



Agency Recommendation Summary

The Department of Children, Youth, and Families (DCYF) requests \$1,053,000 General Fund-State in the 2024 Supplemental Budget to modernize and standardize rates for a variety of direct services offered to children and youth served in the Child Welfare and Juvenile Rehabilitation programs. DCYF proposes to increase rates for dental hygienists, legal services, physical therapy, personal care (barber/hair stylist), psychiatric services, psychology services, forensic psychological services, counseling, an evidence-based counseling

Program Recommendation Summary

010 - Children and Families Services

The Department of Children, Youth, and Families (DCYF) requests \$729,000 General Fund-State to update rates for psychiatric services, psychology services, forensic psychology services, counseling, and evidence-based counseling. DCYF pays for these services on behalf of child welfare-involved children and youth.

020 - Juvenile Rehabilitation

The Department of Children, Youth, and Families (DCYF) requests \$324,000 General Fund-State to update and standardize rates for the following providers serving youth at Echo Glen and Green Hill School: dental hygienist, legal services, physical therapy, personal care (barber/hairstylist), and psychiatric services.

Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2024	2025	2023-25	2026	2027	2025-27
Staffing						
FTEs	0.0	0.0	0.0	0.0	0.0	0.0
Operating Expenditures						
Fund 001 - 1	\$0	\$729	\$729	\$729	\$729	\$1,458
Fund 001 - 1	\$0	\$324	\$324	\$324	\$324	\$648
Total Expenditures	\$0	\$1,053	\$1,053	\$1,053	\$1,053	\$2,106

Decision Package Description

DCYF is re-examining the methodology behind the rates paid to contracted service providers. Currently, there are over 50 service lines across DCYF's programs. Payment methodologies for these programs vary substantially, with some structured as fee for service, others based on hourly pay points, and still others incorporating a regionalization factor. A lack of transparency and consistent methodology has impaired DCYF's and providers' ability to make a strong case for rate increases, which are needed particularly in a high-inflation environment. DCYF is in the process of standardizing rates within service lines, with the goals of increasing the transparency and consistency of contracted rates. These improvements will lead to better quality and stability of services for Washington's children and families.

This request relates to a variety of services in the Child Welfare and Juvenile Rehabilitation Administrations. The funding requested in this decision package will allow DCYF to standardize rates for dental hygienist (currently different between Echo Glen and Green Hill) and psychiatry and psychology services (currently different among Echo Glen, Green Hill, and Child Welfare). DCYF will also increase rates for legal services, physical therapy, personal care (barber/hairstylist), forensic psychology, counseling, and evidence-based counseling which are below market according to analysis conducted by the Western Washington University Center for Economic and Business Research.

DCYF proposes to increase rates for these services to the 75th percentile of market to attract providers to work with child welfare-involved children and youth and in JR institutions. Above-market pay will allow DCYF to increase capacity for critical services.

Assumptions and Calculations

Expansion, Reduction, Elimination or Alteration of a current program or service:

Historical expenditures based on current or previous rates are included in the detailed backup. In Children and Family Services, DCYF estimates expenditures of approximately \$1.9 million in calendar year 2022 for psychiatry, psychology, forensic psychology, counseling, and evidence-based counseling services. In Juvenile Rehabilitation Administration, DCYF estimates expenditures of at least \$513,000 in state fiscal year 2022, but this is likely an under estimate as there may not be complete or accurate financial information for some of the services at Echo Glen.

Detailed Assumptions and Calculations:

DCYF estimates a total cost of \$1,053,000 per year to increase and standardize rates in both child welfare and juvenile rehabilitation.

Child Welfare

DCYF requests \$729,000 per year to increase and standardize rates for psychiatry, psychology, forensic psychology, counseling, and evidence-based counseling services. These costs are based on the estimated rates at the 75th percentile of market, which are higher than the current rates that DCYF pays for in this space, and times an assumed utilization that is based on calendar year 2018 data. DCYF selected 2018 as the base year for this utilization due to the desire to return to pre-pandemic levels of services for children and youth, and while there are fewer youth and children in care now than in 2018, the intensity of need among children and youth in care has grown over the last five years and is expected to continue to grow. DCYF continues to examine assumptions behind rates models to ensure that proposed rates are reflective of provider costs and that all data are up-to-date.

	CY 22 Spend	Current Hourly Rate	CY 18 Usage adjustment	New Proposed Hourly Rate	Rate Variance	Increase IN Rate	DP ask/Yr
Psychiatrist	\$28,769	\$121	\$36,660	\$266	\$145	119%	\$43,791
Psychologist	\$534,679	\$100	\$1,128,993	\$109	\$9	9%	\$102,605
Forensic Psychologist	\$111,841	\$100	\$236,156	\$143	\$42	42%	\$99,797
Counseling	\$914,637	\$73	\$1,723,694	\$88	\$15	20%	\$348,361
Evidence Based Counseling	\$391,987	\$97	\$738,726	\$114	\$18	18%	\$133,892
Total Child Welfare DP Request per FY							\$728,446

- For psychiatry services, the proposed rate of \$266 is 119 percent higher than the current rate of \$121. $119\% \times \$36,660$ spent on psychiatry services in CY 2018 equals \$43,791.
- For psychology services, the proposed rate of \$109 is 9% higher than the current rate of \$100. $9\% \times \$1,128,993$ spent on psychology services in CY 2018 equals \$102,605.
- For forensic psychology, the proposed rate of \$143 is 42% higher than the current rate of \$100. $42\% \times \$236,156$ spent in CY 2018 on forensic psychology is \$99,797.
- For Counseling, the proposed rate of \$88 is 20% higher than the current rate of \$73. $20\% \times \$1,723,694$ spent on counseling in CY 2018 is \$348,361.
- For Evidence-based Counseling, the proposed rate of \$114 is 18% higher than the current rate of \$97. It is assumed that 30% of counseling services were spent on evidence-based counseling services in CY 2018. $18\% \times$ an estimated \$738,726 spent on evidence-based counseling in CY 2018 is \$133,892.

Juvenile Rehabilitation

DCYF requests \$324,000 to increase and standardize rates for dental hygienist, legal services, physical therapy, personal care (barber/hair stylist), and psychiatry services at Echo Glen and Green Hill institutions. DCYF used financial data for SFY 2019 and SFY 2022, along with assumed prior rates, to estimate hours of services utilized at the two institutions for each of the two fiscal years (SFY19 was chosen as it is a pre-pandemic year and SFY22 was chosen as the most recent fiscal year). DCYF adjusted the hours based on average daily population (ADP) for each of the facilities and each of the years to come up with an assumption regarding hours per person for each service. This was then multiplied by the forecasted ADP for FY 25 (129 for Echo Glen and 184 for Green Hill School based on the February 2023 forecast) to come up with estimated utilization for the service, which was then multiplied by the rate variance between the current rate and the proposed new rate to produce an estimated total cost for each service. As with Child Welfare, rates were estimated at the 75th percentile of market for each service. DCYF continues to examine assumptions behind rates models to ensure that proposed rates are reflective of provider costs and that all data are up-to-date.

		ADP, FY 25		129	184			
Category	Rate Variance		Hours Per Person (based on historical)	Estimated Hours Spent (FY25)		Estimated Cost to Increase Rates		
	Echo Glen	Green Hill		Echo Glen	Green Hill	Echo Glen	Green Hill	Total
Dental Hygienist	\$19	\$44	1	120	172	\$2,327	\$7,609	\$9,936
Legal Services	\$40	\$40	2	287	409	\$11,602	\$16,549	\$28,151
Physical Therapy	\$31	\$31	4	458	653	\$14,184	\$20,231	\$34,415
Personal Care (Barber)	\$50	\$50	9	1,209	1,724	\$59,889	\$85,423	\$145,311
Psychiatric Services (MD)	\$60	\$36	7	959	1,369	\$57,714	\$49,475	\$107,189
Total JR DP Request per FY								\$325,003

- For dental hygienist services, service is estimated at roughly 1 hour per person. The cost is estimated at 120 hours at Echo Glen x the rate variance of \$19 and 172 hours at Green Hill x the rate variance of \$44 for a total cost of \$9,936
- For legal services, service is estimated at roughly 2 hours per person. Cost is estimated at 287 hours at Echo Glen and 409 hours at Green Hill x the rate variance of \$40 for a total cost of \$28,151.
- For Physical Therapy, service is estimated at 4 hours per person. Cost is estimated at 458 hours at Echo Glen and 653 hours at Green Hill x the rate variance of \$31 for an estimated total cost of \$34,415.
- For personal care, service is estimated at 9 hours per person. Cost is estimated at 1,209 hours at Echo Glen and 1,724 hours at Green Hill x the rate variance of \$50 for an estimated total cost of \$145,311.
- For psychiatric services, service is estimated at 7 hours per person. Cost is estimated at 959 hours at Echo Glen x the rate variance of \$60 and 1,369 hours for Green Hill x the rate variance of \$36 for a total cost of \$107,189.

Workforce Assumptions:

No FTE are requested.

Strategic and Performance Outcomes

Strategic Framework:

This proposal relates to three DCYF Strategic Priorities:

- DCYF has a strategic goal to standardize rates paid to providers across service lines with a commitment to public, transparent and data-driven methods to fully compensate providers for the cost of service.
- DCYF has a strategic goal of creating successful transitions into adulthood for youth and young adults in our care. Standardizing and increasing rates for providers in juvenile rehabilitation will allow DCYF to improve outcomes for those in JR institutions.
- DCYF’s strategic plan calls for reducing the number of children in out-of-home care by half. Adequately compensating mental health providers who serve children and youth in foster care will reduce the length of time in out-of-home placements and improve outcomes for families.

Performance Outcomes:

This request addresses inefficiencies and lack of parity among rates paid to contracted service providers.

Equity Impacts

Community outreach and engagement:

Not applicable

Disproportional Impact Considerations:

Black and Indigenous children are over represented in the child welfare system in Washington.

Target Populations or Communities:

Children and youth in foster care and juvenile rehabilitation are disproportionately impacted by mental health needs and behavioral disabilities.

Other Collateral Connections

Puget Sound Recovery:

Not applicable

State Workforce Impacts:

Not applicable

Intergovernmental:

Not applicable

Stakeholder Response:

Not applicable

State Facilities Impacts:

Not applicable

Changes from Current Law:

Not applicable

Legal or Administrative Mandates:

Not applicable

HEAL Act Agencies Supplemental Questions

Not applicable

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?

No

Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2024	2025	2023-25	2026	2027	2025-27
Obj. N	\$0	\$729	\$729	\$729	\$729	\$1,458
Obj. N	\$0	\$324	\$324	\$324	\$324	\$648

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