

# 2024 HCA Budget and Legislation Proposals

The Health Care Authority (HCA) serves as the state's Single State Agency for the administration of Medicaid and is the largest purchaser of health coverage in Washington. HCA is committed to whole-person care, integrating physical and behavioral health services for better results and healthier communities. We purchase health care for more than 2.7 million people through Apple Health (Medicaid), the Public Employees Benefits Board (PEBB), and the School Employees Benefits Board (SEBB) programs.

HCA leads state efforts to transform health care, including mental health and substance use disorders. HCA focuses on expanding access, investing in the workforce, controlling costs, prevention efforts, and using HCA's purchasing power to enhance value and quality for those we serve.

Our 2024 Request Legislation and Decision Packages build on the significant investments the state has made in its health care delivery system over the past decade and will keep the state well-positioned to drive better health outcomes and control costs. This summary reflects the agency's highest priority requests but is not a comprehensive list of items the agency will request for the Governor's budget.

*\*All funding amounts included in this brief are for the FY 23-25 biennia.*

## AGENCY REQUEST LEGISLATION

### Reducing barriers to care coordination

We propose changing disclosure provisions for counselors, therapists, and social workers to align with health care information access and disclosure provisions applicable to other health professions. Currently, registered nurses and medical doctors can share and receive information within behavioral health (BH) agencies and clinics without explicit patient consent. This bill would reduce barriers for hospital social workers to discuss patient information with BH agencies and BH counselors, therapists, and case managers, increasing the quality and timeliness of care coordination.

### Crisis worker liability protection

Liability protections have been enacted for many personnel providing various emergency response services.

This bill would strengthen and clarify the protections for mobile rapid response and community-based crisis teams and add

liability protections for crisis relief centers, 23-hour facilities, and crisis stabilization units.

### PEBB subsidy alignment

Washington State currently funds a premium subsidy for specific state and school employee retiree health plans.

This bill clarifies that the subsidy could apply to Medicare retiree plans' medical and prescription drug premiums.

## BUDGET REQUESTS

### Ensuring and expanding access

#### Public Health Emergency unwind.

As HCA has continued to support unwinding the temporary eligibility policies implemented as part of the COVID-19 Public Health Emergency (PHE), additional administrative and program costs are needed to ensure continued federal compliance. Due to recent updates to CMS guidance, FTE and cost modelling are expected to be finalized in time for the release of the Governor's proposed budget.

### Apple Health expansion administrative service costs

HCA was directed to implement Apple Health expansion (a Medicaid lookalike program for uninsured people regardless of immigration status) to begin July 1, 2024. As part of implementation, additional funding is needed for actuarial support, agency administrative and project management support, and the development and maintenance of an eligibility waitlist. Cost modelling projections are included in HCA's decision package but may be updated as program requirements are refined.

### PEBB/SEBB staff resources

HCA seeks \$606,000 (418-1 State HCA Adm) for four Medicare and retiree customer support positions to help PEBB and SEBB enrollees as they move into retirement and transition coverage.

### Health care affordability

HCA seeks \$3,316,000 (\$1,314,000 GF-S) to develop a statewide analysis of Washington residents' consumer affordability, underinsurance, and medical debt, increasing the data and analytics support for the Health Care Cost Transparency Board.

## Behavioral Health investments

### Intensive behavioral health treatment facility (IBHTF) operations

HCA seeks \$3.88 million in GF-S for FY25 and \$32.9 million (\$10 million GF-S) in FY26 in startup and ongoing contracting funding for IBHTF operations for new facilities anticipated to open during the 2023-25 biennium. This will allow HCA to provide start-up funding to new IBHTFs at a level sufficient to adequately support the rapidly expanding facility type as they start up service.

### LTCC complex needs and 90/180-day bed rates

HCA seeks \$13,714,000 (GF-S) in FY24 and \$17,295,000 (GF-S) in FY25 to increase rates paid to free-standing psychiatric hospitals and evaluation and treatment centers serving

clients on long-term civil commitments (LTCC). HCA also seeks funding to offer an enhanced rate for facilities serving difficult-to-place LTCC clients. This rate increase is necessary to expand the availability of LTCC beds.

### Continuing and expanding the MOUD in Jails program

HCA seeks \$7,361,000 total (\$7,280,000 GF-S) to sustain the 19 jails currently participating in the Medication for the treatment of Opioid Use Disorder (MOUD) program and to expand to more county, city, and tribal jails statewide.

### Program of Assertive Community Treatment (PACT) stabilization

HCA seeks funding to enhance rates, gain parity with other equivalent services, and maintain the technical assistance to support evidence-based programming. Financial modelling is expected to be finalized in time for the release of the Governor's proposed budget.

### Peer Bridgers expansion

HCA seeks \$4,910,000 (GF-S) to increase the number of Peer Bridgers in regions with large hospital censuses. Peer Bridgers will provide early engagement to patients and assist in successful hospital discharges.

### Behavioral health data collection and management

HCA seeks \$1,190,000 (\$119,000 GF-S) for contract support, web services, and software licenses, and \$2,385,000 (\$238,000 GF-S) for staff support, to improve HCA's ability to report on behavioral health program utilization through enhancements to data collection and management. This includes HCA technical assistance for behavioral health providers to help mature their data collection and submission practices.

# Medicaid Transformation Project (MTP) Renewal

## Medicaid Transformation Project (MTP) 2.0

HCA seeks updated spending authorization to reflect program and administrative expenses and expanded coverage related to CMS's recent approval of Washington's five-year renewal of the Medicaid Transformation Project (Section 1115 waiver).

Federal financial support through MTP will include implementing the Community Information Exchange (CIE) Program to enhance community-based care coordination across the state.

### Expanding coverage to CHIP kids

HCA is seeking \$3,294,000 total (\$1,153,000 GF-S) to cover Children's Health Insurance Program (CHIP) kids aged 0-6 under continuous eligibility, expanding from the 12 months of constant eligibility that all kids are currently receiving to five years.

### Implementing reentry services

As a component of MTP 2.0, HCA seeks \$124,000 GF-S (\$121,844,000 total) for pre-release and reentry services and authorization to use intergovernmental transfers to fund capacity grants funding the infrastructure that prepares communities and facilities (prisons, jails, and juvenile rehabilitation centers) to implement pre-release and reentry services.

Funding is intended to improve physical and behavioral health outcomes following re-entry of Apple Health enrollees, reduce emergency department visits and hospitalizations, initiate continuity of care and medication adherence, reduce overdose rates and deaths, and reduce relapse or recidivism (re-offense) for incarcerated people.

## Investing in clinical quality

### Prior authorization modernization planning

E2SHB 1357 (2023) directed HCA to implement updated prior authorization standards across

the Medicaid Managed Care and PEBB and SEBB programs. To maintain equity in the delivery of services to all Medicaid clients, HCA seeks \$415,000 (\$41,000 GF-S) to begin planning to align electronic prior authorization standards for our fee-for-service (FFS) program. This planning will also support readiness around expected CMS changes to federal prior authorization rules.

### Clinical contract cost increases

HCA seeks \$404,000 total (\$129,000 GF-S) to raise the program capacity of the Perinatal Psychiatry Consultation Line (PPCL), ensure timely billing, collection, and remit assessments by the KidsVax Partnership Access Line (PAL) Carrier Assessment, offset contractor-negotiated price increases for the essential services and products in pharmacy-related contracts, and compensate for the increased workload of orthodontic services prior authorization.

### Electronic health records

The 2023 Legislature appropriated \$20 million in FY24 to HCA, DSHS, and DOC to develop a plan to configure, govern, and operate a statewide electronic health records (EHR) solution. WATECH is requesting supplemental funding for the partner agencies to continue with implementation.

Once deployed, the EHR solution will coordinate with agencies, providers, and tribes to treat patients more effectively, furthering the integration and care transformation of physical, behavioral, and social services.

## Advancing equity

### Employee resources agency-wide support patch

HCA seeks \$903,000 per fiscal year (\$359,000 GF-S) for additional capacity that the Human Resources and Audit divisions need to manage trainings, audits, and investigations to help the agency manage recent employment growth and avoid increased risks of not complying with state and federal requirements.

## Health equity resources

HCA seeks \$1,378,000 (\$689,000 GF-S) to increase staff and funding resources needed to improve and accelerate diversity, equity, inclusion, and belonging initiatives across our programs.

## Tribal administration

HCA requests \$1,910,000 (\$1,268,000 GF-S) for Urban Indian Health Administrative Claiming and to increase staffing to support tribal services. This ensures the Urban Indian Health State-Fund Only Administrative Claiming Program would mirror the process that federally recognized tribes use and reimburse tribes for costs, increasing enrollment of AI/AN in the Medicaid program and assisting children in accessing appropriate medical services.

## Enhancing maternal services

### Fee-for-service reimbursement for the initial OB visit

HCA seeks \$3.85 million (\$1.82 million GF-S) FY25 and \$7.53 million ongoing to, beginning January 2025, pull the initial obstetric (OB) visit out of the OB bundled codes, pay for it with FFS methodology and increase rates for the initial visit to address issues with significantly delayed identification of pregnant people on Apple Health. The increase in reimbursement will also help incentivize care coordination, screening for additional wraparound supports, and the seamless transition to after-pregnancy care, driving improved health outcomes.

### Supporting doulas

HCA is not submitting a decision package but is working with the Governor's office and the Office of Financial Management on the financial modelling of a doula benefit in the Apple Health program. This benefit would support reimbursement for doula services across Apple Health, increasing access to doulas and enhancing pregnant persons' physical, emotional, and informational support during the antepartum, labor and delivery, and postpartum periods.

## Rates, benefits, and operations

### Eyeglasses for adults

HCA seeks \$1,178,000 (GF-S) to expand the Apple Health vision hardware benefit to adults aged 21 and older. Adults can receive eye exams but have no coverage for glasses or contacts if diagnosed with a refractive error. This would align the adult benefit with the existing vision hardware benefit for children.

### Uniform Medical Plan (UMP) benefit changes

HCA seeks \$1,504,500 total (\$1,285,000 PEBB and \$219,500 SEBB) to align UMP benefits across PEBB and SEBB and with fully insured plan offerings, including offering virtual diabetes management to PEBB UMP members, covering a no-cost breast exam benefit for PEBB and SEBB UMP members in line with fully insured offerings; and to increase the PEBB UMP vision hardware benefit from \$150 to \$200 every two years.

### Durable medical equipment (DME) rate increase

HCA seeks \$6,918,000 (\$3,179,000 (GF-S) to increase Medicaid rates for durable medical equipment (DME) to ensure rates are adequate to meet DME provider expenses for medical equipment and supplies and to align with a 2022 rate increase for DME providers in Medicare.

### Program integrity

HCA seeks \$35,950,000 in FY24 and \$70,950,000 in FY25 (GF-S) to restore projected program integrity savings that the agency cannot realize, as the savings are already accounted for in various other budget steps. Not restoring these savings jeopardizes the agency's ability to deliver benefits, update rates annually, and administer grants or other funding programs.

## Connect with us

To learn more about HCA's requests for funding or any of the programs described here, please get in touch with [Evan Klein](mailto:evan.klein@hca.wa.gov), [evan.klein@hca.wa.gov](mailto:evan.klein@hca.wa.gov) or [Shawn O'Neill](mailto:shawn.oneill@hca.wa.gov), [shawn.oneill@hca.wa.gov](mailto:shawn.oneill@hca.wa.gov).

# HCA Agency Request Legislation

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**Summaries and fiscal impact statements**

# Clinician Disclosure of Information

- Currently in Washington, certain behavioral health providers are restricted from efficiently sharing information with other providers to a greater degree than most medical providers.
- Clarifies that master's level clinicians must comply with the same disclosure requirements as other healthcare professionals, in alignment with health care information access and disclosure requirements in chapter 70.02 RCW and the federal HIPAA privacy law.

## Summary

- HCA is committed to reducing barriers to care coordination, while ensuring the protection and privacy of patient health care data.
- Chapter [18.225 RCW](#) applies to mental health counselors, marriage and family therapists, and social workers.
- [RCW 18.225.105](#) provides a specific list of when patient information can be disclosed without written consent of the patient.
- This provision restricts efficient coordination of care by preventing these providers from sharing patient information with other treating providers in a manner that is more restrictive than the omnibus privacy and disclosure requirements in chapter [70.02 RCW](#).
- Counseling professionals cannot disclose to hospitals, nor can their social work/counseling staff disclose to providers without written consent from the patient.
  - For example, currently a medical team can reach out to the patient's Primary Care Provider (PCP), but a therapist or case manager cannot.
- Hospital social workers can't disclose to Behavioral Health (BH) agencies, and BH counselors, therapists, and case managers can't share patient information with hospitals without patient consent.
- In contrast, Registered Nurses (RNs) or Medical Doctors (MDs) can share and receive the same info and share it with others in the agency without explicit patient consent.
- Multiple layers of disclosure rules under the Health Insurance Portability and Accountability Act (HIPAA), federal rules such as [45 CFR 164.506\(c\)\(2\)](#), and other RCW statutes such as [RCW 70.02](#) protect patients' information while permitting information sharing between providers.

## Fiscal Impact

- None

# Clinician Disclosure of Information

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## Equity

- Healthcare providers, such as MDs and RNs already operate under this standard, and this clean-up would align disclosure rules for all.
- Barriers to care coordination, such as requiring consent every single time, will hinder effective and efficient provision of care.

# Crisis Worker Liability Protection

- **Liability protections have been enacted for many types of personnel providing a variety of emergency response services.**
- **This bill would strengthen and clarify the protections for mobile rapid response and community-based crisis teams.**
- **This bill would add liability protections for contracted behavioral health agencies, crisis relief centers, 23-hour facilities, and crisis stabilization units.**

## Summary

- [E2SHB 1477 \(2021\)](#) implemented the 988 Crisis Line, and [E2SHB 1134 \(2023\)](#) continued this work with updates to mobile rapid response and community-based crisis teams.
- [2SSB 5120 \(2023\)](#) established 23-hour crisis receiving centers, that have a limited refusal “no wrong door” approach.
- Neither E2SHB 1134 nor 2SSB 5120 provided any liability protections for 23-hour facilities and could result in these facilities turning away more people than intended.
- Mobile crisis workers need protections that support them in providing rapid crisis assessment and intervention, without fear of lawsuits hindering their willingness to perform their duties.
- This proposal, amends [RCW 71.24](#), extending liability protections to agencies and personnel providing behavioral health crisis intervention, stabilization and transportation services:
  - Any staff of an endorsed or nonendorsed mobile rapid response crisis team or community-based crisis team, including teams operated by tribes, or staff of a crisis stabilization unit or a 23-hour crisis relief center, including facilities operated by tribes; or
  - Any officer of a public or private agency, the superintendent, any professional person in charge or their professional designee, or any attending staff of any such agency; or
  - Any federal, state, county, city, other local governmental unit, or contracted behavioral health agency, or employees of such units or agencies.
- Gross negligence and willful and wanton misconduct are not protected.
- Similar liability protections exist for fire services ([RCW 4.24.780](#)), paramedics ([RCW 18.71.210](#)), treatment facilities ([RCW 71.05.120](#)), and others ([RCW 71.34.410](#)).



# Crisis Worker Liability Protection

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## **Fiscal Impact**

- Less than \$100,000

## **Equity**

- The work of 988 is to shift behavioral health crisis calls from 911 to the behavioral health crisis system. This is to improve equity in response and reduce the number of negative outcomes from having the wrong response to crisis.
- For the crisis system to take on this work effectively, they need to be protected when exercising their job with due diligence.

# Aligning PEBB Subsidies

- Currently, Washington state funds a premium subsidy for state and school retirees enrolled in certain Medicare health plans offered by the Public Employees Benefits Board (PEBB) Program.
- This bill clarifies that the subsidy could apply to both the medical and prescription drug premiums for Medicare retiree plans.

## Summary

- [RCW 41.05.085](#), requires Legislature to establish a “prescription drug subsidy” to reduce the health care insurance premiums charged to Medicare-eligible retired and disabled employees and school employees; and may establish a health care subsidy to reduce insurance premiums to individuals who select a Medicare supplement plan.
- The biennial operating budget appropriates funding setting the level of subsidy per member per month (pmpm). The budget currently subsidizes up to \$183 pmpm.
- If HCA chooses to offer a medical only Medicare plan (with no prescription drug coverage), or if HCA chooses to offer a medical only Medicare plan in combination with a separate Part D prescription drug plan, neither of which would qualify as a Medicare supplement plan, it is unclear whether the existing subsidy could be applied to the medical only plans.
- This bill would allow the “subsidy” in subsection (1) to be applied to both medical and prescription drug (pharmacy) premiums. Subsection (2) authorizes the Public Employees’ Benefits Board to apply the subsidy with a composite approach in its application to member premiums.
- [RCW 41.05.085](#) current reference to the provision of a *prescription drug* subsidy may limit the agency’s ability to procure/offer competitively structured and priced Medicare plans that may not include prescription drug coverage, despite PEBB members’ concern regarding benefit premium and out of pocket cost.

## Fiscal Impact

No direct fiscal impact because of this language change – changes to the pmpm subsidy or overall appropriation would require authorization in the budget and are not being sought as part of this legislation