

**NORTH SOUND MENTAL HEALTH ADMINISTRATION
BOARD OF DIRECTORS MEETING**

April 10, 2014
1:30 PM

AGENDA

	Page/Tab#
1. Call to Order; Introductions – Vice Chair Johnson	
2. Revisions to Agenda – Vice Chair Johnson	
3. Approval of Minutes of March 13, 2014, Motion #14-018	5-11
4. Comments & Announcements from the Chair	
5. Reports from Board Members	
6. Comments from the Public	
7. Report from the Advisory Board – Mark McDonald, Chair	
8. Report from the Executive/Personnel Committee – Vice Chair Johnson	
9. Report from the Quality Management Oversight Committee – Rebecca Clark, Chair	
10. Report from the Planning Committee – Anne Deacon, Chair	
11. Report from the Executive Director	Tab 1
12. Report from the Finance Officer	Tab 2
13. Report from the Finance Committee – Ken Stark, Chair	
14. Consent Agenda – Finance Committee Motion #14-019	

All matters listed with the Consent Agenda have been distributed to each Board Member for reading and study, are considered to be routine, and will be enacted by one action of the Board of Directors with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Agenda and placed on the Regular Agenda by request of a Board Member.

To review and approve North Sound Mental Health Administration’s claims paid from March 1, 2014 through March 31, 2014 in the amount of \$7,249,674.34. Payroll for the month of March in the amount of \$137,607.83 and associated employer paid benefits in the amount of \$74,018.34.

15. Action Items

County Contract Amendments (see discussion form & budget spreadsheet) 12-13

The following contracts are being amended to increase the Medicaid funding for administrative services in the wake of Medicaid Expansion. The counties will be enhancing their community and allied system coordination within their respective counties. The Medicaid Administrative funding is retroactive to January 1, 2014. Changes to the administrative budgets are listed below:

- Island County is receiving an additional \$20,000 for housing services that was allocated in October of 2013 but wasn't carried over into the new contract period. Medicaid Administration and Support is \$100,710.
- San Juan County is receiving an additional \$9,166.67 for housing services that was allocated in October of 2013 but wasn't carried over into their new contract period. Medicaid Administration and Support is \$100,485. San Juan will no longer be providing Medicaid match decreasing their budget by \$211,200.
- Skagit County is receiving an additional \$125,856 in Medicaid Administration and Support funding.
- Snohomish County is receiving an additional \$52,508 for housing services that was allocated in October of 2013 but wasn't carried over into the new contract period. An increase in ITA services of \$157,284; a decrease in state funded administration and support by \$29,630.80 and an increase in Medicaid funded Administration and Support of \$849,517.92. *(Snohomish County has Medicaid & State Contracts, see below).*
- Whatcom County is receiving an additional \$30,833.33 for housing services that was allocated in October of 2013 but wasn't carried over into the new contract period. Medicaid Administration and Support is \$155,034.

Motion #14-020

To approve the following contracts:

- NSMHA-ISLAND COUNTY-ADMINISTRATION-13-14 Amendment 1
- NSMHA-SAN JUAN COUNTY-ADMINISTRATION-13-14 Amendment 1
- NSMHA-SKAGIT COUNTY-ADMINISTRATION-13-14 Amendment 2
- NSMHA-WHATCOM COUNTY-ADMINISTRATION-13-14 Amendment 1

NSMHA-ISLAND COUNTY-ADMINISTRATION-13-14 Amendment 1 for the purpose of increasing funds for housing support and enhanced community and allied system coordination. The Agreement is being increased by \$120,710 for a new maximum consideration of \$332,982, with the term of the agreement remaining the same, 1/1/2013 through 12/31/2014.

NSMHA-SAN JUAN COUNTY-ADMINISTRATION-13-14 Amendment 1 for the purpose of increasing funds for housing support and enhanced community and allied system coordination in the amount of \$109,651.67. This amendment removes the Medicaid match by \$211,200, for a new maximum consideration of \$933,589, with the term of the agreement remaining the same, 1/1/2013 through 12/31/2014.

NSMHA-SKAGIT COUNTY-ADMINISTRATION-13-14 Amendment 2 for the purpose of increasing funds for enhanced community and allied system coordination in the amount of \$125,856 for a new maximum consideration of \$476,390.67, with the term of the agreement remaining the same, 1/1/2013 through 12/31/2014.

NSMHA-WHATCOM COUNTY-ADMINISTRATION-13-14 Amendment 1 for the purpose of increasing funds for housing support and enhanced community and allied system coordination in the amount of \$185,849.33 for a new maximum consideration of \$663,568, with the term of the agreement remaining the same, 1/1/2013 through 12/31/2014.

Medicaid

The following amendments are for the purpose of amending budgets to increase Medicaid funding to the following providers. An increase in those eligible for Medicaid has created the need for additional funding to build capacity to serve a greater number of people.

This is to increase provider Medicaid budgets starting in March 2014 to the end of the contract in September 2015. We received more Medicaid eligible clients than anticipated and the providers need to have additional funds to provide the additional service.

Compass Health will have an additional increase in services due to the ending of the Washington Medication Integration Project (WMIP) on June 30, 2014. We increased the Snohomish County adult outpatient, adult intensive outpatient and residential services starting July 1, 2014. The state funds contract increase is to account for additional room and board costs associated with the residential treatment facility for the transition of the WMIP clients.

Motion #14-021

To approve the following contract amendments:

NSMHA-COMPASS HEALTH-MEDICAID-13-15 Amendment 2

NSMHA-INTERFAITH-MEDICAID-13-15 Amendment 1

NSMHA-SEA MAR-MEDICAID-13-15 Amendment 2

NSMHA-SNOHOMISH COUNTY-13-15 Amendment 1

NSMHA-SUNRISE SERVICES-MEDICAID-13-15 Amendment 1

NSMHA-WCPC-MEDICAID-13-15 Amendment 2

NSMHA-COMPASS HEALTH-MEDICAID-13-15 Amendment 2 for the purpose of increasing Medicaid funding by \$4,232,520. The new maximum consideration for this Agreement is \$33,151,668 with the term of this Agreement remaining the same, 10/1/13 through 9/30/15.

NSMHA-INTERFAITH-MEDICAID-13-15 Amendment 1 for the purpose of increasing Medicaid funding by \$201,476. The new maximum consideration for this Agreement is \$1,252,700 with the term of this Agreement remaining the same, 10/1/13 through 9/30/15.

NSMHA-SEA MAR-MEDICAID-13-15 Amendment 2 for the purpose of increasing Medicaid funding by \$475,000. The new maximum consideration for this Agreement is \$4,134,592 with the term of this Agreement remaining the same, 10/1/13 through 9/30/15.

NSMHA-SNOHOMISH COUNTY-13-15 Amendment 1 for the purpose of increasing Medicaid funds for community and allied system coordination in the amount of \$849,517.92 for a new maximum consideration of \$1,167,123.36 with the term of the agreement remaining the same, 10/1/13 through 9/30/15.

NSMHA-SUNRISE SERVICES-MEDICAID-13-15 Amendment 1 for the purpose of increasing Medicaid funding by \$684,000. The new maximum consideration for this Agreement is \$8,495,712 with the term of this Agreement remaining the same, 10/1/13 through 9/30/15.

NSMHA-WCPC-MEDICAID-13-15 Amendment 2 for the purpose of increasing Medicaid funding by \$1,235,000. The new maximum consideration for this Agreement is \$7,606,640 with the term of this Agreement remaining the same, 10/1/13 through 9/30/15.

State

The following are State Mental Health Contract amendments. One is to increase state funding to Compass Health for residential services in Snohomish County for individuals previously enrolled in the Washington Medicaid Integration Project (WMIP). The second is to Snohomish County increasing housing support and ITA services while decreasing administration and support services.

Motion #14-021

To approve the following contract amendments:

NSMHA-COMPASS HEALTH-SMHC-13-15 Amendment 1

NSMHA-SNOHOMISH COUNTY-SMHC-13-15 Amendment 1

NSMHA-COMPASS HEALTH-SMHC-13-15 Amendment 1 for the purpose of increasing state funding by \$249,660. The new maximum consideration for this Agreement is \$7,405,180 with the term of this Agreement remaining the same, 10/1/13 through 9/30/15.

NSMHA-SNOHOMISH COUNTY-SMHC-13-15 Amendment 1 for the purpose of increasing state funds for housing support and ITA services in the amount of \$209,792. This amendment reduces state funded administration and support services by \$29,630.80 for a new maximum consideration of \$4,869,029.60, with the term of the agreement remaining the same, 10/1/13 through 9/30/15.

16. Introduction Items

None

17. Discussion Item

Formation of a North Sound Behavioral Health Organization 14-16

18. Adjourn

Next Meeting: May 8, 2014

**NORTH SOUND MENTAL HEALTH ADMINISTRATION
BOARD OF DIRECTORS MEETING**

**March 13, 2014
1:30 PM**

MINUTES

Board Members Present:

Ken Dahlstedt, Skagit County Commissioner, NSMHA Board of Directors Chair
Jackie Henderson, designated alternate for Jill Johnson, Island County Commissioner, NSMHA Vice Chair
Ken Mann, Whatcom County Councilmember
Jamie Stephens, San Juan County Councilmember
Ken Stark, designated alternate for Snohomish County Executive, John Lovick
Anne Deacon, designated alternate for Whatcom County Executive, Jack Louws
Sharie Freemantle, designated alternate for Snohomish County Councilmember, Stephanie Wright
Mark McDonald, NSMHA Advisory Board Chair
David Kincheloe, NSMHA Advisory Board Vice Chair

Staff Present:

Joe Valentine, Bill Whitlock, Margaret Rojas, Annette Calder

Guests:

Jessica Staten, Pamala Benjamin, Cammy Hart-Anderson

1. Call to Order; Introductions – Chair Dahlstedt

Called to order, welcomed everyone and introductions were made.

2. Revisions to Agenda – Chair Dahlstedt

None

3. Approval of Minutes of February 13, 2014

David Kincheloe moved approval of the minutes of February 13, 2014 as presented, seconded by Jamie Stephens, all in favor, **motion carried (#14-011)**.

4. Comments & Announcements from the Chair

Chair Dahlstedt said as we move forward, regardless of whether we morph into another type of organization or not, we'll need to prepare briefs for members to take back to their counties to ensure we are sharing the same message with all of our member counties.

5. Reports from Board Members

None

6. Comments from the Public

Jessica Staten from Whatcom Counseling and Psychiatric Clinic announced that Jan Bodily is no longer with WCPC for health reasons and Dean Wight will be coming back as interim Executive Director beginning Monday, March 17, 2014.

7. Report from the Advisory Board – Mark McDonald, Chair

Mark McDonald reported on the March 7th Advisory Board meeting. The Advisory Board addressed the following at their meeting: QMOC appointment, NSMHA Dignity and Respect Conference, scholarship applications, Tribal Conference, Behavioral Healthcare Conference, and received reports from the Executive Director and Executive Finance Committee. A brief report of the meeting is attached to the file copy as part of the official record. Mark was thanked for his report.

8. Report from the Executive/Personnel Committee – Chair Dahlstedt

Jamie Stephens reported that last month the reclassification request for the Clinical Oversight Team Coordinator was approved and the effective date was noted as February 15 when in fact it should have been February 16 for payroll purposes. The change has been made and this is for informational purposes and no financial impact resulted from this change.

9. Report from the Quality Management Oversight Committee – Rebecca Clark, Chair

David Kincheloe reported on the February 26th QMOC meeting. The agenda included information on Recovery Innovations, delay of Outcome Measures, Child and Family Teams (CFT) Coding, Crisis Services Policy 1704, Policy 1550 Early Prevention Screening Diagnosis and Treatment Services, Cultural Competency Expectations, and RSN Implementation of the Washington State Children’s Mental Health Principles. A brief of the meeting is attached to the file copy as part of the official record. David was thanked for his report.

10. Report from the Planning Committee – Anne Deacon, Chair

Anne Deacon reported on the February 21st Planning Committee meeting and received a presentation on the NSMHA Compliance program, Integrated Dual Disorder Treatment (IDDT) with Sunrise Services in Snohomish County, Update on Children’s Mental Health, and Behavioral Health Procurement. A brief of the meeting is attached to the file copy as part of the official record. Anne was thanked for her report.

11. Report from the Executive Director

Joe directed the group to Tab 1 and reviewed the Executive Directors report with the Board. Joe informed the Board that a budget was just passed by the legislature today and noted we have not seen the highlights of it yet. Joe discussed Medicaid Expansion, NSMHA’s Crisis Services Redesign, updated the group of the efforts of the North Sound Regional Health Alliance, the implementation of WISe (Wraparound with Intensive Services), 2013 External Quality Review Report, and 2014 NSMHA Dignity and Respect Conference. Joe was thanked for his report.

12. Report from the Finance Officer

Bill Whitlock directed the group to Tab 2 and reviewed the March Financial Notes with the Board of Directors. Bill was thanked for his report.

13. Report from the Finance Committee – Ken Stark, Chair

Ken Stark reported the committee met today and reviewed payroll, expenses and all motions before the Board today. Ken Stark moved approval of motion #14-012, seconded by Jamie Stephens, all in favor, **motion carried.**

14. Consent Agenda – Finance Committee Motion #14-012

All matters listed with the Consent Agenda have been distributed to each Board Member for reading and study, are considered to be routine, and will be enacted by one action of the Board of Directors with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Agenda and placed on the Regular Agenda by request of a Board Member.

To review and approve North Sound Mental Health Administration's claims paid from February 1, 2014 through February 28, 2014 in the amount of \$5,888,694.53. Payroll for the month of February in the amount of \$130,477.61 and associated employer paid benefits in the amount of \$71,496.70.

15. Action Items

Motion #14-013

This is to approve the payment of services that went over the agency's total budget cap and not paid by NSMHA. The payment is for the last three months of the fee for services contracts.

Move to pay Sunrise Services \$193,466 for services earned but not compensated. They were over their budget cap during the period 7/1/13 to 9/30/13. See attached report. Prior over the cap payment motion 13-072 for the period 7/1/11 to 6/30/13.

Joe provided an explanation of motion #14-013. Anne Deacon moved approval, seconded by Ken Mann, all in favor, **motion carried**.

Motion #14-014

Medicaid

The following amendments are for the purpose of amending the budgets to increase Medicaid funding for the period of 10/1/11 through 9/30/13. The providers have already incurred the costs and provided the services, the funding is raising their cap to account for the over service.

This is to adjust the fee for service part of the following contracts. During the last contract period we treated the providers Medicaid and state budgets as one total budget amount. We did not pay over the total available budget cap without Board approval.

The total budget increases below come from allowing transfer between state and Medicaid budgets and Board authorized payment for uncompensated services. See Motion 13-072 authorized payment of \$721,435 for uncompensated services to four agencies.

The fees for service process used on these contracts have a three month reconciliation process. The September 2013 services were reconciled in December 2013.

NSMHA-CCSNW-MEDICAID-11-13 Amendment 3 for the purpose of increasing Medicaid funding by \$136,000 for services that occurred during the contract period of 10/1/11 through 9/30/13. The new maximum consideration for this Agreement is \$4,685,042.

NSMHA-CCSNW-WRAPAROUND-11-13 Amendment 2 for the purpose of increasing Medicaid funding by \$20,000 for services that occurred during the contract period of 10/1/11 through 9/30/13. The new maximum consideration for this Agreement is \$3,868,117.17.

NSMHA-LAKE WHATCOM-MEDICAID-11-13 Amendment 4 for the purpose of increasing Medicaid funding by \$365,000 for services that occurred during the contract period of 10/1/11 through 9/30/13. The new maximum consideration for this Agreement is \$3,127,190.

NSMHA-SEA MAR-MEDICAID-11-13 Amendment 3 for the purpose of increasing Medicaid funding by \$698,000 for services that occurred during the contract period of 10/1/11 through 9/30/13. The new maximum consideration for this Agreement is \$2,671,422.

NSMHA-WCPC-MEDICAID-11-13 Amendment 3 for the purpose of increasing Medicaid funding by \$214,000 for services that occurred during the contract period of 10/1/11 through 9/30/13. The new maximum consideration for this Agreement is \$5,757,181

SMHC

The following amendments are for the purpose of amending the budgets to increase State funding for the period of 10/1/11 through 9/30/13. The providers have already incurred the costs and provided the services, the funding is raising their cap to account for the over service.

NSMHA-INTERFAITH-SMHC-11-13 Amendment 2 for the purpose of increasing state only funding by \$29,000 for services that occurred during the period of 10/1/11 through 9/30/13. The new maximum consideration on this Agreement is \$108,704.

NSMHA-COMPASS-SMHC-11-13 Amendment 4 for the purpose of increasing state only funding by \$1,043,000 for services that occurred during the period of 10/1/11 through 9/30/13. The new maximum consideration on this Agreement is \$12,649,419.

To move approval of the following contract amendments:

- NSMHA-CCSNW-MEDICAID-11-13 Amendment 3
- NSMHA-CCSNW-WRAPAROUND-11-13 Amendment 2
- NSMHA-LAKE WHATCOM-MEDICAID-11-13 Amendment 4
- NSMHA-SEA MAR-MEDICAID-11-13 Amendment 3
- NSMHA-WCPC-MEDICAID-11-13 Amendment 3
- NSMHA-INTERFAITH-SMHC-11-13 Amendment 2
- NSMHA-COMPASS-SMHC-11-13 Amendment 4

Joe provided an explanation of motion #14-014. Jamie Stephens moved approval of motion # 14-014, seconded by Jackie Henderson, all in favor, **motion carried.**

Motion #14-015

The following amendments are for the purpose of enhancing the three regional Triage facilities to include an increase in medical staffing, such as Registered Nurses. The nurses will provide medical screening to increase utilization at the Triage Centers and deter individuals from Emergency Departments. This funding is a direct result from a Request for Proposals (RFP) released by DBHR.

NSMHA will be negotiating additional costs with the providers to determine the maximum funding; the full funding amount will be available at the April Board of Directors meeting.

NSMHA-COMPASS HEALTH-TRIAGE-13-15 Amendment 1 for the purpose of increasing state and Medicaid funding by \$600,000 to enhance the services provided at the Snohomish County Triage Center. The new maximum consideration on this Agreement is under negotiation. The term of the Agreement remains the same October 1, 2013 through September 30, 2015.

NSMHA-PIONEER HUMAN SERVICES-TRIAGE-13-15 Amendment 1 for the purpose of increasing state and Medicaid funding by \$600,000 to enhance the services provided at the Skagit County Triage

Center. The new maximum consideration on this Agreement is under negotiation. The term of the Agreement remains the same October 1, 2013 through September 30, 2015.

NSMHA-WCPC-TRIAGE-13-15 Amendment 1 for the purpose of increasing state and Medicaid funding by \$600,000 to enhance the services provided at the Whatcom County Triage Center. The new maximum consideration on this Agreement is under negotiation. The term of the Agreement remains the same October 1, 2013 through September 30, 2015.

To approve the follow contract amendments:

NSMHA-COMPASS HEALTH-TRIAGE-13-15 Amendment 1

NSMHA-PIONEER HUMAN SERVICES-TRIAGE-13-15 Amendment 1

NSMHA-WCPC-TRIAGE-13-15 Amendment 1

Joe provided an explanation for motion #14-015. David Kincheloe moved approval of motion #14-015, seconded by Jamie Stephens, all in favor, **motion carried.**

Motion #14-016

Professional Services Agreement

NSMHA is contracting with Compass Health to provide the instructors/trainers and logistics for regional trainings in the following areas: Assessing and Managing Suicide Risk (AMSR), Youth Mental Health First Aid (YMHFA) and Program Assertive Community Treatment (PACT) 101 training for the Snohomish County PACT team. The trainings will take place in Skagit, Snohomish and Whatcom Counties with the exception of the PACT training. All NSMHA providers throughout the region have priority registration.

NSMHA-Compass Health-PSC-14 for the purpose of providing the instructors/trainers and logistical support for regional trainings. The maximum consideration on this contract is \$30,972, with the term of the Agreement March 14, 2014 through June 30, 2015.

Joe provided an explanation for motion #14-016. David Kincheloe moved approval, seconded by Jackie Henderson, all in favor, **motion carried.**

Motion #14-017

Per Purchasing Policy # 3028.00, Purchases and Leasing of Equipment, Materials, Supplies and Routine Services

1.1.2 Exceptions to Obtaining Competitive Bids (\$2,500- \$25,000)

Competitive bidding may be waived and/or is not required for the following:

- e. Purchases that are clearly and legitimately limited to a single source of supply. (RCW 39.04.280) (Board resolution required.)

The following contract is a single source contract with Practicewise LLC for the training on Managing and Adapting Practice (MAP) System. Regional providers serving children/youth/families will be invited to the training. This training will also provide two train the trainers for ongoing needs. The MAP System is a unique system and owned by Practicewise LLC, it has copy write protection.

NSMHA-PRACTICEWISE LLC-PSC-14 for the purpose of regional training in the MAP system increasing clinical expertise in monitoring tools and clinical protocols in relation to Evidence Based Practices (EBPs). The maximum consideration on this Agreement is \$25,000 with the term of this Agreement March 14, 2014 through December 31, 2014.

Joe provided an explanation for motion #14-017. Jamie Stephens moved approval, seconded by Ken Stark, all in favor, **motion carried**.

16. Introduction Items

Medicaid

The following amendments are for the purpose of amending budgets to increase Medicaid funding to the following providers. An increase in those eligible for Medicaid has created the need for additional funding to build capacity to serve a greater number of people.

This is to increase provider Medicaid budgets starting in March 2014 to the end of the contract in September 2015. We received more Medicaid eligible clients than anticipated and the providers need to have additional funds to provide the additional service.

Compass Health will have an additional increase in services due to the ending of the Washington Medication Integration Project (WMIP) on June 30, 2014. We increased the Snohomish County adult outpatient, adult intensive outpatient and residential services starting July 1, 2014. The state funds contract increase is to account for additional room and board costs associated with the residential treatment facility for the transition of the WMIP clients.

NSMHA-COMPASS HEALTH-MEDICAID-13-15 Amendment 2 for the purpose of increasing Medicaid funding by \$4,232,520. The new maximum consideration for this Agreement is \$33,151,668 with the term of this Agreement remaining the same, 10/1/13 through 9/30/15.

NSMHA-INTERFAITH-MEDICAID-13-15 Amendment 1 for the purpose of increasing Medicaid funding by \$210,476. The new maximum consideration for this Agreement is \$1,252,700 with the term of this Agreement remaining the same, 10/1/13 through 9/30/15.

NSMHA-SEA MAR-MEDICAID-13-15 Amendment 2 for the purpose of increasing Medicaid funding by \$475,000. The new maximum consideration for this Agreement is \$2,581,840 with the term of this Agreement remaining the same, 10/1/13 through 9/30/15.

NSMHA-SUNRISE SERVICES-MEDICAID-13-15 Amendment 1 for the purpose of increasing Medicaid funding by \$684,000. The new maximum consideration for this Agreement is \$8,495,712 with the term of this Agreement remaining the same, 10/1/13 through 9/30/15.

NSMHA-WCPC-MEDICAID-13-15 Amendment 2 for the purpose of increasing Medicaid funding by \$1,235,000. The new maximum consideration for this Agreement is \$7,606,640 with the term of this Agreement remaining the same, 10/1/13 through 9/30/15.

State

The following amendment is to increase state funding to Compass Health for residential services in Snohomish County for individuals previously enrolled in the Washington Medicaid Integration Project (WMIP).

NSMHA-COMPASS HEALTH-SMHC-13-15 Amendment 1 for the purpose of increasing state funding by \$249,660. The new maximum consideration for this Agreement is \$7,405,180 with the term of this Agreement remaining the same, 10/1/13 through 9/30/15.

Joe provided an explanation of the introduction items and said that this would be an action item next month. He also noted that in regard to Compass Health, starting in May the Washington Medicaid Integration Program (WMIP) will cease and those people enrolled with WMIP will come back to the RSN. We anticipate 300-400 additional clients. It is our hope that the transition will be as seamless as possible for clients moving back to RSN services. Group discussion ensued.

Margaret introduced Mandy Iverson as the newest Administrative Assistant at NSMHA.

Chair Dahlstedt noted that he will not be present for the April meeting of the Board as he will be in Washington DC for the NACo (National Association of Counties) conference.

17. Adjourn

Chair Dahlstedt thanked everyone for coming. He stated the next meeting will be held on April 10th. The meeting was adjourned at 2:23 p.m.

Respectfully submitted:

Annette Calder
Executive Assistant

Next Meeting: April 10, 2014

NORTH SOUND MENTAL HEALTH ADMINISTRATION

April 10, 2014

AGENDA ITEM: Increasing County Medicaid Administrative Services

REVIEW PROCESS: Advisory Board () Board of Directors (X)

PRESENTER: Bill Whitlock

COMMITTEE ACTION: Action Item (X) FYI & Discussion () FYI Only ()

SIGNIFICANT POINTS OR EXECUTIVE SUMMARY:

To increase the county administrative and support services contract amount to 2.5% of the Medicaid funds.

OBJECTIVE:

To help fund Medicaid expansion services at the county level. We will do this by adjusting the method of funding for administrative and direct service support services in the region.

BACKGROUND:

The recent expansion of the Medicaid population has increased demand for the counties administrative and support service workload. The cuts in state funds to the RSN will also have the effect of increasing demand on county resources. The North Sound received a cut in the jail service funding of 50% starting January 2014. The state funds will be cut \$789,984 for the first six months of 2014 and \$3,912,168 annually starting July 1, 2014. The increases in work load combined with the cuts in state funding have placed an additional burden on the counties resources.

The current funding model for administration operations at the North Sound RSN is to budget 5% of the Medicaid and state funds for RSN operations. We are allowed to spend up to 10% on administrative services. The historical funding model in the region was to have the counties pay for most of the mental health administrative and direct service support services with their local tax funds. The RSN pays the counties \$420,662 annually to help offset costs related to mental health administration services in the region.

The North Sound reviewed the funding structure of the large RSN's in the state. We reviewed the organizational and funding structure of King, Pierce (Optumhealth) and Greater Columbia RSN's. King County is a department within the county and has general and special cost county allocations. Optumhealth in Pierce County spends about 5% of their funds on operations and gives another 5% to the corporate office. Greater Columbia takes off funds to support the RSN and allocates the rest of the funds to the counties for direct service, administration and support services.

After reviewing the other regions the North Sound decided to suggest funding the counties at 2.5% of the Medicaid funds. This should help fund the recent Medicaid administrative expansion requirements at the county level.

CONCLUSIONS/ACTION REQUESTED:

We request you approve the amendments to the county budgets.

FISCAL IMPACT:

Increase the funding to the counties by \$1,189,474 annually. Increase the allocation for RSN and county administration from 5% to 7.5% of the Medicaid funding levels. Reduce the state fund allocation to the counties to \$0 because they use their local funds for administration and support services to the non-Medicaid people in the region.

ATTACHMENTS: CountyMedicaid2014Summary.pdf

**County Allocation of Medicaid Administration Expansion Funds
Allocation and Jail Funds Cuts #2**

County	New Annual Jail Budget Starting 7/1/14 *	New Annual Administration Medicaid Budget starting 4/1/14	New Annual Administration State Funds Budget starting 4/1/14
Snohomish	\$207,975.00	\$725,148.00	\$ -
Whatcom	\$ 70,731.00	\$275,964.00	\$ -
Skagit	\$ 47,288.00	\$228,492.00	\$ -
Island	\$ 23,644.00	\$190,416.00	\$ -
Island / San Juan	\$ 20,094.00	\$ -	\$ -
San Juan	\$ 3,216.00	\$190,116.00	\$ -
RSN	\$ -	\$ -	\$ -
Total	\$372,948.00	\$1,610,136.00	\$ -

* Jail fund cuts of just over 50%.

**Should the North Sound Counties create a Behavioral Health Organization
To replace the current North Sound Regional Support Network [NSMHA]**

Decision Paper

Summary:

The Legislature has passed a bill – E2SSB6312- that would integrate state purchasing of mental health and chemical dependency treatment services by April, 2016. Counties must decide if they want to form the “Behavioral Health Organizations” that would replace the current Regional Support Networks and county administered chemical dependency treatment services.

Background:

- E2SSB6312 requires the state agencies - the Department of Social and Health Services [DSHS] and the state Health Care Authority [HCA] - to integrate the purchasing of mental health and chemical dependency treatment services by April, 2016.
- Regional Support Networks would be replaced by either Behavioral Health Organizations [BHOs] or contracts with managed care organizations that would integrate both behavioral health care and physical health care.
- The county or group of counties that make up a regional service area can choose to submit a detailed plan describing how they will operate the Behavioral Health Organization and how they plan to meet the state standards for BHOs.
- If an adequate plan is submitted, the counties or RSN must be awarded the contract.
- If the county or group of counties that comprise a regional service area do not submit a plan, or do not meet the requirements for a BHO, the state will use an open procurement process in which other entities may apply to operate a BHO for that service area.
- At the request of county authorities within a regional service area, DSHS and the HCA may fully integrate medical and behavioral health care purchasing in that region starting January 1, 2016. These would be called “early adopter” regions.
- A Legislative Task Force, which includes 3 county commissioners, will make recommendations regarding the standards for the BHOs.
- The State Agencies will establish the boundaries for the regional service areas based on the recommendations from the Task Force. WSAC must submit its own recommendations to the Task Force by August 1, 2014 and the Task Force will finalize its recommendations for the boundaries for the “regional service areas” by September 1, 2014.

Options:

- 1) Amend the current North Sound RSN Inter-local agreement to form a Behavioral Health Organization.
- 2) Request that the region become an “early adopter” and that the state conduct a procurement process to select a fully integrated health plan.
- 3) Do not form a BHO and allow the state to conduct an open procurement process to select an independent entity to form and operate the BHO.

PROS and CONS

Option	Pros	Cons
1. Form a county administered BHO	Maintains county oversight of mental health and chemical dependency services	May increase fiscal risk to counties if the rates established for the capitated payments are insufficient to provide the required services.
	Allows for maximum coordination between state and local funds for behavioral health services	May not take full advantage of the additional resources that Managed Care Organizations could contribute to behavioral health services
	Builds on the existing network of services and RSN and County administrative structures- quickest option to implement	Behavioral Health Services would still operate in a separate “silo” from physical care services
	Can be formed with a minimum of disruption to existing services	There may be additional disruption to behavioral health service systems if the state subsequently does another procurement for fully integrated behavioral health and health care services
	An organization with its primary focus on behavioral health may be in the best position to create new integrated dual disorder treatment modalities	
2. Become an “early adopter” region	Moves the region ahead towards the goal of fully integration while maintaining county involvement in the selection process for the new managed care plan	Removes counties from direct administrative oversight of behavioral health services. Reduces accountability to local government.
	Reduces the potential fiscal risk to counties	Creates a new risk for hospitals and county public safety systems if the level of services and/or funding provided by the new managed care entity is inadequate
		May be difficult for a new entity to develop the necessary behavioral health network and might end up “subcontracting” with the RSN and counties adding additional administrative cost and complexity
	May bring new resources into the system from the managed care organization	Current behavioral health service systems could experience significant disruptions if there is not enough time to plan for a thoughtful transition

		The scope of a fully integrated plan may be too broad to focus on implementation of evidence based practices and dual disordered treatment modalities
3. Allow the state to select a BHO through an open procurement	Reduces the potential fiscal risk to counties	Removes counties from direct administrative oversight of behavioral health services. Reduces accountability to local government.
	May bring new resources into the system from the managed care organization	Creates a new risk for hospitals and county public safety systems if the level of services and/or funding provided by the new managed care entity is inadequate
		Maintains current behavioral health and health care silos
		May be difficult for a new entity to develop the necessary behavioral health network and might end up “subcontracting” with the RSN and counties adding additional administrative cost and complexity