

# Washington State Medical Assistance Programs

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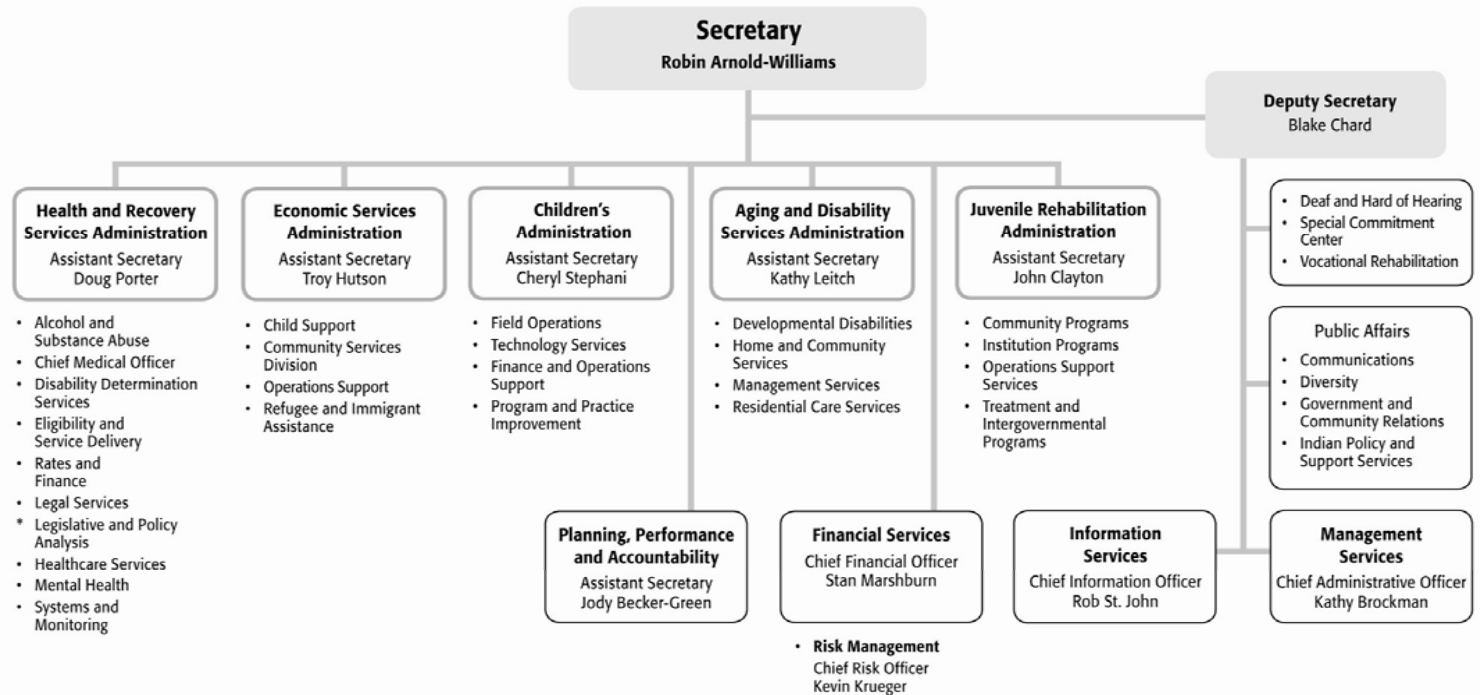
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Health and Recovery Services  
Administration

April 24, 2008



# DSHS Organization Chart

## Department of Social and Health Services




 Washington State  
 Department of Social  
 & Health Services  
 Effective April 1, 2008

# DSHS Agency Overview

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## **DEPARTMENT OF SOCIAL AND HEALTH SERVICES**

The Department of Social and Health Services (DSHS) is Washington State's umbrella agency for people who turn for help in times of need. The Department serves over 2 million people a year, about one in three state residents, and over half of the state's children under age 18. Total client specific expenditures for DSHS in 2006 were \$7.4 billion, which funded the programs described below for 2,145,581 clients. The current biennial budget for DSHS is \$19.2 billion, of which 52 percent is federal.



# DSHS Agency Overview Cont.

## **HRSA - MEDICAL ASSISTANCE**

Medical Assistance contracts with providers for necessary medical care to income assistance and other eligible low-income persons. Medical Assistance pays for these services, which include both fee-for-service payments and managed health care premiums. Services also include primary care case management clients. Through Medicaid, both federal and state funds are available to pay for services to Categorically Needy clients, those meeting federal categorical and income eligibility requirements; and to Medically Needy clients, those meeting categorical eligibility requirements but with assets and/or incomes slightly higher than allowable limits. Client specific expenditures for MA in 2006 were \$3,115.6 million, which supported 1,282,197 clients. The current biennial budget for Medical Assistance payments is \$8,313.0 million, of which 52 percent is federal.

## **HRSA - MENTAL HEALTH**

Mental Health Division (MHD) administers treatment services for adults and children who are severely and/or chronically mentally ill through state-operated mental hospitals, counties or groups of counties under the administration of Regional Support Networks (RSN), and Community Evaluation and Treatment facilities, which include general hospitals and psychiatric hospitals that deliver voluntary and involuntary inpatient psychiatric treatment. Client specific expenditures for the MHD services in 2006 were \$513.4 million, which supported 124,080 clients. The current biennial budget for MHD is \$1,524.9 million, of which 35 percent is federal.



# DSHS Agency Overview cont.

## **HRSA - ALCOHOL AND SUBSTANCE ABUSE**

The Division of Alcohol and Substance Abuse (DASA) provides alcohol and drug related services for people recovering from alcoholism and drug addiction. Services are provided through contracts with counties, tribes, and service agencies to provide services to clients who cannot pay for the full cost of treatment. DASA pays counties and tribes to provide Assessments and Outpatient Treatment and counties or hospitals to provide detox services. Dollars paid to individual counties are based on an allocation which takes into account the demographics associated with substance abuse. Counties either provide these services directly or under contract with private agencies. DASA also contracts directly with service agencies to provide Residential Treatment services. Client specific expenditures for DASA in 2006 were \$92.7 million, which supported 67,605 clients. The current biennial budget for the Division of Alcohol and Substance Abuse is \$349.3 million, of which 40 percent is federal.

## **ADSA - AGING AND ADULT SERVICES**

Aging and Adult Services provides home, community, and residential care services for frail elderly persons and functionally disabled people over 17 years of age. Assistance with activities of daily living such as housework, shopping, money management, and life functions such as self-care, eating, and medication management are provided through field service offices, community services provided through Area Agencies on Aging, and nursing home quality assurance, regulation, and funding. Client specific expenditures for Aging and Adult Services in 2006 were \$1,130.5 million, which supported 66,930 clients. The current biennial budget for Aging and Adult Services is \$3,005.9 million, of which 51 percent is federal.



# DSHS Agency Overview Cont.

## **ADSA - DIVISION OF DEVELOPMENTAL DISABILITIES**

The Division of Developmental Disabilities (DDD) provides support services and opportunities for persons with developmental disabilities resulting from mental retardation, epilepsy, cerebral palsy, autism, or similar neurological conditions that originated before adulthood. Clients' disabilities are life long and constitute a substantial handicap to everyday functioning. Children under age 6 may receive services if they have Down Syndrome or developmental delays of 25 percent or more below children of the same age. Client specific expenditures for DDD in 2006 were \$661.7 million, which supported 37,609 clients. The current biennial budget for the DDD is \$1,737.6 million, of which 47 percent is federal.

## **ECONOMIC SERVICES ADMINISTRATION**

Economic Services Administration (ESA) provides cash assistance, work-focused services, food benefits, and social services to help individuals and families meet their basic needs and achieve economic independence. The administration oversees more than 25 major federal and state programs aimed at reducing poverty, and promoting parental responsibility and self-sufficiency, including: cash grants, employment and training, food stamp assistance, housing assistance, child support enforcement, child care subsidies, repatriation assistance, domestic violence referrals, and telephone subsidies. ESA also determines state and federal Medicaid eligibility. Client specific expenditures for ESA in 2006 were \$1,411.4 million, which supported 1,567,549 clients. The current biennial budget for ESA is \$2,305.7 million, of which 46 percent is federal.



# DSHS Medical Programs

DSHS administers four health programs – Medicaid, Children’s medical program, Medical Care Services and Refugee Assistance. Medicaid is the largest program, accounting for about 92 percent of medical program expenditures and 94 percent of enrollees.

**Medicaid:** Medicaid coverage is available to persons meeting certain “categorical” requirements based on income, age and/or health status (e.g. disability or pregnancy). The major client categories of eligibility for health-related services are:

**Categorically Needy (CN) Medicaid:** This is a mandatory coverage provided to individuals who meet specific income criteria set by federal and state rules. The CN program provides coverage to low-income children and families with dependent children, seniors, persons with disabilities, and pregnant women.

**Medically Needy (MN) Medicaid:** These clients are primarily elderly and disabled and must also meet set income guidelines, but in cases where their income exceeds the limit, they can share the cost of their health care by spending enough on services to bring their income within the guidelines. This is called “spend-down”.



# DSHS Medical Programs Cont.

***Children's medical program:*** Historically, DSHS provided coverage to low and moderate income children through Medicaid, State Children's Health Insurance Program and Children's Health Program for children not eligible for federal programs due to citizenship status. Legislation enacted in 2007 combined these funding sources into a new consolidated program. This program offers Medicaid benefit coverage to all children. The program currently provides coverage to children in families with incomes up to 250 percent of the federal poverty level (FPL) (\$44,000 for a family of three). Beginning January 2009, coverage will be available to children in families up to 300 percent of FPL (\$52,800 for a family of three)

***Medical Care Services (MCS):*** This program involves only state funds and covers incapacitated individuals not eligible for Medicaid. Most are classified as General Assistance-Unemployable (GAU). GAU clients are physically and/or mentally incapacitated and unemployable for more than 90 days. ADATSA clients are also eligible due to incapacity from drug or alcohol abuse. Coverage is comparable to Medicaid, although there are some limitations.

***Refugee Assistance:*** While federal Medicaid funds are generally only available to U.S. citizens, certified refugees are exempted and covered.

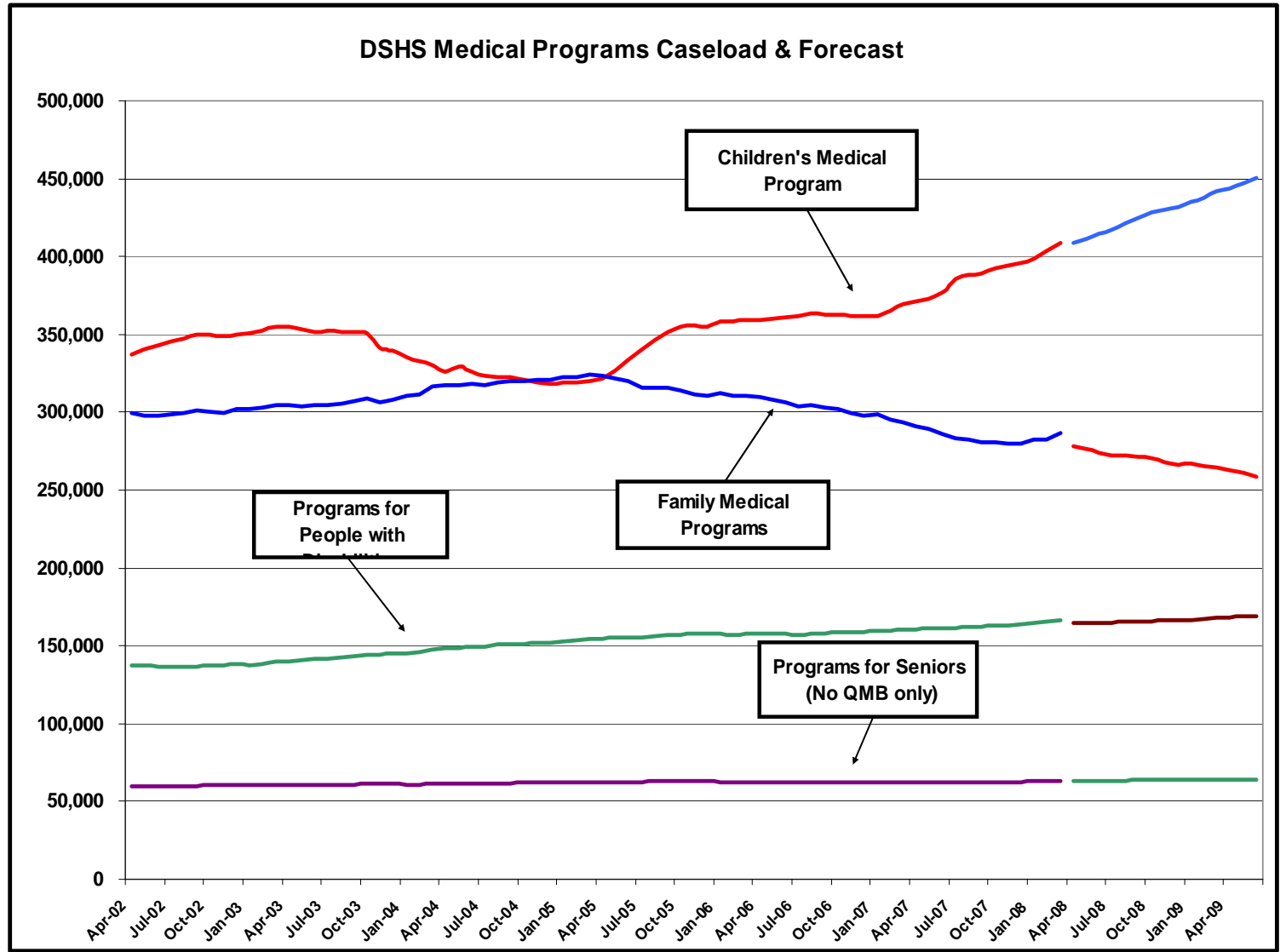


# DSHS Medical Program Enrollment – December 2007.

Program Eligibility Categories	Program Funding	Adults	Children	Total
CN Family (TANF) Medical	Title XIX	89,377	160,056	249,433
Alien Emergency Medical (AEM) Program	Title XIX	1,145	4	1,149
CN Aged	Title XIX	62,964		62,964
Aged/Blind/Disabled SLMB	Title XVIII & XIX	12,915		12,915
CN Blind/Disabled	Title XIX	123,353	17,705	141,058
CN Health Care for Workers with Disabilities	Title XIX	1,142		1,142
CN Breast & Cervical Cancer	Title XIX	552		552
CN Pregnant Women	Title XIX	19,275	1,345	20,620
CN Family Planning Women	Title XIX	25,322	413	25,735
CN Take Charge	Title XIX	39,657	9,899	49,556
CN Other Children	Title XIX		337,803	337,803
Foster Care/Adoption Support	Title XIX		20,630	20,630
MN Aged	Title XIX	5,186		5,186
MN Blind/Disabled	Title XIX	7,669	2	7,671
MN Other	Title XIX	87	317	404
Refugee	Title XIX	650	83	733
SCHIP - Children	Title XXI		12,384	12,384
SCHIP -- Coverage for Pregnancy	Title XXI	8,280	520	8,800
Children's Health Program	State		23,245	23,245
MSC - GAU	State	14,079	82	14,161
MSC - ADATSA	State	4,492	14	4,506
<b>Total</b>	<b>State</b>	<b>416,245</b>	<b>584,502</b>	<b>1,000,747</b>



# DSHS Medical Program Enrollment



# DSHS Medical Delivery System

Medical Assistance clients receive health-care services either through enrollment in the Healthy Options (HO) managed care program, managed care pilot projects for adults, or on a fee-for-service basis (FFS). 54% of the clients (72% of children) receive services through managed care and 46% (76% of adults) through FFS.

DSHS contracts with six health carriers for HO coverage. Currently, coverage is available in all 38 of the state's 39 counties and enrollment is voluntary in 9 counties. HRSA has several small managed care projects that serve elderly and disabled adults. There are also a number of Native American tribes that provide primary care case management to their members.

DSHS also contracts with 13 Regional Support Networks (RSN) to provide inpatient and outpatient mental health services to Medicaid and SCHIP clients.

DSHS administers its own FFS medical delivery services and contracts with over 43,000 providers, including 25,000 physicians, 2,800 dentists, 1,500 pharmacies, and 3,000 therapists.

<b>Medical Programs' Delivery System ((December 2007))</b>			
	<b>Adults</b>	<b>Children</b>	<b>Total</b>
HO Manage Care	84,148	414,079	498,227
Fee-For-Services	267,118	160,111	427,229
<b>Total <sup>1</sup></b>	<b>351,266</b>	<b>574,190</b>	<b>925,456</b>
<sup>1</sup> Excludes family planning enrollment.			



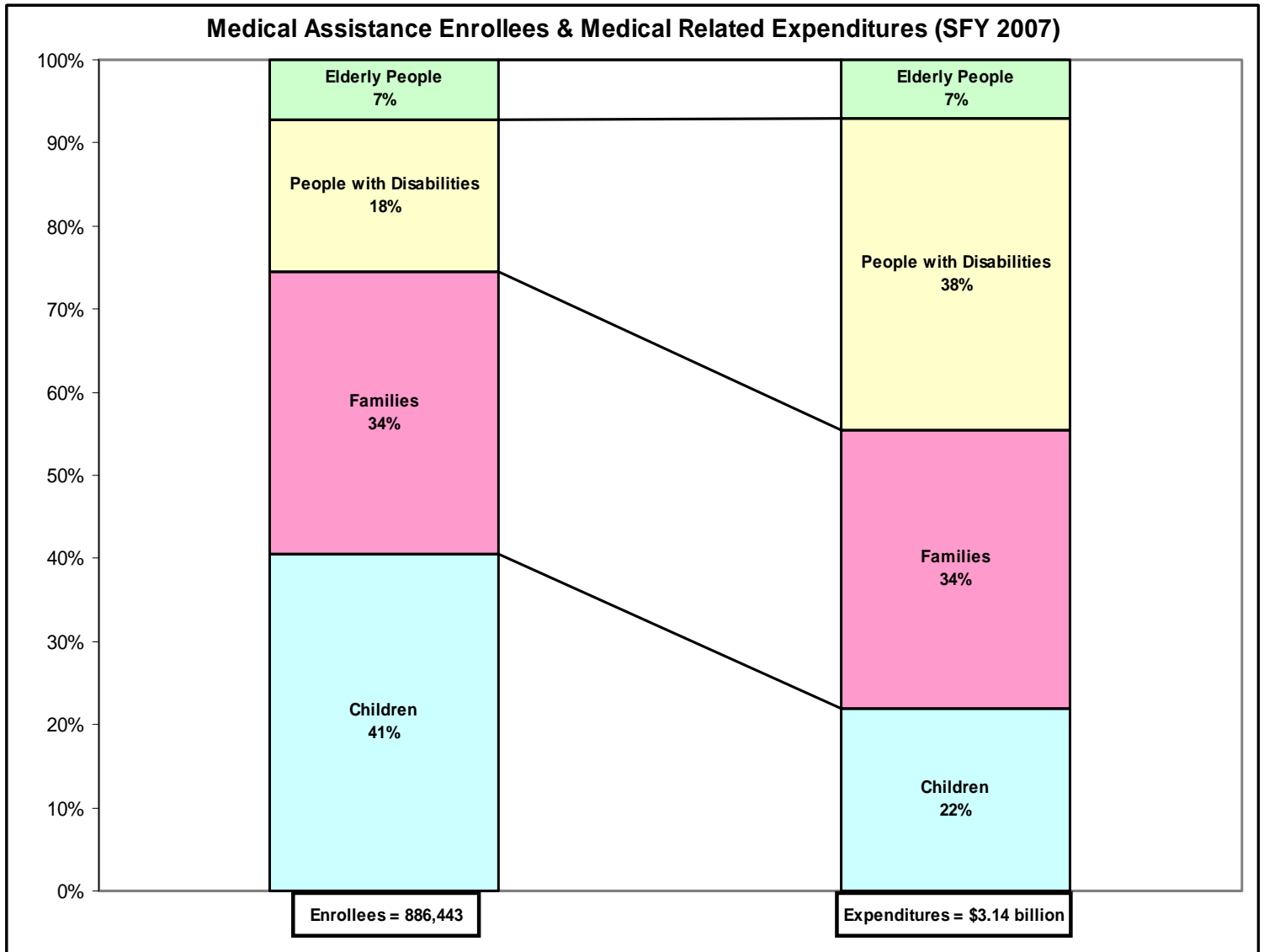
# DSHS Medical Program Expenditures

The largest health care related expenditures are for managed care (31%), inpatient hospital services (17%), physician and clinic services (15%), prescription drugs (12%), and outpatient hospital services (7%), dental services (3%), durable medical equipment (3%).

<b>SFY 2007 Medical Expenditures By Service</b>		
	Amount	%Total
Inpatient & Outpatient Hospital	\$825,706,000	24%
Physician, Dental & FOHC	\$502,210,000	15%
Prescription Drugs	\$413,793,000	12%
Managed Care	\$1,059,019,000	31%
Durable Medical Equipment	\$89,008,000	3%
Family Planning	\$36,226,000	1%
Other	\$505,396,000	15%
Total	\$3,431,358,000	100%

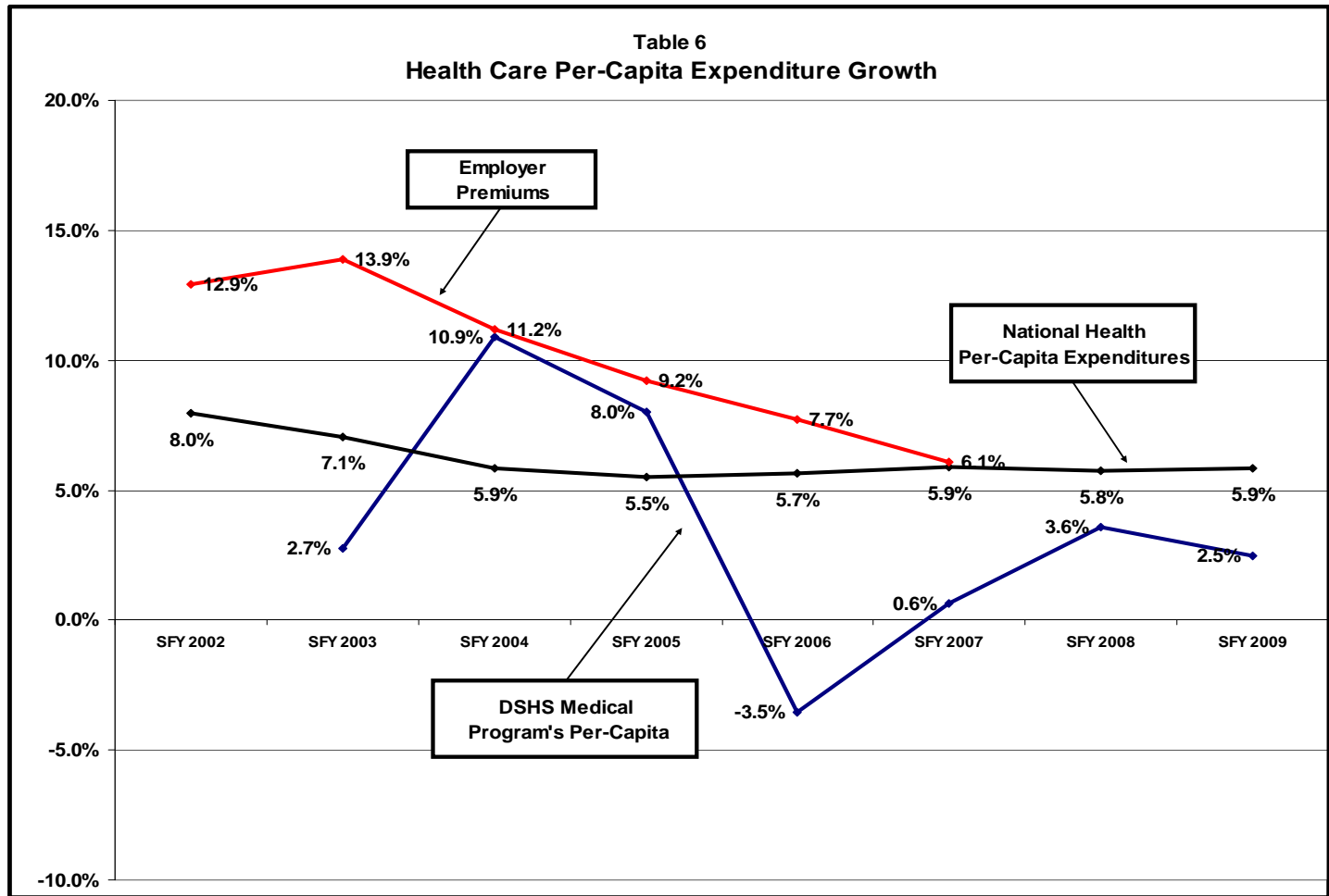


# Medical Expenditures By Eligibility Groups



# Medical Expenditure Growth Rates

During the 2002-07 period, DSHS medical program per-capita expenditures (3.8% per-year) have been increasing at a lower rate than employer-sponsored insurance premiums (9.6% per-year) and national health care expenditures (6.0% per-year).



# Health Care Program Challenges

**Sustainability** - Given the forecasted reduction in state general fund revenue growth rates and demand for health and social services, DSHS will need to implement new purchasing and benefit management strategies to sustain the coverage for low-income families, persons with disabilities and children.

•**Federal/State Partnership** – Continue to work collaboratively on program integrity strategies while recognizing the operational challenges in administering complex health programs. Develop collaboratives to help state’s improve the benefit managed and adopt best practices.

•**Access** – Need to continue to adopt strategies to sustain provider participation. Challenge for Medicaid programs will be the growth in Medicare beneficiaries.

•**Evidence-Based Benefit Management** – In collaboration with other state agencies continue efforts to adopt evidence-base benefits and protocols to improve program effectiveness.

•**Chronic Care Management & Medical Homes** – Continue developing strategies to improve chronic care management (5% of enrollees account for 45% of expenditures and medical homes to improve primary and preventive care and primary care capacity

•**Pay-For-Performance** - Continue developing purchasing strategies with our healthcare partners to further health policy goals and make a higher performing delivery system.



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