



2022 Proposed Operating Budget

Revised November 9, 2021

**NORTH SOUND BEHAVIORAL HEALTH
ADMINISTRATIVE SERVICES ORGANIZATION**

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2022 Proposed Operating Budget

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I. 2022 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 represented our first full year operating as a BH-ASO.

Under the Integrated Managed Care model, Medicaid funding for behavioral health services is 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 has also received 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. However, these reimbursements are based on a fee for service formula and do not cover the full cost of maintaining a 24/7 crisis response infrastructure.

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 continues to prioritize 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 was continued in the 2021 operating budget and is proposed to also be carried forward in the 2022 operating budget. Since we now have two full calendar years operating as a BH-ASO we have sufficient data to better plan future expenses.

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've continued to operate successfully in a largely "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.

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2021 Key Events

- Expanded funding for mobile crisis outreach teams, including “co-responder” teams
- Continued funding for Crisis Stabilization facilities to serve non-Medicaid persons
- Fiscal Close-Out of the BHO
- Allocation of Trueblood Misdemeanor funds
- Provided state funding for the start-up of new behavioral health facilities
- Adding working to support “Social Equity” to the BH-ASO’s Mission, Vision and Values and procured a consultant to help us develop a plan to operationalize this value
- Provided funding for the purchase of pads/tablets to Crisis Providers
- Expanded opiate outreach capacity
- Expanded telehealth network to include Consejo Counseling and Referral Services

Key Challenges and Strategies to address them

Challenges	Solutions
Continued increased in calls to the regional Crisis Line due to COVID and workforce shortages	Provided funding for additional staff and for a new call management system
Crisis Services agencies still not able to access crisis plans or treatment provider information for Medicaid members	We developed an agreement with the MCOs to fund the development of a data sharing platform that crisis agencies can use to access current provider treatment information for Medicaid members
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
Workforce Shortages created severe access to care problems	Initiated discussions with MCOs to identify possible MCO/ASO investments both at regional and state level
Closure of BH-ASO Office due to COVID	Provided equipment, training, and guidelines to enable ASO staff to continue to perform all functions virtually

2022 Strategic Goals [continuation of 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

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B. SUMMARY OF 2022 VERSUS 2021 REVENUES AND EXPENDITURES

	REVENUES	EXPENDITURES
2021 Amended Budget	\$31,338,766	\$31,338,766
2021 Projected	\$28,881,409	\$34,836,644
2022 Budget	\$38,951,174	\$38,951,174

C. REVENUE AND EXPENDITURE APPROVAL PROCESS

- | | |
|--|-------------------------|
| 1. Introduction to the Board of Directors | 10/14/2021 |
| 2. a. Posted on the North Sound BH-ASO Website | 10/14/2021 |
| b. Distribution to the Advisory Board | 10/14/2021 |
| 3. Budget Presentation for the Advisory Board Advisory | 11/02/2021 |
| 4. Budget Presentation for the Board of Directors - Public Hearing | 11/04/2021 |
| 5. Review and recommendation of all stakeholders | 11/02/2021 – 12/07/2021 |
| 6. Review and approval by Advisory Board | 12/07/2021 |
| 7. Recommend budget presented for Board Adoption | 12/09/2021 |

D. OPERATING BUDGET SPECIFICS

Budget Area	2021*	2022	Difference	Percent	Notes
Salaries & Benefits	2,824,060	3,099,320	275,260	9.75%	Health Insurance increase, addition of 1 FTE, increase .5 FTE to 1 FTE.
Other Administrative**	1,237,041	1,253,302	16,261	1.31%	Reductions in office operating expenses and rent. COLA contingency.
Total Operations	4,061,101	4,352,622	291,521	7.18%	
Behavioral Health Services ***	27,277,665	34,598,552	7,320,887	26.84%	Increased Revenue: Block Grant, State Funds, Proviso funds, Medicaid contracts
Total BH-ASO	31,338,766	38,951,174	7,612,408	24.29%	

*Amended Budget **Includes Advisory Board ***Includes Hospital Inpatient

E. CONCLUDING REMARKS

The proposed 2022 North Sound BH-ASO Operating Budget is built on two years of operating experience as a BH-ASO, which has helped us refine our budget assumptions. It also includes a number of new revenues allocated by the 2021 Legislature, including:

- A recovery navigator program
- Long term rental assistance
- An additional one-time allocation of “COVID” Federal Block Grant Funds
- Funding for a youth mobile crisis team

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The move to a new facility in 2021 has helped reduce our overall Administrative Operating costs and we project that planned administrative expenses will be lower than the 15% allowed for in our state contract.

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.

The continuation of our 2021 Strategic Plan will continue to 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 ADMINISTRATIVE SERVICES ORGANIZATION Estimated 2022 Annual Budget 2022 ANNUAL BUDGET			2022 BH-ASO OPERATING BUDGET 15%
SOURCE	DESCRIPTION	Amount	
30800	<i>USE of FUND BALANCE</i>	\$ -	Limit*
<i>GRANT REVENUE</i>			
331000	Direct Federal Grant	\$ 333,333	
331000	Federal Block Grant Mental Health	3,278,880	
331000	Federal Block Grant SABG	5,339,865	
TOTAL GRANT REVENUE		\$ 8,952,078	\$ 895,208
<i>CHARGES FOR SERVICE</i>			
34640	MCO Medicaid Crisis	5,102,632	
34640	State Funds Mental Health & Substance Use Disorder	15,186,567	
34640	State Provisos	9,706,397	
TOTAL CHARGES FOR SERVICE		\$ 29,995,596	\$ 4,499,339
			\$ 5,394,547
<i>MISCELLANEOUS REVENUES</i>			
36110	Investment Interest	3,500	
36990	Miscellaneous	-	
MISCELLANEOUS REVENUES		\$ 3,500	
TOTAL REVENUE		\$ 38,951,174	

*10% of all Revenue is allowed for Administrative costs, 5% for Direct Service Support costs are allowed on all revenue except Grant revenue

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III. 2022 NORTH SOUND BH-ASO OPERATING BUDGET

A. SUMMARY BUDGET

EXPENDITURES	Total
Regular Salaries	\$ 1,965,314
Personnel Benefits	1,134,006
Office, Operating Supplies	79,000
Small Tools	105,500
Professional Services	279,000
Communications	42,000
Travel	5,000
Advertising	450
Operating Rentals & Leases	139,324
Insurance	42,461
Utilities	-
Repairs & Maintenance	34,000
Miscellaneous	35,295
Machinery & Equipment	45,000
Reserve	426,274
Subtotal - North Sound Operations Budget *	\$ 4,332,624
Advisory Board	19,998
Agency, County and Other Services	33,448,552
Inpatient Hospital Costs	1,150,000
Total North Sound ASO Budget	\$ 38,951,174

* Total allowable Administration amount is \$5,632,833 , which includes portion of administrative costs that are allowed to be direct charged to program costs.

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B. OPERATING BUDGET DETAILS

2021 BUDGET	2022 BUDGET	2022 NORTH SOUND OPERATING BUDGET DETAILS
1,844,002	1,965,314	REGULAR SALARIES
0	0	OVERTIME
17,972	0	COLA SALARY CONTINGENCY Amount to be decided by the Board. (If the COLA not approved, this amount becomes zero)
1,861,974	1,965,314	REGULAR SALARIES
		PERSONNEL BENEFITS
385,870	550,675	HEALTH, LIFE, DENTAL, VISION Government Entity Pool WCIF
210,000	210,000	HRA
210,801	185,494	PERS RETIREMENT Based on 2020 rate of 10.25% for Public Employee Retirement Systems.
136,122	150,347	SOCIAL SECURITY The rate remains at 7.65% of FTE salaries.
4,139	24,311	UNEMPLOYMENT COMPENSATION The 2020 rate is 1.88% of FTE salaries, capped at \$56,500 per employee.
11,492	13,180	WORKERS COMPENSATION The 2020 rate is \$.2755 multiplied by the FTE annual hours.
3,662	0	COLA BENEFIT CONTINGENCY Cost of living adjustment to be determined by the Board.
962,086	1,134,006	PERSONNEL BENEFITS
		OFFICE, OPERATING SUPPLIES
40,000	25,000	For office supplies such as software, books, paper, pens, food.
	54,000	Software and licenses.
40,000	79,000	OFFICE, OPERATING SUPPLIES
		SMALL TOOLS & MINOR EQUIPMENT
10,000	10,000	For operating equipment including desks, chairs, file cabinets, computers.
	95,500	For replacement and upgrade of laptops.
10,000	105,500	SMALL TOOLS & MINOR EQUIPMENT

- Operating Budget Details continued next page -

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2021 Budget	2022 Budget	2022 NORTH SOUND OPERATING BUDGET DETAILS
		<i>PROFESSIONAL SERVICES</i>
30,000	15,000	LEGAL SERVICES
2,000	1,000	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.
55,000	55,000	MEDICAL SERVICES Consulting Medical Director DR Lipman and peer review, second opinions, etc.
35,000	45,000	AUDIT SERVICES For annual NSBH-ASO financial audit by WA State Examiner.
2,500	100,000	MISCELLANEOUS CONTRACTS - DEI Consultant
5,000	4,000	TEMPORARY HELP
5,000	4,000	BH-ASO Consulting
18,000	13,000	Access, Shred-It
23,660	-	Budget Amendment
218,160	279,000	PROFESSIONAL SERVICE
		<i>COMMUNICATIONS</i>
5,000	-	POSTAGE
8,380	2,000	TELEPHONE Monthly telephone
13,000	12,000	Internet
16,000	18,000	CELLULAR PHONES
42,380	42,000	COMMUNICATIONS
		<i>TRAVEL & LODGING</i>
10,000	5,000	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.
10,000	5,000	TRAVEL
		<i>ADVERTISING</i>
450	450	Advertising of vacant positions, RFQ's, RFP'S, Board meetings, etc..
450	450	ADVERTISING

- Operating Budget Details continued next page -

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2021 Budget	2022 Budget	2022 NORTH SOUND OPERATING BUDGET DETAILS
		<i>OPERATING RENTALS</i>
		RENTALS For renting rooms, training, short term equipment rentals, etc.
127,836	131,424	SPACE RENTAL OFFICE The 2021 estimated lease
2,500	2,500	POSTAGE METER LEASE
-	5,400	MISCELLANEOUS RENTALS - Storage
24,046	-	Budget Amendment
154,382	139,324	OPERATING RENTALS
		<i>INSURANCE</i>
58,440	42,461	Enduris
58,440	42,461	INSURANCE
		<i>UTILITIES</i>
-	-	Covered in new lease agreement
-	-	UTILITIES
		<i>REPAIR & MAINTENANCE</i>
		For repair of office equipment and maintenance of phone system.
8,500	3,000	Maintenance on two copy machines
13,000	20,000	Maintenance and repairs
48,000	11,000	Janitorial Services
66,483	-	Budget Amendment
135,983	34,000	REPAIR & MAINTENANCE
		<i>MISCELLANEOUS</i>
		PRINTING & BINDING For printing of forms, reports, brochure, letterhead stationery, envelopes, business cards, etc.
2,700	2,700	
		DUES AND SUBSCRIPTIONS For cost of periodical and other professional journals, hosting web page.
7,400	7,400	
-	5,275	Relias
		REGISTRATION AND FEES To provide off-site work-related training
8,000	8,000	
11,920	11,920	WSAC
69,304	-	Budget Amendment
99,324	35,295	MISCELLANEOUS

- Operating Budget Details continued next page -

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2021 Budget	2022 Budget	2022 NORTH SOUND OPERATING BUDGET DETAILS
		<i>MACHINERY & EQUIPMENT</i>
0	45,000	MACHINERY & EQUIPMENT IS/IT To purchase new Computers, software & equipment over \$7,500.
-	45,000	MACHINERY & EQUIPMENT
		<i>ADMINISTRATION RESERVE</i>
447,922	426,274	This is a reserve set aside for possible COVID contingences & COLA.
447,922	279,290	ADMINISTRATION RESERVE
4,041,101	4,332,624	<i>North Sound BH-ASO BUDGET</i>
		Budget Limit Calculation: (see revenue detail for explanation) ASO budget limit \$5,394,547 Plus Admin charged to Programs - \$238,286 Total - \$5,632,833
4,041,101	4,332,624	TOTAL North Sound BH-ASO OPERATING BUDGET
		<i>Advisory Board Expenditures</i>
20,000	19,998	Advisory Board expenses; travel, training, conferences, supplies, etc.
20,000	19,998	Total Advisory Board Expenditures
26,391,289	33,448,552	<i>Behavioral Health Services</i>
30,452,390	37,801,174	Total North Sound BH-ASO Budget without Inpatient Expense
906,376	1,150,000	<i>State Only Inpatient</i>
31,358,766	38,951,174	TOTAL North Sound BH-ASO Budget

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C. SALARY & BENEFITS WORKSHEET

2022 ANNUAL BUDGET

POSITION	Initials	TEAM	ETE	RANGE	STEP	MONTHLY		Months x	ANNUAL	BENEFITS	PERS	Social	Unemployment	Workers	TOTAL	TOTAL								
						SALARY	Amount										SALARY	Health, Life etc.	Retirement	Security	Compensation	Compensation	BENEFITS	SALARY
						No. of Mths	Amount										Amount	Fixed Amount	Salary x .1025	Salary x .0765	\$56,500x .0168	Hours x \$2755	AND BENEFITS	AND BENEFITS
Executive Director	JV	LT	1.00		N/A	12	\$ 12,839.33	\$ 154,071.96	\$ 155,612.68	23,959.20	do not contribute	11,904.37	1,062.20	573.04	37,498.81	193,111.49								
Quality Specialist # 1	VJ	CL	1.00	35	E	12	\$ 6,824.91	\$ 81,898.92	\$ 81,898.92	23,959.20	8,394.64	6,265.27	1,062.20	573.04	40,254.35	122,153.27								
Quality Specialist # 2	AFP	CL	1.00	35	E	12	\$ 6,824.91	\$ 81,898.92	\$ 81,898.92	23,959.20	8,394.64	6,265.27	1,062.20	573.04	40,254.35	122,153.27								
Quality Specialist # 3	TBD	CL	1.00	35	B	12	\$ 5,895.61	\$ 70,747.32	\$ 70,747.32	23,959.20	7,251.60	5,412.17	1,062.20	573.04	38,258.21	109,005.53								
Quality Specialist - Navigator	JD	CL	1.00	36	E	12	\$ 7,370.77	\$ 88,449.24	\$ 88,449.24	23,959.20	9,066.05	6,766.37	1,062.20	573.04	41,426.85	129,876.09								
Quality Specialist # 4 ASO	LC	CL	1.00	35	E	12	\$ 6,824.91	\$ 81,898.92	\$ 81,898.92	23,959.20	8,394.64	6,265.27	1,062.20	573.04	40,254.35	122,153.27								
Quality Specialist - WSH	JB	CL	1.00	35	E	12	\$ 6,824.91	\$ 81,898.92	\$ 81,898.92	23,894.76	8,394.64	6,265.27	1,062.20	573.04	40,189.91	122,088.83								
Quality Manager	MM	CL	1.00	38	D	3	\$ 8,340.34	\$ 25,021.02																
				38	E	9	\$ 8,757.36	\$ 78,816.24	\$ 103,837.26	23,959.20	10,643.32	7,943.55	1,062.20	573.04	44,181.31	148,018.57								
Deputy Director/Contracts Manager	MR	HR/C	1.00	39	E	12	\$ 9,545.45	\$ 114,545.40	\$ 114,545.40	23,959.20	11,740.90	8,762.72	1,062.20	573.04	46,098.07	160,643.47								
HR Specialist	MI	HR/C	1.00	33	E	12	\$ 5,851.21	\$ 70,214.52	\$ 70,214.52	23,959.20	7,196.99	5,371.41	1,062.20	573.04	38,162.84	108,377.36								
Administrative Manager	JVV	Admin	1.00	34	E	12	\$ 6,319.37	\$ 75,832.44	\$ 75,832.44	23,894.76	7,772.83	5,801.18	1,062.20	573.04	39,104.01	114,936.45								
Administrative Assistant III	LH	Admin	1.00	32	E	12	\$ 5,417.85	\$ 65,014.20	\$ 65,014.20	23,894.76	6,663.96	4,973.59	1,062.20	573.04	37,167.54	102,181.74								
Administrative Assistant II	MA	Admin	1.00	31	E	12	\$ 5,016.43	\$ 60,197.16	\$ 60,197.16	23,959.20	6,170.21	4,605.08	1,062.20	573.04	36,369.73	96,566.89								
Administrative Assistant II	DM	Admin	1.00	31	D	7	\$ 4,777.55	\$ 33,442.85																
				31	E	5	\$ 5,016.43	\$ 25,082.15	\$ 58,525.00	23,959.20	5,998.81	4,477.16	1,062.20	573.04	36,070.42	94,595.42								
Administrative Assistant II	open	Admin	1.00	31	A	6	\$ 4,124.58	\$ 24,747.48																
				31	B	6	\$ 4,227.69	\$ 25,366.14	\$ 50,113.62	23,959.20	5,136.65	3,833.69	942.14	573.04	34,444.71	84,558.33								
Project Management/Compliance	CD	PM	1.00	38	E	12	\$ 8,757.36	\$ 105,088.32	\$ 105,088.32	23,894.76	10,771.55	8,039.26	1,062.20	573.04	44,340.81	149,429.13								
Data Support Analyst	DR	PM	1.00	35	E	12	\$ 6,824.91	\$ 81,898.92	\$ 81,898.92	23,959.20	8,394.64	6,265.27	1,062.20	573.04	40,254.35	122,153.27								
IS Administrator /Network Security	DM	IS/IT	1.00	38	D	2	\$ 8,340.34	\$ 16,680.68																
				38	E	10	\$ 8,757.36	\$ 87,573.60	\$ 104,254.28	23,959.20	10,686.06	7,975.45	1,062.20	573.04	44,255.96	148,510.24								
IS Support Technician	PH	IS/IT	1.00	35	E	12	\$ 6,824.91	\$ 81,898.92	\$ 81,898.92	23,894.76	8,394.64	6,265.27	1,062.20	573.04	40,189.91	122,088.83								
Database Administrator	EW	IS/IT	1.00	37	E	12	\$ 8,034.38	\$ 96,412.56	\$ 96,412.56	23,959.20	9,882.29	7,375.56	1,062.20	573.04	42,852.29	139,264.85								
Provider Support IT	JVV	IS/IT	1.00	36	E	12	\$ 7,370.77	\$ 88,449.24	\$ 88,449.24	23,959.20	9,066.05	6,766.37	1,062.20	573.04	41,426.85	129,876.09								
Accounting Specialist	SD	Fiscal	1.00	33	E	12	\$ 5,851.21	\$ 70,214.52	\$ 70,214.52	23,894.76	7,196.99	5,371.41	1,062.20	573.04	38,098.40	108,312.92								
Senior Accountant	DH	Fiscal	1.00	37	E	12	\$ 8,034.38	\$ 96,412.56	\$ 96,412.56	23,959.20	9,882.29	7,375.56	1,062.20	573.04	42,852.29	139,264.85								
HRA Deductables										210,000.00					210,000.00	210,000.00								
									\$ 1,965,313.84	\$ 550,674.96	\$ 185,494.37	\$ 150,346.51	\$ 24,310.54	\$ 13,179.92	\$ 1,134,006.29	\$ 2,889,320.13								
									COLA \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -								
TOTAL			23.00				\$ 1,963,773	\$ 1,965,313.84	\$ 768,674.96	\$ 185,494.37	\$ 150,346.51	\$ 24,310.54	\$ 13,179.92	\$ 1,134,006.29	\$ 3,099,320.13									

IV. ORGANIZATIONAL CHART

