

North Sound Behavioral Health Administrative Services Organization, LLC



**2021 Proposed
Operating Budget
October 8, 2020**

**NORTH SOUND BEHAVIORAL HEALTH
ADMINISTRATIVE SERVICES ORGANIZATION, LLC**

2021 OPERATING BUDGET

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I. 2021 OPERATING BUDGET NARRATIVE

A. BUDGET HIGHLIGHTS

On July 1, 2019, the North Sound Behavioral Health Organization [BHO] transitioned to the North Sound Behavioral Health Administrative Services Organization [BH-ASO]. This was the result of the state implementing Integrated Managed Care in the North Sound region. Calendar Year 2020 represents our first full year operating as a BH-ASO.

Under the Integrated Managed Care model, Medicaid funding for behavioral health services are integrated into the health care contracts with Apple Health Managed Care Organizations [MCOs]. The Health Care Authority [HCA] also contracts with BH-ASOs to administer non-Medicaid funds to support behavioral health services that are not covered by Medicaid. This includes: State General Fund [GF-S] dollars, State General Fund Proviso dollars [Provisos], and Federal Block Grant Funds for Mental Health and Substance Use Treatment [MHBG and SABG]. The North Sound BH-ASO is also receiving competitively procured federal funds to expand Medication Assisted Treatment in rural areas [MAT-PDOA] and is expected to receive additional federal funds through the state to expand treatment to persons affected by COVID and other natural disasters.

The Apple Health MCOs contract with the BH-ASO to cover the cost of Crisis Services to their Medicaid members. They do this by providing an estimated portion of their PerMember/PerMonth payments from HCA. These contracts are subject to a 6 month “reconciliation” process and the MCOs can renegotiate the rates they pay on an annual basis.

A core responsibility of BH-ASOs is to fund and oversee behavioral health Crisis Services, specifically; a 24-hour toll-free crisis line, Involuntary Treatment Act investigation services, and Mobile Crisis Outreach Teams.

The North Sound BH-ASO has prioritized the funding it receives to make sure that the core Crisis Services, as well as other mandatory costs such as involuntary commitment services, are fully covered.

During 2020, some mandatory expenditures were less than the amounts originally planned for in the 2020 Operating Budget. This allowed the BH-ASO to expand funding for other mobile crisis outreach services, facility-based crisis stabilization services for non-Medicaid persons, and some outpatient and substance abuse residential treatment services.

This same program funding plan is proposed to be continued in the 2021 operating budget.

The North Sound BH-ASO also continues to provide active staff support to regional behavioral health planning activities, such as the Interlocal Leadership Structure, the MCO/ASO Joint Operating Committee, the Crisis Services Leadership Group, and joint MSO/ASO Integrated Provider meetings.

We also made a successful transition to operating in largely a “virtual” mode in response to the COVID pandemic. All staff were provided additional tools, and new operating procedures were developed, to fully support all ASO functions through tele-commuting and extensive use of video-conferencing tools. We also developed strategies to support workforce resiliency during the pandemic.

2020 Key Events

- Fully integrated DCRs with “Voluntary” Mobile Crisis Outreach Teams
- Expanded funding for voluntary crisis outreach
- Expanded funding for 24/7 Toll Free Crisis Hotline in response to COVID related increased call volume
- Mobile Crisis Outreach Teams maintained full capacity
- Provided funding to support telehealth video ITA evaluations in hospitals
- Provided funding to serve non-Medicaid persons at Triage Crisis Stabilization and Withdrawal Management Facilities
- Expanded Opioid Outreach Services
- Continued with SAMHSA Medication Assisted Treatment Grant to expand MAT to rural areas
- Partnered with the North Sound ACH to create a “Rural access to OUD Services Workgroup”
- Developed a program and allocation plan for distribution of “Trueblood Misdemeanor Funds”
- Completed one signed Tribal Coordination Agreement prior to the transition to HCA
- Successfully transitioned BH-ASO Operations to a “virtual” mode – all essential function fully maintained

Challenges and Solutions

Challenges	Solutions
Expenditures for ITA inpatient hospitalization and Crisis Services were below budget assumptions	Revised the program budget for July-December 2020 to expand funding to other service areas
Increased COVID related call volume to Crisis Line and increased abandonment rate	Provided funding for additional staff, funding for a new call management system, and required corrective action plan
Lack of access to facility-based crisis stabilization services for non-Medicaid persons	Shifted funding from under-expended areas to support facility-based crisis stabilization to non-Medicaid persons
Because of COVID, not able to fully complete scheduled on-site reviews of crisis services agencies	A complete review had already been completed on the crisis line. Until on-site reviews can be scheduled, are monitoring service and outcome data from DCR agencies on a weekly basis
We have over 170 ASO policies which must be reviewed and updated with every contract change	Developed a detailed “policy tracker” that crosswalks policies to contract and WAC sections
Crisis Services agencies are not able to access crisis plans or treatment provider information for members	Through the Joint Operating Committee, we continue to work on the development of a data sharing platform with Collective Medical Technologies
Utilization Management Policies and Procedures had to be updated as part of transitioning hospital placement authorization to the ASO	Hospital contracts were developed. Policies, procedures, and communication mechanisms developed to provide inpatient authorization, including ITA placement certification

The Crisis Log, which can include over 300 entries a day, does not provide very useful clinical information to identify “high utilizers” who are also “high need”	Developed and began to test “high-utilizer” criteria with the Joint Operating Criteria. This effort has now been transitioned to a state-wide MCO/ASO
COVID has complicated the ability of DCRs to conduct ITA evaluations	DCR agencies have been able to obtain PPEs and the ASO provided funding to procure and deploy video conferencing systems in the hospitals in the four northern counties

Proposed 2021 Strategic Goals *

1. Remain in full compliance with the HCA-BH ASO Contract
2. Support continuous process improvement in the Crisis Services System
3. Implement the updated Quality Management Plan
4. Continue to actively support planning to achieve the goals of physical/behavioral health care integration
5. Address the impacts of the COVID pandemic on staff, BHAs, and the community
6. Develop and implement a plan to address social equity and systemic racism
7. Advocate for funding to meet the behavioral health needs of all at-risk persons

*These must be reviewed and approved by the North Sound BH-ASO Advisory Board and Board of Directors.

B. SUMMARY OF 2021 VERSUS 2020 REVENUES AND EXPENDITURES

	REVENUES	EXPENDITURES
2020 Budget	\$24,619,370	\$24,619,370
2020 Projected	\$31,210,607	\$21,487,251
2021 Budget	\$28,031,787	\$28,031,787

C. REVENUE AND EXPENDITURE APPROVAL PROCESS

1. Introduction to the Board of Directors 10/08/2020
2. Distribution to:
 - a. Advisory Board 10/19/2020
 - b. Interested Public and Stakeholders 10/19/2020
 - c. Available on North Sound BHO Website 10/19/2020
3. Review and recommendation of the Advisory Board 11/03/2020
4. Review at the Board meeting 11/12/2020
5. Review and approval by Advisory Board 12/01/2020
6. Review and recommendation of all stakeholders Up to 12/10/2020
7. Recommended budget presented for Board adoption 12/10/2020

D. OPERATING BUDGET SPECIFICS

Budget Area	2020*	2021	Difference	Percent	Notes
Salaries & Benefits	2,642,684	2,759,428	116,744	4.4%	Step increases, salary adjustment, increase of .5FTE to 1 FTE
Other Administrative **	991,921	805,626	(182,295)	(18.8%)	Reductions in office operating expenses and rent
Total Operations	3,634,605	3,565,054	(69,551)	(1.9%)	
Behavioral Health Services ***	20,984,765	24,466,732	3,481,967	16.6%	Increased Revenue: Block Grant, State Funds, Proviso funds, Medicaid contracts
Total BH-ASO	24,619,370	28,031,786	3,412,416	13.9%	

*Original Adopted Budget

**Includes Advisory Board

***Includes Hospital Inpatient

E. CONCLUDING REMARKS

The proposed 2021 North Sound BH-ASO Operating Budget will be the first time in which we will have 12 months of BH-ASO cost data to base our budget assumptions on. This has allowed us to refine our assumptions and expand funding for other behavioral health services in addition to the mandatory expenditures for the Crisis Line, ITA investigation services, ITA court costs, and involuntary psychiatric hospitalization.

Our overall Administrative Operating costs will be decreased due to savings in office operating expenses. This includes a reduction of over \$194,000 a year in rent and utilities since we will be moving into a new facility on January 1, 2021 and will pay for only about 40% of the leased office space that we now pay for in our current facility.

As a BH-ASO we will continue to provide active support to the ongoing coordination of behavioral health services within a Medicaid Integrated Managed Care framework. This includes actively coordinating ASO administered services, such as Crisis Services, with Medicaid funded treatment services. We will continue to be accountable to the counties who oversee the BH-ASO, to ensure we are responsive to the priorities for behavioral health services identified by county officials.

Our proposed 2021 Strategic Plan will keep our efforts focused on important goals related to quality, compliance, and equal access to behavioral health services for all.

II. Revenue Forecast

REVENUE DETAIL
NORTH SOUND BEHAVIORAL HEALTH ORGANIZATION
Estimated
2021 ANNUAL BUDGET

SOURCE	DESCRIPTION	Amount
30800	<i>USE of FUND BALANCE</i>	\$
<i>GRANT REVENUE</i>		
331000	Direct Federal Block Grant PDOA	\$ 456,086
331000	Federal Block Grant Mental Health	1,739,489
331000	Federal Block Grant SABG	3,571,126
TOTAL GRANT REVENUE		
<i>CHARGES FOR SERVICE</i>		
34640	Medicaid Crisis Subcontracting	4,287,847
34640	State Funds Mental Health & Substance Use Disorder	13,689,008
34640	State Provisos	3,778,230
34640	FYSPRT	75,000
34640	Island Crisis Stabilization	165,000
34640	Whatcom Triage/Detox	250,000
TOTAL CHARGES FOR SERVICE		\$ 22,245,085
<i>MISCELLANEOUS REVENUES</i>		
36110	Investment Interest	20,000
MISCELLANEOUS REVENUES		\$ 20,000
TOTAL REVENUE		<u>\$ 28,031,786</u>

III. 2021 NORTH SOUND OPERATING BUDGET

A. Summary Budget

EXPENDITURES	Total
Regular Salaries	\$ 1,797,342
Personnel Benefits	962,086
Office, Operating Supplies	40,000
Small Tools	10,000
Professional Services	194,500
Communications	42,380
Travel	10,000
Advertising	450
Operating Rentals & Leases	130,336
Insurance	58,440
Utilities	-
Repairs & Maintenance	69,500
Miscellaneous	30,020
Machinery & Equipment	-
Reserve	200,000
Subtotal -North Sound Operations Budget	\$ 3,545,054
Advisory Board	20,000
Agency County and Other Services	23,560,356
Inpatient Hospital Costs	906,376
Total North Sound ASO Budget	\$ 28,031,786

B. Operating Budget Details

2020 ASO	2021 BUDGET	<u>2021 NORTH SOUND OPERATING BUDGET DETAILS</u>
1,675,407	1,779,370	REGULAR SALARIES
0	0	OVERTIME
28,482	17,972	COLA SALARY CONTINGENCY Cost of living adjustment budgeted 1.01%. (If the COLA not approved, this amount becomes zero)
1,703,889	1,797,342	REGULAR SALARIES
		PERSONNEL BENEFITS
383,794	385,870	HEALTH, LIFE, DENTAL, VISION Government Entity Pool WCIF
205,000	210,000	HRA
196,393	210,801	PERS RETIREMENT Based on 2019 rate of 12.86% for Public Employee Retirement Systems.
128,417	136,122	SOCIAL SECURITY The rate remains at 7.65% of FTE salaries.
7,968	4,139	UNEMPLOYMENT COMPENSATION The 2019 rate is .49% of FTE salaries, capped at \$47,300 per employee.
11,423	11,492	WORKERS COMPENSATION The 2019 rate is \$.2679 multiplied by the FTE annual hours.
5,800	3,662	COLA BENEFIT CONTINGENCY Cost of living adjustment budgeted 1.01%.
938,795	962,086	PERSONNEL BENEFITS

B. Operating Budget Details

2020 ASO	2021 BUDGET	<u>2021 NORTH SOUND OPERATING BUDGET DETAILS</u>
43,200	40,000	OFFICE, OPERATING SUPPLIES For office supplies such as software, books, paper, pens, food.
43,200	40,000	OFFICE, OPERATING SUPPLIES
20,000	10,000	SMALL TOOLS & MINOR EQUIPMENT For operating equipment including desks, chairs, file cabinets, computers.
20,000	10,000	SMALL TOOLS & MINOR EQUIPMENT
45,000	30,000	PROFESSIONAL SERVICES LEGAL SERVICES
2,250	2,000	Language Exchange
42,000	42,000	TREASURER & ACCOUNTING SERVICES \$3,500 a month for charges of processing voucher and payroll, issuing warrants by Skagit County and investing, accounting and budget services.
45,000	55,000	MEDICAL SERVICES Consulting Medical Director DR Lipman and peer review, second opinions, etc.
35,000	35,000	AUDIT SERVICES For annual NSBH-ASO financial audit by WA State Examiner.
5,000	2,500	MISCELLANEOUS CONTRACTS
5,000	5,000	TEMPORARY HELP
5,000	5,000	BH-ASO Consulting
0	18,000	Bay Alarm, Shred-it, and Access
184,250	194,500	PROFESSIONAL SERVICE

B. Operating Budget Details

2020 ASO	2021 BUDGET	<u>2021 NORTH SOUND OPERATING BUDGET DETAILS</u>
9,000	5,000	COMMUNICATIONS POSTAGE
9,000	8,380	TELEPHONE Monthly telephone and internet
20,000	13,000	T1 & DSL Connection
11,821	16,000	CELLULAR PHONES
40,821	42,380	COMMUNICATIONS
13,300	10,000	TRAVEL & LODGING MILEAGE, FARES, MEALS Reimbursement for NSBH-ASO employees to use personal vehicles to attend meetings or perform work on behalf of the NSBH-ASO. For meals while attending meetings on behalf of the NSBH-ASO.
13,300	10,000	TRAVEL
450	450	ADVERTISING Advertising of vacant positions, RFQ's, RFP'S, Board meetings, etc..
450	450	ADVERTISING
290,000	127,836	OPERATING RENTALS RENTALS For renting rooms, training, short term equipment rentals, etc. SPACE RENTAL OFFICE The 2021 estimated lease

B. Operating Budget Details

2020 ASO	2021 BUDGET	<u>2021 NORTH SOUND OPERATING BUDGET DETAILS</u>
6,400	-	COPY LEASE Lease of two copy machines
8,000	2,500	POSTAGE METER LEASE
4,500	-	MISCELLANEOUS RENTALS
308,900	130,336	OPERATING RENTALS
45,000	58,440	INSURANCE Enduris
45,000	58,440	INSURANCE
30,000	-	UTILITIES Covered in new lease agreement
30,000	-	UTILITIES
2,250	8,500	REPAIR & MAINTENANCE For repair of office equipment and maintenance of phone system.
6,300	13,000	Maintenance on two copy machines
44,730	48,000	Maintenance and repairs
		Janitorial Services
53,280	69,500	REPAIR & MAINTENANCE

B. Operating Budget Details

2020 ASO	2021 BUDGET	<u>2021 NORTH SOUND OPERATING BUDGET DETAILS</u>
		MISCELLANEOUS
2,700	2,700	PRINTING & BINDING For printing of forms, reports, brochure, letterhead stationery, envelopes, business cards etc.
7,400	7,400	DUES AND SUBSCRIPTIONS For cost of periodical and other professional journals, hosting web page.
8,000	8,000	REGISTRATION AND FEES To provide off-site work-related training
5,000	11,920	WSAC
23,100	30,020	MISCELLANEOUS
0	0	MACHINERY & EQUIPMENT IS/IT To purchase new Computers, software & equipment over \$7,500.
-	-	MACHINERY & EQUIPMENT
200,620	200,000	ADMINISTRATION RESERVE This is a reserve set aside for possible COVID contingences.
200,620	200,000	ADMINISTRATION RESERVE
3,610,105	3,545,054	NS BH-ASO BUDGET Budget Limit Calculation: <i>(see revenue detail for explanation)</i> ASO budget limit \$4,201,768 Admin charged to Programs - \$88,834.73
3,610,105	3,545,054	TOTAL NS BH-ASO OPERATING BUDGET

B. Operating Budget Details

		Tribal Conference Budget.
-	-	Total Tribal Conference
20,000	20,000	Advisory Board expenses; travel, training, conferences, supplies, etc.
20,000	20,000	Total Advisory Board Expenditures
		Systems of Care conference.
-	-	Total Systems of Care Conference
20,078,389	23,560,356	Behavioral Health Services
23,708,494	27,125,410	Total NS BH-ASO Budget without Inpatient Expense
906,376	906,376	State Only Inpatient Funding
24,614,870	28,031,786	TOTAL NSBH-AHO Budget

C. Salary & Benefits Worksheet

2021 ANNUAL BUDGET

POSITION	initials	TEAM	FTE	RANGE	STEP	MONTHLY SALARY No. of Mths	Amount	Months x Amount	ANNUAL SALARY	BENEFITS Health, Life etc. Fixed Amount	PERS Retirement Salary x .1297	Social Security Salary x .0765	Unemployment Compensation \$52700x .0037	Workers Compensation Hours x \$.2631	TOTAL BENEFITS	TOTAL SALARY AND BENEFITS
Executive Director	JV	LT	1.00		N/A	12	\$ 12,839.33	\$ 154,071.96	\$ 154,071.96	19,442.64	do not contribute	11,786.51	194.99	547.25	31,971.38	186,043.34
Quality Specialist # 1	VJ	CL	1.00	35	E	12	\$ 6,756.70	\$ 81,080.40	\$ 81,080.40	19,442.64	10,516.13	6,202.65	194.99	547.25	36,903.66	117,984.06
Quality Specialist # 2	AFP	CL	1.00	35	E	12	\$ 6,756.70	\$ 81,080.40	\$ 81,080.40	19,442.64	10,516.13	6,202.65	194.99	547.25	36,903.66	117,984.06
Quality Specialist # 3	JD	CL	1.00	35	C	4	\$ 6,434.95	\$ 25,739.80								
					D	8	\$ 6,756.70	\$ 54,053.60	\$ 79,793.40	19,442.64	10,349.20	6,104.20	194.99	547.25	36,638.28	116,431.68
Quality Specialist # 4 ASO	LC	CL	1.00	35	E	12	\$ 6,756.70	\$ 81,080.40	\$ 81,080.40	15,953.64	10,516.13	6,202.65	194.99	547.25	33,414.66	114,495.06
Quality Specialist - WSH	JB	CL	0.50	35	D	4	\$ 3,217.48	\$ 12,869.90	\$ 39,896.70	15,953.64	5,174.60	3,052.10	147.62	273.62	24,601.58	64,498.28
				35	E	8	\$ 3,378.35	\$ 27,026.80								-
Quality Manager	MM	CL	1.00	38	C	3	\$ 7,863.75	\$ 23,591.25								
				38	D	9	\$ 8,256.93	\$ 74,312.37	\$ 97,903.62	15,953.64	12,698.10	7,489.63	194.99	547.25	36,883.60	134,787.22
Assistant Director/Contracts Manager MR	MR	HR/C	1.00	39	C	3	\$ 8,999.96	\$ 26,999.88	\$ 112,049.52	19,442.64	14,532.82	8,571.79	194.99	547.25	43,289.49	155,339.01
				39	D	9	\$ 9,449.86	\$ 85,048.64								
HR Specialist	MI	HR/C	1.00	33	E	12	\$ 5,792.74	\$ 69,512.88	\$ 69,512.88	19,442.64	9,015.82	5,317.74	194.99	547.25	34,518.43	104,031.31
Administrative Manager	JW	Admin	1.00	34	E	12	\$ 6,256.17	\$ 75,074.04	\$ 75,074.04	19,442.64	9,737.10	5,743.16	194.99	547.25	35,665.15	110,739.19
Administrative Assistant III	LH	Admin	1.00	32	E	12	\$ 5,363.64	\$ 64,363.68	\$ 64,363.68	19,442.64	8,347.97	4,923.82	194.99	547.25	33,456.67	97,820.35
Administrative Assistant II	MA	Admin	1.00	31	E	12	\$ 4,966.28	\$ 59,595.36	\$ 59,595.36	15,953.64	7,729.52	4,559.05	194.99	547.25	28,984.44	88,579.80
Administrative Assistant II	DM	Admin	1.00	31	C	7	\$ 4,504.56	\$ 31,531.92								
				31	D	5	\$ 4,729.79	\$ 23,648.95	\$ 55,180.87	19,442.64	7,156.96	4,221.34	194.99	547.25	31,563.17	86,744.04
Administrative Assistant II	open	Admin	0.50	31	A	6	\$ 2,041.67	\$ 12,250.02								
					B	6	\$ 2,092.71	\$ 12,556.26	\$ 24,806.28	15,953.64	3,217.37	1,897.68	91.78	273.62	21,434.10	46,240.38
Project Management/Compliance	CD	PM	1.00	37	E	12	\$ 7,954.02	\$ 95,448.24	\$ 95,448.24	19,442.64	12,379.64	7,301.79	194.99	547.25	39,866.31	135,314.55
Data Support Analyst	DR	PM	1.00	35	E	12	\$ 6,756.70	\$ 81,080.40	\$ 81,080.40	15,953.64	10,516.13	6,202.65	194.99	547.25	33,414.66	114,495.06
IS Administrator /Network Security	DM	IS/IT	1.00	38	C	2	\$ 7,863.75	\$ 15,727.50								
					D	10	\$ 8,256.93	\$ 82,569.30	\$ 98,296.80	15,953.64	12,749.09	7,519.71	194.99	547.25	36,964.68	135,261.48
IS Support Technician	PH	IS/IT	1.00	35	E	12	\$ 6,756.70	\$ 81,080.40	\$ 81,080.40	15,953.64	10,516.13	6,202.65	194.99	547.25	33,414.66	114,495.06
Database Administrator	EW	IS/IT	1.00	37	E	12	\$ 7,954.02	\$ 95,448.24	\$ 95,448.24	15,953.64	12,379.64	7,301.79	194.99	547.25	36,377.31	131,825.55
Provider Support IT	JW	IS/IT	1.00	36	E	12	\$ 7,297.13	\$ 87,565.56	\$ 87,565.56	15,953.64	11,357.25	6,698.77	194.99	547.25	34,751.90	122,317.46
Accounting Specialist	SD	Fiscal	1.00	33	E	12	\$ 5,792.74	\$ 69,512.88	\$ 69,512.88	15,953.64	9,015.82	5,317.74	194.99	547.25	31,029.43	100,542.31
Senior Accountant	DH	Fiscal	1.00	37	E	12	\$ 7,954.02	\$ 95,448.24	\$ 95,448.24	15,953.76	12,379.64	7,301.79	194.99	547.25	36,377.43	131,825.67
HRA Deductables									210,000.00						210,000.00	210,000.00
									\$ 1,779,370.27	\$ 385,870.20	\$ 210,801.19	\$ 136,121.83	\$ 4,139.20	\$ 11,492.21	\$ 958,424.63	\$ 2,527,794.90
									COLA \$ 17,971.64		\$ 2,129.09	\$ 1,374.83	\$ 41.81	\$ 116.07	3,661.80	\$ 21,833.44
TOTAL			21.00					\$ 1,779,370	\$ 1,797,341.91	\$ 595,870.20	\$ 212,930.28	\$ 137,496.66	\$ 4,181.01	\$ 11,608.28	\$ 962,086.43	\$ 2,759,428.34

IV. Organizational Chart

