disorder are provided the level of service necessary to be successful after discharged from the state hospital.

With the development and ongoing maintenance of this new program, additional administrative support will be necessary. This position will primarily be responsible for assisting the physician director with the day to day administrative tasks, development and maintenance of protocol documents, as well as hospital policy and procedures as it relates directly to the program.

Other staff necessary to provide successful outcomes includes master level addiction counselors. These positions will work in conjunction with the treatment teams and the patient to provide the individualized treatment planning and individual counseling necessary to reduce recidivism due to substance use disorder. Additionally they will be responsible for establishing and running treatment or support groups within the hospital. The groups will then provide an additional level of peer support for patients that have been diagnosed with substance use disorder.

The following staff will be required to initiate this new program.

1.0 FTE Psychiatrist– this position would be board certified in addiction counseling. This position would have complete oversight of the substance use disorder screening of all patients upon admission. Additionally, they will be responsible for the development and scheduling of the patient groups that would provide peer support and teaching to help patients understand their addictions. This position will also supervise the administrative staff and the masters level addiction counselors.

1.0 FTE Administrative Assistant 3 – this position will provide administrative support for the substance use disorder program, psychiatrist and masters level addiction counselors. This position will be critical in the development and maintenance of the protocols, hospital policy, as well as performing administrative tasks for the program.

6.0 FTE Masters Level Staff – these positions will be master level staff that will provide direct patient interaction with the screening for substance use disorder upon admission. They will work directly with the treatment team when developing individual patient treatment plans. They will provide individualized counseling sessions for patients to help with their addictions as well as be responsible for leading patient groups that will provide the peer support from other patients that are struggling with addiction issues. Once this new program is up and running, ESH is estimating they will require additional resources to adhere to this legislation and therefore will need to submit a budget request in future biennia. The funding split is assumed to be 88 percent GF-State and 12 percent GF-Federal.
• FY 2018 $916,000 Total Funds, $806,000 GF-State, 5.3 FTE
• FY 2019 and ongoing $1,300,000 Total Funds, $1,144,000 GF-State, 8.0 FTE

Section 303: Additional staff will be needed to coordinate and conduct new long term community placement and discharge appeals processes. To establish a long-term community bed appeal process, 1.0 for western Washington and 1.0 for eastern Washington, 2.0 Clinical Staff (WMS Band 2) are required. This staff will also handle the process and oversee all readiness for discharge or third party entity obstacles for discharge. 1.0 Administrative Assistant 4 will support to appeal process by coordinating correspondence, tracking data, processing appeals, completing reports, and managing the scheduling of the appeals process. 1.0 Fiscal Analyst 4 will be required to coordinate the new discharge regulations that add fines if a discharge plan that is not ready within 14 days, and to handle all of the new billing and reimbursement processes needed for the long term bed community hospital contracts. This position would be tasked with tracking long-term bed costs, making community hospital payments, creating monthly financial reports, and handling billing disputes. The funding split is assumed to be 60 percent GF-State and 40 percent GF-Federal.
• FY 2018 $412,000 Total Funds, $247,000 GF-State, 4.0 FTE
• FY 2019 and ongoing $415,000 Total Funds, $249,000 GF-State, 4.0 FTE

Eastern State Hospital Costs -
Section 304: In FY 2018, there will be one-time costs for staff and associated costs to work jointly with the University of Washington and Washington State University to conduct an analysis, develop a plan, and report to OFM and the legislature on findings and recommendations by December 15, 2017.

1.0 FTE Management Analyst 5 – This position will have oversight of the development of the ARNP residency project at both ESH and WSH. It will be responsible for creating dialogue between the hospitals and the university, development of relationships, research of the necessary steps for meeting accreditation standards, development of protocols, procedures and reporting out on the project status to hospital and Behavioral Health

leadership.

0.5 FTE Psychiatrist 4 – The project will also require a psychiatrist to provide technical support to the program director in the development of the program. This position will help develop the relationships with the university and between the hospitals in the early stages of the program development. This position will also provide the unique insight and perspective to develop the training curriculum for the program and the level of support necessary by each of the psychiatrists that will participate in the training oversight of the ARNP residency program.

The funding split is assumed to be 88 percent GF-State and 12 percent GF-Federal.
• FY 2018 one-time $269,000 Total Funds, $237,000 GF-State, 1.5 FTE

Sections 401-406: New court orders for Assisted Outpatient Treatment (AOT) and Less Restrictive Alternative (LRA) will be introduced, and courts will need BHA staff to distribute this new information, and train court staff on the new guidelines. It is estimated that there will be an additional 244 individuals receiving 90 days of AOT outpatient services, which is the number of revoked LRAs in FY 2016. Additionally, it is estimated that 37 individuals (15 percent of initial individuals treated for an initial 90 days treatment) will require an additional 90 days of treatment.

AOT outpatient Mental Health Service Costs:
It is assumed that it will take time for the program to be fully implemented, so cost estimates are assumed to be half the cost in the first year.
The clients receiving outpatient services will require treatment services for three months. This includes an intake evaluation, individual treatment services four times a week, and medication monitoring once per week. The annual cost of these services for 244 cases is $2,100,000.

It is assumed that 15 percent of individuals will be ordered to a second 90 days of outpatient treatment, estimated at 37 cases. Assuming individual treatment services four times a week, and medication monitoring once per week, the annual cost is estimated at $308,000. The funding split is assumed to be 65 percent GF-State and 35 percent GF-Federal.

Evaluation and Treatment (E&T) Offset Costs: It is assumed that without this legislation 25 percent of the patients would have been detained in an evaluation and treatment facility for an average length of stay of 13.6 days. Therefore, the outpatient services would be offset by the cost of the evaluation and treatment facility costs. The E&T offset cost for 25 percent of the cases annually is ($747,000). The funding split is assumed to be 65 percent GF-State and 35 percent GF-Federal.

Behavioral Health Organization (BHO) court costs estimates annually for the initial 90 days for 244 cases x $600 average court costs are $146,000; with the second 90 days for 37 cases x $600 are $22,000 annually. These costs are all GF-State.

Average transportation costs for 33 percent of the 244 cases x $280 transportation (30 miles at $5.04 plus $130 basic life support ambulance) for the initial 90 days is estimated at $23,000 annually; and a second 90 days is $3,000 annually. These costs are all GF-State.

DMHP Costs: It is assumed that a DMHP would be required to monitor the progress of these cases for an average of an hour per month for three months, for the initial 90 day treatment an estimated cost annually of $37,000. In addition, the second 90 day treatment would require developing a petition that would take 3 hours to

complete with an annual costs of $11,000. DMHP costs are all GF-State.

AOT service costs are estimated to be $952,000 in FY 2018 and $1,903,000 starting in FY 2019 and ongoing. Staff include one WMS Band 1 for a total of 1.0 FTE and $110,000 and 1.0 FTE and $105,000 starting in FY 2019 and ongoing. The funding split is assumed to be 60 percent GF-State and 40 percent GF-Federal.
• FY 2018 $1,032,000 Total Funds, $665,000 GF-State, 1.0 FTE
• FY 2019 and ongoing $1,948,000 Total Funds, $1,261,000 GF-State, 1.0 FTE

Section 601 and 602: Requires BHA to provide staff time to participate in a workgroup, and establish performance measures to examine options for the structuring of integration for physical and behavioral health services by 2020. No fiscal impact to DSHS, as participating in a workgroup and establishing a common performance measure with HCA aligns with current resources of a program manager's normal workload.

Section 501 Cost assumptions not part of fiscal note -
Section 501(1): This sub-section of the bill implies intent to implement crisis walk-in centers in high-need urban areas. Assuming six 16-bed facilities (two to open in FY 2018 and four more in FY19) would open in the 2017-19 biennium. The funding split is assumed to be 35 percent GF-State and 65 percent GF-Federal.
• FY 2018 operating costs $5,760,000 Total Funds, $2,016,000 GF-State, 0.0 FTE
• FY 2019 operating costs and ongoing $17,280,000 Total Funds, $6,048,000 GF-State, 0.0 FTE
• $11,328,000 of Capital funding would be required in the 2017-19 biennium

Section 501(2): This sub-section of the bill implies intent to implement Mental Health Clubhouses statewide. Assuming nine new MH Clubhouses (1 per BHO) with six opening in 2018 and all nine open by 2019. The funding split is assumed to be 35 percent GF-State and 65 percent GF-Federal.
• FY 2018 operating cost $4,956,000 Total Funds, $1,735,000 GF-State, 0.0 FTE
• FY 2019 operating cost and ongoing $7,434,000 Total Funds, $2,602,000 GF-State, 0.0 FTE
• $2,565,000 of Capital funding would be required in the 2017-19 biennium

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	43.8	45.0	44.4	45.0	45.0
A-Salaries and Wages	3,249,000	3,433,000	6,682,000	6,866,000	6,866,000
B-Employee Benefits	1,229,000	1,287,000	2,516,000	2,574,000	2,574,000
C-Professional Service Contracts					
E-Goods and Other Services	272,000	236,000	508,000	472,000	472,000
G-Travel	27,000	23,000	50,000	46,000	46,000
J-Capital Outlays	241,000		241,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	952,000	1,903,000	2,855,000	3,806,000	3,806,000
P-Debt Service	13,000	13,000	26,000	26,000	26,000
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	132,000	135,000	267,000	270,000	270,000
9-					
Total:	$6,115,000	$7,030,000	$13,145,000	$14,060,000	$14,060,000

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 2018	FY 2019	2017-19	2019-21	2021-23
ADMINISTRATIVE ASSISTANT 3	3,212	0.6	1.0	0.8	1.0	1.0
ADMINISTRATIVE ASSISTANT 4	4,000	1.0	1.0	1.0	1.0	1.0
Contracts Manager	4,849	1.0	1.0	1.0	1.0	1.0
DEVELOPMENTAL DISAB	4,857	3.0	3.0	3.0	3.0	3.0
CASE/RES MGR FINANCIAL SERVICES	4,313	6.0	6.0	6.0	6.0	6.0
SPECIALIST 4 FISCAL ANALYST 4	4,642	1.0	1.0	1.0	1.0	1.0
IT SYSTEMS/APP SPEC 6	7,244	1.0	1.0	1.0	1.0	1.0
MANAGEMENT ANALYST 5	6,247	1.0		0.5		
PROGRAM SPECIALIST 5	5,659	2.0	2.0	2.0	2.0	2.0
PSYCHIATRIST 4	14,826	1.2	1.0	1.1	1.0	1.0
SOCIAL SERVICE SPECIALIST 3	4,762	8.0	8.0	8.0	8.0	8.0
SOCIAL SERVICE SPECIALIST 4	5,385	1.0	1.0	1.0	1.0	1.0
THERAPIES SUPERVISOR	6,561	12.0	14.0	13.0	14.0	14.0
WMS BAND 1	6,500	2.0	2.0	2.0	2.0	2.0
WMS BAND 2	8,466	3.0	3.0	3.0	3.0	3.0
Total FTE's	91,523	43.8	45.0	44.4	45.0	45.0

III. C - Expenditures By Program (optional)

Program	FY 2018	FY 2019	2017-19	2019-21	2021-23
BHA - Mental Health (030)	4,407,000	5,409,000	9,816,000	10,818,000	10,818,000
Developmental Disabilities Administration (040)	472,000	455,000	927,000	910,000	910,000
Aging and Long Term Support Administration (050)	1,236,000	1,166,000	2,402,000	2,332,000	2,332,000
Total $	6,115,000	7,030,000	13,145,000	14,060,000	14,060,000

Part IV: Capital Budget Impact

None.

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.

Rules will be developed as required by Section 201.(3).

Individual State Agency Fiscal Note

Bill Number: 5894 E S SB	Title: Behavioral health system	Agency: 303-Department of Health

Part I: Estimates

[X] **No Fiscal Impact**

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:	Andy Toulon	Phone: 360-786-7178	Date: 03/24/2017
Agency Preparation:	Donna Compton	Phone: (360) 236-4538	Date: 03/29/2017
Agency Approval:	Ryan Black	Phone: (360) 236-4530	Date: 03/29/2017
OFM Review:	Bryce Andersen	Phone: (360) 902-0580	Date: 03/31/2017

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 207: This bill states the Department of Social and Health Services (DSHS) will confer with the Department of Health (DOH) and hospitals licensed under Revised Code of Washington (RCW) 70.41 & 71.12 to review laws and regulations and identify changes that may be necessary to address care delivery and cost-effective treatment for adults on ninety or one-hundred eighty day commitment orders that may be different than requirements for short-term psychiatric hospitalization.

For the purpose of this fiscal note, the Department of Health estimates the staff-time and related costs to implement the work required by this bill can be accomplished by existing staff within their normal workload.

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.

None.

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.

None.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

None.

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.

None.

Individual State Agency Fiscal Note

Bill Number: 5894 E S SB	Title: Behavioral health system	Agency: 360-University of Washington

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

Estimated Capital Budget Impact:

NONE

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:	Andy Toulon	Phone: 360-786-7178	Date: 03/24/2017
Agency Preparation:	Jed Bradley	Phone: 2066164684	Date: 03/29/2017
Agency Approval:	Becka Johnson Poppe	Phone: 206-616-7203	Date: 03/29/2017
OFM Review:	Breann Boggs	Phone: (360) 902-0563	Date: 04/03/2017

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.

The following sections of E S SB 5894 would have a fiscal impact on the UW:

Section 304 requires that the Department of Social and Health Services (DSHS) work with the University of Washington's Department of Psychiatry and Behavioral Sciences, an appropriate department at Washington State University, and appropriate schools of nursing to conduct an analysis and develop a plan to create a residency program at western and eastern state hospitals for psychiatric advanced registered nurse practitioners and physician assistants. The plan shall include an appraisal of risks, barriers, and benefits to implementation as well as an implementation timeline. The department must report to the office of financial management and relevant policy and fiscal committees of the legislature on findings and recommendations by December 15, 2017. It is assumed that the costs associated with the UW's work on this study would be reimbursed through an interagency agreement with the Department of Social and Health Services.

Other sections may lead to an overall impact on the UW, specifically relating to high acuity civil patients at UW Medicine Harborview.

Unlike the previous version of the bill for which we received a fiscal note request (PSSB 5894), this version of the bill:
1. adds WSU and "appropriate schools of nursing" to the list of entities with which DSHS would work (as noted above), and
2. adds that the residency plan would also be for physician assistants, not just registered nurse practitioners.

Despite the changes noted above, the indeterminate fiscal impact is generally unchanged.
Regarding change #1, it is unknown to what extent WSU would be involved in the development of the residency program plan. Divisions of labor (between UW and WSU) would need to be determined after funding amounts are known and stakeholders have determined and discussed assessment needs and institutional expertise. Since our fiscal note was previously indeterminate, this new unknown factor simply adds to the indeterminate nature. For the purposes of providing estimates for Section 304, we have assumed that the UW would develop and assess the full plan, just like in the original fiscal note.
Regarding change #2, our previous fiscal note already acknowledged the potential for physician assistants to be included.

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.

No cash receipts.

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.

The impact of this bill is indeterminate because:
- The extent to which DSHS would work with the University of Washington is unknown, and the extent to which Washington State University would be involved is unknown, and

• Effort would be expended within several functional areas of the UW to provide relevant expertise.

SECTION 304

The Department of Psychiatry and Behavioral Sciences and the UW School of Nursing would work with other entities within the University of Washington, including the and MEDEX Northwest physician assistant training program.

We are able to estimate the cost of developing a plan to create a residency program. This estimate is of the effort required for the UW to implement the section, because the extent to which Washington State University would be involved is unknown. A final determination could only take place after funding amounts are known and stakeholders determine a course of action based on the needs of the assessment and availability of experts at each institution. Below, FTE amounts are provided on an annual basis, but the effort as written in the bill would need to take place over six months. For example, 1.0 FTE over six months would be the equivalent of two full-time positions over that period. If, for example, the timeline were modified to one year, the fiscal note impact would not change, as the 1.0 FTE of effort would occur over the course of a year instead of six months.

Based on a previously funded effort requiring the Department to develop a plan to create a high quality forensic teaching unit in collaboration with Western State Hospital, we estimate that this section will require the work of 1.0 FTE equivalent faculty members with an estimated average full time annual salary of $200,000 and a benefits rate of 25.3 percent (total cost of $250,600). This would be in the form of several faculty members dedicating a portion of their time to this effort (a lead at 0.3-0.5 FTE, depending on availability, as well as several other content experts at 0.1-0.2 FTE). In addition, the effort would require 1.5 FTE equivalent staff members (program manager, analyst, and a program coordinator) with an estimated average full time annual salary of $93,000 and a benefits rate of 32.4 percent (total cost of $185,360). We also estimate that the effort would require an additional $35,000 in outside consulting time in order to provide expertise on teaching within state mental hospitals, services and supplies in the amount of $9,000, and $22,000 in travel expenses for faculty, staff, and consultants to perform site visits. Finally, based on similar efforts, we assume that a standard indirect cost rate of approximately 25 percent ($125,000) would be applied to cover facilities and administration overhead.

As such, the cost of implementing this section is expected to be at least $627,000 in FY18, but possibly higher for the following two reasons:
• Similar programs typically require longer than 6 months to plan, so the accelerated timeline of providing a plan to the legislature by December 15, 2017 would likely require additional effort.
• The requirement to appraise the risks, barriers, and benefits to implementation, as well as provide a report to the legislature are additional costs beyond what is typical for similar effort to develop a program.

OTHER SECTIONS:

With the transfer of high acuity civil patients out of Western and Eastern State Hospitals to community based hospitals that select patients for care, UW Medicine Harborview could see a decrease in the number of high acuity patients that are required to be held at Harborview awaiting placement at the state hospital. Potentially, however, an increase in the number of patients could occur if the patients are released to community hospitals and are either not placed in more suitable long term care facilities or are released back into the community after short stints of care. The latter scenario suggests a possible fiscal impact on Harborview because once patients are released from both the state hospital and the community hospital, their only option for care would then be

Harborview. The potential impact is indeterminate due to the inability to predict the number of patients that could increase or decrease.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

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.

Individual State Agency Fiscal Note

Bill Number: 5894 E S SB	Title: Behavioral health system	Agency: 365-Washington State University

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

Estimated Capital Budget Impact:

NONE

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:	Andy Toulon	Phone: 360-786-7178	Date: 03/24/2017
Agency Preparation:	Chris Jones	Phone: 509-335-9682	Date: 03/30/2017
Agency Approval:	Kelley Westhoff	Phone: 5093350907	Date: 03/30/2017
OFM Review:	Breann Boggs	Phone: (360) 902-0563	Date: 04/03/2017

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 304 of ESSB 5894 requires the Department of Social and Health Services to work with the University of Washington department of psychiatry and the appropriate department of Washington State University and appropriate schools of nursing to conduct an analysis and develop a plan to create a training and supervision program at western and eastern state hospitals for psychiatric advanced registered nurse practitioners and physician assistants. The Department must report to the Office of Financial Management and relevant policy and fiscal committees of the Legislature on findings and recommendations by December 15, 2017.

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.

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.

Washington State University estimates that it will incur minimal expenditures for the necessary travel and staff time to collaborate with the Department of Social and Health Services to develop the training and supervision program required in Section 304. Total costs are indeterminate and will be dependent upon the number of meetings/conferences held and the amount of support required from Washington State University. Costs will be less if teleconferencing is an option.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

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.

Individual State Agency Fiscal Note

Bill Number: 5894 E S SB	Title: Behavioral health system	Agency: 376-The Evergreen State College

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	1.0	1.0	1.0	0.8	0.8
Account					
General Fund-State 001-1	244,697	246,144	490,841	372,516	376,989
Total $	244,697	246,144	490,841	372,516	376,989

Estimated Capital Budget Impact:

NONE

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:	Andy Toulon	Phone: 360-786-7178	Date: 03/24/2017
Agency Preparation:	Catherine Nicolai	Phone: (360) 664-9087	Date: 03/24/2017
Agency Approval:	Lisa Dawn-Fisher	Phone: 360-867-6185	Date: 03/24/2017
OFM Review:	Breann Boggs	Phone: (360) 902-0563	Date: 04/03/2017

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.

Sec. 701 of ESSB 5894 directs the Washington State Institute for Public Policy (WSIPP) to "evaluate changes and the effectiveness of specific investments within the adult behavioral health system." WSIPP "shall consult with the relevant legislative and agency staff when identifying research questions and establishing evaluation timelines."
WSIPP is directed to provide "a report to the appropriate committees of the legislature upon completion of each evaluation."

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.

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.

WSIPP assumes that Sec. 701 of ESSB 5894 indicates an ongoing assignment to evaluate different components of specific investments within the adult behavioral health system, with costs in the 17-19 biennium and future biennia. To implement Sec. 701, WSIPP would plan to assign a 1.0 FTE Researcher in FY 18 and FY 19 to consult with the legislature and agencies, implement evaluations, and prepare any resulting reports. The Researcher would work with the Research and Data Analysis (RDA) division within the Department of Social and Health Services to establish the data structure to streamline ongoing evaluations and reporting in future years. Through consultation with RDA, we estimate data costs to be $100,000 in FY 18 and in FY 19. We anticipate lower data costs ($75,000 per year) and a lower ongoing Researcher FTE (0.75 per year) after the initial planning and consultation phase.

WSIPP assumes that the precise number of evaluations conducted within a given biennium will vary depending on the specific investments, consultation with the legislature and agencies, and the complexity of the specific evaluations.

*Goods and other services includes 13% for office expenses and 12% indirect rate for The Evergreen State College.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	1.0	1.0	1.0	0.8	0.8
A-Salaries and Wages	89,321	90,214	179,535	137,358	140,119
B-Employee Benefits	25,010	25,260	50,270	38,460	39,233
C-Professional Service Contracts					
E-Goods and Other Services	30,366	30,670	61,036	46,698	47,637
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Data	100,000	100,000	200,000	150,000	150,000
Total:	$244,697	$246,144	$490,841	$372,516	$376,989

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 2018	FY 2019	2017-19	2019-21	2021-23
Researcher	87,742	1.0	1.0	1.0	0.8	0.8
Total FTE's	87,742	1.0	1.0	1.0	0.8	0.8

Part IV: Capital Budget Impact

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.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5894 E S SB	Title: Behavioral health system

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

Legislation Impacts:

- [ ] Cities:
- [X] Counties: Costs to participate on a work group for county representatives.
- [ ] Special Districts:
- [ ] Specific jurisdictions only:
- [ ] Variance occurs due to:

Part II: Estimates

- [ ] No fiscal impacts.
- [ ] Expenditures represent one-time costs:
- [X] Legislation provides local option: Allows public hospitals to become certified to provide long-term mental health placements.
- [X] Key variables cannot be estimated with certainty at this time: Costs for work group participation would vary depending on location and frequency of meetings.

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Indeterminate Impact

Part III: Preparation and Approval

Fiscal Note Analyst: Alice Zillah	Phone: 360-725-5035	Date: 03/31/2017
Leg. Committee Contact: Andy Toulon	Phone: 360-786-7178	Date: 03/24/2017
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 03/31/2017
OFM Review: Devon Nichols	Phone: (360) 902-0582	Date: 04/17/2017

Part IV: Analysis

A. SUMMARY OF BILL

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

DIFFERENCES FROM PREVIOUS BILL VERSION:
The engrossed second substitute removes the provisions eliminating competency restoration for misdemeanants.

SUMMARY OF CURRENT BILL VERSION
Sec. 201 adds a new section to RCW 71.24. The Department of Social and Health Services (DSHS) shall work with willing community hospitals and and evaluation and treatment facilities assess their capacity to become certified to provide long-term mental health placements, and enter into contracts and payment arrangements with such hospitals and evaluation and treatment facilities to the extent that willing certified facilities are available.

Sec. 202 amends RCW 71.24.310. The performance contracts shall specify the number of patient days of care available for the behavioral health organization (BHO) in the state hospital and the number of days available in a facility certified by the department to provide treatment to adults on a 90 or 180 day inpatient involuntary commitment order.

Sec. 405 adds a new section to RCW 71.05. A petition for assisted outpatient treatment filed under this section must be adjudicated under RCW 71.05.240.

Sec. 501 adds a new section. The Legislature intends to implement crisis walk-in centers, to be deployed in high-need urban areas. The Legislature intends to expand availability of clubhouses to provide community-based programs which promote rehabilitation, recovery, and reintegration services to adults with persistent mental illness.

Sec. 502 amends RCW 10.77.060. Whenever a defendant has pleaded not guilty by reason of insanity, or there is reason to doubt his or her competency, the court on its own motion or on the motion of any party shall either appoint a qualified expert to evaluate and report upon the mental condition of the defendant. If inpatient commitment is needed, the defendant may be transferred to a hospital or secure mental health facility for a period of commitment not to exceed eight days.

Sec. 601 adds a new section. The Health Care Authority (HCA) shall establish a work group to examine options for the structuring of integration of physical and behavioral health services by 2020. The work group shall include representatives of counties.

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.

The legislation would create costs for local governments, due to the creation of a work group in Section 602. The work group, which would include representatives of counties, would examine options for the structuring of integration of physical and behavioral health services by 2020. Because the number and location of meetings and the number of representatives from counties are unknown, the costs are indeterminate.

The bill would also provide public hospitals the option of becoming certified to provide long-term mental health placement beds. As a local option, the costs to do so are not included in this fiscal note.

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.

The legislation would have no revenue impact for local government.

SOURCES:
Washington State Association of Counties
King County