DATE: Friday, January 11, 2019  
TIME: 9:00 AM – 11:00 AM  
LOCATION: City of Sequim, Transit Center  
190 W Cedar Street, Sequim WA 98382

AGENDA

https://www.kitsapgov.com/hs/Pages/SBHO-EXECUTIVE-BOARD.aspx

1. Call To Order
2. Announcements/Introductions
3. Opportunity to Address the Board on Agenda Topics (limited to 3 minutes each)
4. Approval of Agenda
5. Approval of Meeting Notes for Friday, December 14, 2018 (Attachment 5)
6. Action Items
   a. SABG
7. Informational Items
   a. Western State Hospital Update (Attachment 7.a)
   b. HCA Contract Amendments
   c. ASO Budget Revised (Attachment 7.c)
   d. Independent Practice Association (IPA)
   e. Banks Consulting Group Update (Attachment 7.e)
8. Opportunity for Public Comment (limited to 3 minutes each)
9. Adjournment
ACRONYMS

ACH  Accountable Community of Health
ASO  Administrative Services Organization
ASAM  Criteria used to determine substance use disorder treatment
BH-ASO  Behavioral Health Administrative Services Organization
BHO  Behavioral Health Organization, replaced the Regional Support Network
CAP  Corrective Action Plan
CMS  Center for Medicaid & Medicare Services (federal)
DBHR  Division of Behavioral Health & Recovery
DCFS  Division of Child & Family Services
DCR  Designated Crisis Responder
DDA  Developmental Disabilities Administration
DSHS  Department of Social and Health Services
E&T  Evaluation and Treatment Center (i.e., AUI, YIU)
EBP  Evidence Based Practice
EPSDT  Early and Periodic Screening, Diagnosis and Treatment
EQRO  External Quality Review Organization
FBG  Federal Block Grant (specifically MHBG and SABG)
FIMC  Full Integration of Medicaid Services
FYSPRT  Family, Youth and System Partner Round Table
HARPS  Housing and Recovery through Peer Services
HCA  Health Care Authority
HCS  Home and Community Services
HIPAA  Health Insurance Portability & Accountability Act
HRSA  Health and Rehabilitation Services Administration
IMD  Institutes for the Mentally Diseased
IS  Information Services
IPA  Independent Practice Association
ITA  Involuntary Treatment Act
LOC  Level of Care
MAT  Medical Assisted Treatment
LRA  Least Restrictive Alternative
MCO  Managed Care Organization
MOU  Memorandum of Understanding
OCH  Olympic Community of Health
OTP  Opiate Treatment Program
PACT  Program of Assertive Community Treatment
PATH  Programs to Aid in the Transition from Homelessness
PIHP  Prepaid Inpatient Health Plans
PIP  Performance Improvement Project
P&P  Policies and Procedures
QUIC  Quality Improvement Committee
QRT  Quality Review Team
RCW  Revised Code Washington
RFP, RFQ  Requests for Proposal, Requests for Qualifications
SABG  Substance Abuse Block Grant
SAPT  Substance Abuse Prevention Treatment
SBHO  Salish Behavioral Health Organization
SUD  Substance Use Disorder
UM  Utilization Management
WAC  Washington Administrative Code
WM  Withdrawal Management
WSH  Western State Hospital, Tacoma

Full listing of definitions and acronyms
SALISH BHO
EXECUTIVE BOARD MEETING

Providing Behavioral Health Services in
Clallam, Jefferson and Kitsap Counties

January 11, 2019

6. Action Items

a. SUBSTANCE ABUSE BLOCK GRANT (SABG)

Following this year's Request for Proposal (RFP) cycle, the unallocated amount of SABG was $247,000. Staff provided all Substance Use Disorder (SUD) providers the opportunity to submit additional proposals for the remaining unallocated funds. Proposals for the unallocated funds were received from Reflections Counseling, West End Outreach Services, and West Sound Treatment Center. The total request from providers was for $246,240. Staff will present their recommendations to the Advisory Board at the January 4th meeting. The recommendations will then be presented to the Executive Board.

7. Informational Items

a. WESTERN STATE HOSPITAL UPDATE

In 2018, there were a total of 16 admissions and 21 discharges. Ninety-Six percent of the individuals on the Western State Hospital waitlist were not admitted. The primary source of admission was Forensic FLIPS within the hospital. This means the individuals were admitted under a forensic hold and changed to a civil hold. The individual is then added to our civil census. SBHO average daily census was 26.6. Staff will review the WSH annual report.

b. HEALTH CARE AUTHORITY (HCA) CONTRACT AMENDMENTS

The HCA provided both PIHP and State contract amendments to the SBHO the last week of December 2018. The PIHP amendment included new 2019 rates. Both the “disabled child” and “non-disabled child” rates dropped compared to the 2018 raises, 23 percent and 10 percent respectively. Staff is in the process of amending the four mental health provider contracts to reflect these rate reductions.

c. ASO PROJECTED REVENUE

Staff has updated the revenue estimates within the draft Behavioral Health-Administrative Service Organization (BH-ASO) budget. This estimated revenue is based on all currently available information as the HCA has not yet shared SBHO specific numbers. The estimate is based on the following assumptions about BH-ASO revenue: the ASO will receive 70 percent of the non-proviso state funds, 70 percent of one proviso program (PACT), and 100 percent of other non-Medicaid funding sources including CJTA funds. The total revenue from HCA/BH-ASO contract is estimated at $7,990,182. With the maximum Administrative and Direct Support withholdings, SBHO
would have an operational budget of $1,198,527.33. Staff has estimated the total expenditures to be $1,500,000-$1,600,000 excluding indirect costs.

d. INDEPENDENT PRACTICE ASSOCIATION (IPA)

As our state progresses towards Integrated Managed Care (IMC), each region’s implementation has been different. The creation of an Independent Practice Association (IPA) is one potential option for providers in a region. An IPA is a network of practices that is self-owned and self-governed for the purpose of: entering into contracts with MCOs or other entities, reducing overhead and administrative burden, and standardizing care guidelines. One of the benefits of an IPA is increased strength and leverage in the MCO contracting process.

Staff organized a meeting with contracted providers in December 2018 to introduce the idea of forming an IPA and inquire about provider interest. Providers expressed interest in creating a Salish IPA. Providers also expressed interest in the BHO/BH-ASO providing the administrative support for the IPA and being the “risk bearing entity.” Staff also introduced the idea of forming a joint IPA with Thurston/Mason providers as this could increase leverage and decrease financial risk. However, after joining a Thurston/Mason meeting, Salish providers were not interested in creating a joint IPA. Staff will provide a brief summary of what would be entailed in forming and IPA.

e. BANKS CONSULTING GROUP UPDATE

At the December 2018 Executive Board Meeting, the Board requested an update on the work that Banks Consulting Group is engaged in related to ASO Legislation and the IMC Transition. Brad Banks will provide an update on his legislative efforts. An Issue Paper has been included for your review.
CALL TO ORDER – Commissioner Mark Ozias, Chair, called the meeting to order at 9:00 a.m.

INTRODUCTIONS – Self introductions were conducted around the room

ANNOUNCEMENTS - None

OPPORTUNITY FOR PUBLIC TO ADDRESS THE BOARD ON AGENDA TOPICS - None

APPROVAL of AGENDA
The agenda was reorganized to prioritize the order of Informational Items.

MOTION: Commissioner Robert Gelder moved to approve the agenda as submitted. Commissioner Kathleen Kler seconded the motion. Motion carried unanimously.

APPROVAL of MINUTES

MOTION: Commissioner Kathleen Kler moved to approve the meeting notes as submitted for the October 19, 2018 meeting. Commissioner Robert Gelder seconded the motion. Motion carried unanimously.

ACTION ITEMS
➢ Resolution Establishing One-Time Only Incentive Pay Program for Successful Transition to Fully Integrated Managed Care
  • Through adoption of Senate Bill 6312, Washington state is moving to full integration of funding and delivery of physical health, mental health and chemical dependency services into managed care organizations effective January 1, 2020. At that date, the Salish BHO will end, close and be dissolved. Staff members are essential to ensure successful transition to managed care and to oversee the cessation of the BHO services.
  • As we get closer to January 1, 2020, staff will naturally be looking for other employment and may choose to leave their BHO position before the transition date. It is unlikely competent replacement staff will be found given the BHO will cease to exist on a date certain. Therefore, staff is proposing to create a one-time only incentive payment plan, whereby BHO employees would receive three months of pay in consideration for remaining in their BHO position through their employment termination date.
  • Other behavioral health organizations across the state have adopted similar payment plans as an inducement for staff to remain with the BHO through the transition period.
  • The incentive payments will be fully funded through the SBHO Medicaid Reserve funds as long as the spenddown plan for the Medicaid Reserves is approved by the HCA. The SBHO currently has $3.8 million dollars in is Medicaid Reserves.
  • The SBHO currently has 11 dedicated full-time employees. If the SBHO does not become the BH-ASO, then all 11 of these staff may be laid off. The cost of this three-month separation pay for the 11 employees would be $270,522
  • If the SBHO is successful at becoming the BH-ASO, then only some of the SBHO staff will need to be laid off and the cost would be approximately $135,261.
• The Executive Board expressed appreciation to the Kitsap County BOCC for approving the one-time incentive payment and for remaining supportive of the SBHO and its staff.
• SBHO staff plans to provide an analysis and spend down plan for the Reserve accounts at the next Executive Board meeting. Staff also plans to create a contingency plan in case the incentive payment plan is not enough to incentivize staff.
• The Executive Board questioned if the SBHO could roll the payments out over a set period to try and get staff to stay on as long as possible. SBHO staff is going to follow up with Kitsap County Human Resources and will report back to the board.

**MOTION:** Commissioner Robert Gelder moved to approve the establishment of a one-time only incentive pay program for SBHO staff to assist with the successful transition to fully integrated managed care. Commissioner Kathleen Kler seconded the motion. **Motion carried unanimously.**

**Appointment of 2019 Board Chairs**

- Per the Interlocal Agreement, annually, the Board shall elect a Chair, a Vice-Chair, a Second Vice-Chair and a Third Vice-Chair by majority vote. The Officers shall rotate annually through ascension unless otherwise agreed.
- With Commissioner Kler and Tribal Representative Liz Muller rotating off the Executive Board, Commissioner Ozias volunteered to continue serving as board chair for 2019 due to the complexity of the issues being discussed and to ensure that our region has continued consistency and leadership.

**MOTION:** Commissioner Kler moved that the 2019 Board Chair have continuance with Commissioner Ozias serving as Chair in 2019. Commissioner Gelder seconded the motion. **Motion carried unanimously.**

**INFORMATIONAL ITEM**

**Next Steps for 2019**

- The ASO contract requirements and limited HCA funding (associated with ASO contract) continue to pose significant challenges in feasibility.
- The contract the SBHO currently has with the HCA does not meet all of the CMS requirements that it is required to meet. SBHO staff have yet to see the 2019 BHO contract as the HCA is negotiating with CMS to see if it can continue to contract with the SBHO with an out of compliance contract.
- As time is running out, the SBHO will most likely have its current HCA contract extended through the first quarter of 2019 while the HCA continues to work on sorting out the contract requirements with CMS.
- In order to become the BH-ASO, a binding letter is due in May 2019. However, the final budget won't be provided until July 2019.
- A draft budget for the BH-ASO was reviewed and discussed by the board. The estimated funding is insufficient to meet all of the contract requirements; it is estimated to fall about $400,000 short.
- The board discussed multiple options for finding additional funding to support the BH-ASO. Several options that were discussed included forming a partnership with other on-time adopter BHOS and utilizing 1/100th of 1% funds. However, these items were not favored by the Executive Board.
- Mid-adopter regions have legislation to get a lump sum for their reserves in 2019 to assist with rebuilding those accounts. Currently, the on-time adopters do not have legislative backing to support the rebuilding of its reserve accounts. The Executive Board recommended that the SBHO pursue gaining legislative backing for this. SBHO staff is currently working with Brad Banks to draft language for this. The Executive Board asked that Brad Banks provide updates to them on the issue as they become available.
• With all the changes, the Executive Board discussed the schedule for 2019 and recommended meeting on a monthly basis
• If the SBHO intends to seek approval to become the BH-ASO, there is a considerable amount of work to complete in the first 9 months of 2019. In addition to SBHO routine operations, the work to be completed in 2019 can be broken out into 4 main categories: BHO Closeout Activities, NCQA Standards for MCO Delegation and Contracting, HCA Readiness Review, and Provider Technical Assistance.
• Earlier this year, DBHR created a guidance document to assist with identifying some of the core tasks involved in the closeout of a BHO. The SBHO will have to complete this prior to January 1, 2020.
• In order for the SBHO to contract with the MCOs under the HCA Fully Integrated Care Model, the SBHO must first meet NCQA Standards for the delegated function. It appears that each plan has a different set of NCQA standards. The SBHO will need to successfully complete this process independently with Molina, United Healthcare, Amerigroup and Coordinated Care.
• In order to gain approval by the HCA to become a BH-ASO, the SBHO will have to first pass a detailed and comprehensive readiness review. This includes line by line scrutiny of the BH-ASO contract.
• The regions that have been successful with meeting both NCQA standards and the HCA Readiness review have developed two separate policies and procedures.
• An Interlocal Leadership Structure was recently established in our region to help address any issues or challenges that might come up through the transition to FIMC. Areas of focus would be provider readiness, stabilizing the crisis system, enrollee communications – notifying individuals that we are serving so they can continue accessing services, and serving as an early warning when gaps in the system are found.
• The Interlocal Leadership Structure currently includes Olympic Community of Health staff, Health Care Authority staff, Managed Care Organizations, Commissioner Ozias from the Executive Board, Kitsap County Human Services staff, and SBHO staff.
• A discussion was held over what kind of staffing and support was needed to complete the required work in 2019. The SBHO needs a project manager that is familiar with the work that needs to get done and assistance from a consulting firm to assist with staying on track and meeting standards.
• It was also brought up that the providers in our region need technical assistance to assist with the transition. The early and mid-adopter transition to FIMC has been quite challenging for behavioral health providers. In many regions, BHOs and ACHs have partnered to bring technical assistance in the areas of IT, Data/Billing and overall infrastructure development.
• Most of the funding the SBHO currently receives is going directly to the providers. This doesn’t leave the SBHO funding to pull from to assist with contracting with a project manager or a consulting firm.
• A discussion was held over utilizing State Reserves to support the SBHO staffing requests. The SBHO currently has $600,000 in unreserved reserves that could be utilized to contract with a project manager and a consulting firm.
• After discussing, the Board felt that it made more sense to use the funds towards staffing the SBHO so that the SBHO is prepared for FIMC and can assist the providers in our region.

MOTION: Commissioner Kler moved that the SBHO have access to the “unreserved” reserves for the transition costs of contracting with a project manager and consulting firm for 2019 to assist with the transition to fully integrated managed care. Commissioner Gelder seconded the motion. Motion carried unanimously.

MOU Update
• On October 9, 2018, staff submitted a draft MOU to the Healthcare Authority (HCA). The MOU was written with the intent of providing the best opportunities for our region during and following the transition to Fully Integrated Managed Care. Staff followed up with the HCA on
November 6th, 20th and 27th. As of December 3rd, MaryAnne Lindeblad at HCA reported that their legal team is reviewing the MOU and will provide comments as soon as possible.

- **Coordinated Care (CCW) Update**
  - Coordinated Care was awarded the statewide managed care contract to provide services for individuals under the Apple Health Foster Care Program. This change goes into effect January 1, 2019.
  - The following groups of SBHO enrolled individuals will transition to Coordinated Care: Children and youth in foster care (dependencies with DSHS Children’s Administration), Children and youth in adoption support, young adults in extended foster care (18-21 year olds), Young adults 18-26 who aged out of foster care on or after their 18th birthday. This change impacts about 1300 individuals for our region.
  - The SBHO was originally, going to contract with Coordinated Care to provide the crisis services for this population.
  - At the November 1st Knowledge Transfer meeting, the SBHO was informed that they would not be contracted to provide crisis services due to not meeting NCQA requirements.
  - This has been a burden on the providers in our region as they are having to restart the contract process with Coordinated Care and most of the deadlines have already passed which means the providers are not able to negotiate their contracts with Coordinated Care.

- **Opiate Treatment Program Update**
  - BayMark is finalizing their construction timelines for their Port Angeles facility and hope to be open by the end of March 2019. BayMark is close to finalizing its lease in Kitsap County and hopes to have this location open by June 2019.
  - SBHO staff attended a meeting between BayMark and Jamestown S’Klallam to address BayMark’s concern regarding financial sustainability of their clinic in Port Angeles in light of Jamestown S’Klallam’s expressed interest in developing an OTP. The meeting was productive with BayMark committing to uphold their contractual agreement with the SBHO. BayMark also assured the Tribal Representatives that they will maintain regular communications as the project moves forward.

- **SBHO Advisory Board Update**
  - Russ Hartman, SBHO Advisory Board Chair, provided the board an update on the activities of the Advisory Board.
  - The Advisory Board is remaining very engaged and focused on the integration issues.
  - The Advisory Board raised concerns at its last meeting over staffing levels within the SBHO and requested the Executive Board ensure that the SBHO has enough staff to complete the required tasks in 2019.
  - The Advisory Board requested feedback from the Executive Board on areas to focus and prioritize in 2019.
  - After discussing, it was suggested the Advisory Board focus on the transition to fully integrated managed care and working with 1/10th of 1% committees to educate them on where the funding is being spent and what is going to happen when the transition to FIMC occurs. It was also requested that the Advisory Board use their voice to help support the legislative measures that are being sought.

**GOOD OF THE ORDER**

- Thank you to Elya and OCH for their continued support and remaining open to supporting the SBHO.
- Elya reported that the OCH is actively looking for a new Executive Director and preparing for her departure. Elya is working on training staff to ensure that the OCH will have a representative available to continue serving the Executive Board.
- Thank you to Commissioner Kler for your service.
- Thank you SBHO staff for incredible work that is being completed.
➢ The meeting schedule for 2019 will be reviewed and emailed out.

PUBLIC COMMENT
Stephen Workman – Thank you to Stephanie and Elya.

ADJOURNMENT – Consensus for adjournment at 11:09 a.m.

ATTENDANCE

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NOTE: These meeting notes are not verbatim
## Admits and Discharges by Agency

(Total column = Admit minus Discharges) The goal is a negative number, leading to a reduction in the census

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16 Admits: 1 direct admit; 11 Forensic Flips; 4 Re-Admits within 12 months

Discharges in 2018:

- 21 Total
  - 5 home
  - 1 Oxford House
  - 13 to supported living (CCF, RTF, AFH)
  - 1 homeless shelter
  - 1 death

4 out of county placements
December 2018-No WSH waitlist additions. Kitsap Adult Inpatient Unit started using long-term beds.
Based on July-December 2018 State Contract

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$4,339,431.00 $2,985,546.60 $5,971,093.20

Other funding sources

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<th>Funding Source</th>
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<th>% to ASO</th>
<th>ASO Total</th>
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$2,019,089.00 $2,019,089.00 $2,019,089.00

Total Revenue from HCA/BH-ASO Contract $7,990,182.20

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<td>Maximum Admin Withholding (10%)</td>
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<td>Maximum Direct Support Withholding (5%)</td>
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<td>Operational Budget from BH-ASO Contract</td>
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Background:
In 2015 the Legislature authorized the Department of Social and Health Services (DSHS) to create Behavioral Health Organizations (BHOs) to purchase and administer publicly-funded mental health and substance use treatment services under managed care. BHOs are single, local entities that assume responsibility for providing these services, previously managed by counties and Regional Support Networks (RSNs). These include inpatient and outpatient treatment, involuntary treatment and crisis services, jail proviso services, and services funded by the federal block grants. DSHS began the process of developing contacts with BHOs in 2015, with services starting in April 2016.

Since the passage of SB 6312, Washington state has been working to transition Medicaid based behavioral health services contracts away from BHOs and replacing them with anywhere from 1 to 5 contracted Managed Care Organizations (MCOs) that will be procured for each region through an RFP process managed by the Health Care Authority (HCA). This transition is scheduled to be completed across the state by 2020. Two regions, known as early adopters, have transitioned already, which include the Southwest and North Central regions. In these regions, the counties no longer oversee the Medicaid system or non-Medicaid crisis system.

WSAC, in collaboration with ACHS and the BHOs, met several times by phone to establish a baseline of how a process could be put in place to develop a set of legislative priorities that could be recommended to LSC and address the main county concerns regarding behavioral health integration as it currently stands. These phone meetings culminated a day long, in person meeting in Spokane with all parties attending with the discussion resulting in agreement on the priority recommendations listed below. It was further agreed that ACHS and the BHOs/ASOs would maintain a high level of coordination during the legislative session and jointly provide reports, updates and action requests to the LSC as necessary or desired.

Issue:
Four additional regions are transitioning in 2019. Known as mid-adopters, these regions include King County, Pierce County, North Sound, Greater Columbia and Spokane. These regions, with the exception of Pierce County, have made the decision to continue operating the crisis and diversion systems and will be transforming their BHOs into Administrative Service Organizations (ASOs). These regions encompass 23 of Washington’s 39 counties and a significant percentage of the State’s population.

In order to ensure a smooth transition to integrated managed care in these regions and to maintain the existing level of regional behavioral health crisis and diversion programs, and other required Behavioral Health ASO services, WSAC is requesting the Governor’s Office and the Legislature to support the following county behavioral health priorities during the 2019 Legislative Session:
1. **Codify Language Regarding ASOs**

ASOs are regional entities charged with managing the crisis system continuum, which is funded through State General Fund dollars and some federal block grants. Ensuring that the crisis system continuum can continue to function at current levels is of great importance as it is inextricably woven with the local criminal justice system. Counties need policy support with regard to defining the ASO structure in statute and preserving their right of first refusal to operate and manage the local crisis systems.

2. **Non-Medicaid State Funding Sufficient to Support the Crisis Continuum, System Oversight and ASO Operations**

As all Medicaid, and an additional 30% of non-Medicaid State General Fund dollars, for behavioral health has been shifted away from counties to the MCOs, it is necessary for the State to make significant investments in non-Medicaid funding to support the crisis system continuum in order to simply preserve services at their current levels. In this new integrated behavioral health system, it imperative that the State have strong regional ASOs to not only provide adequate crisis and diversion services, but also to serve as oversight bodies so as to identify areas of weakness and then work with the State, MCOs and other system partners to address them.

3. **Supportive Housing Continuum**

Rural and urban communities across Washington lack an adequate supply of affordable homes. In fact, there are only 29 affordable and available homes for every 100 extremely low-income renters in the state. Homelessness is the natural consequence of this lack of access to affordable homes. Robust investment in affordable housing is the best way to reduce homelessness. To reach the scale of housing investments that are needed, the Legislature should make use of all tools available to create affordable homes, including, for example: (1) increased investment in the Housing Trust Fund with no population set-asides and local flexibility to determine housing needs; and (2) the ability for local communities to retain a portion of the state’s sales tax to invest directly into affordable homes. If we cannot provide individuals with housing, it is difficult, if not impossible, to address their other basic health needs.

4. **Community Based Behavioral Health Facilities**

The closure of ITA wings at the state hospitals means that individuals will now need to be placed elsewhere in the community. It is clear that there is currently not enough space in the community to house these individuals. In response to this housing need, the Governor has expressed his desire to potentially construct six mini hospitals within the community. It will be important to ensure that there is not only funding provided to construct the necessary facilities, but to run and maintain these facilities as well. We have expressed our concern to the Governor’s office regarding the potential costs associated with community-based behavioral health facilities, and the importance of not burdening counties with those costs without providing state dollars.

**Staff Recommendation:**

It is the recommendation of staff that WSAC call upon the Governor’s office and the Legislature to support the priorities listed above. In addition, staff recommends that WSAC support a strong collaboration between the BHOs, ASOs, ACHS and LSC to ensure a strong and consistent county voice on behavioral health issues.