



GOVERNOR INSLEE'S

PROPOSED BUDGET

WASHINGTON STATE HEALTH CARE AUTHORITY

Governor Jay Inslee recently released a proposed update to Washington's operating budget for the current fiscal year 2024 and the upcoming fiscal year 2025. This document contains highlights of his proposals impacting the Washington State Health Care Authority (HCA).

Functioning as the state's largest health care purchaser, the Medicaid authority, and its behavioral health authority, HCA is a leader in ensuring Washington residents have the opportunity to be healthy. There are three pillars of our work: Apple Health (Medicaid); health benefits for public and school employees; and behavioral health and recovery. Under these pillars, HCA purchases and coordinates health care services, including behavioral health treatment, for more than 2.7 million Washington residents and provides behavioral health prevention, crisis, and recovery supports to all Washington residents.

Hospitals

Hospital payments and ambulance quality assurance fee program

Adds \$3.7 million (\$396,000 state)

Funds cost updates related to hospital upper payment limits, certified public expenditure hold harmless payments, and ambulance transport quality assurance payments.

Medicaid transformation waiver

Medicaid Transformation Project (MTP) 2.0 and other waiver-related changes

Reduces \$121.8 million (Adds \$616,000 state); adds 5.4 FTE

Adjusts funding for MTP 2.0, Long-term Services and Supports, re-entry services, Medicaid Quality Improvement Program, and Foundational Community Supports administration capacity to match federally approved revenue. Supports the implementation of a community information exchange (CIE) and continuous eligibility for Title 21 enrolled children, aged zero to six years of age.

Administrative support

Public health emergency unwind

Adds \$12.9 million (\$6.4 million state); adds 43 FTE

Supports HCA's administrative costs to "unwind" the growth of Apple Health (Medicaid) enrollment during the pandemic.

Employee and retiree benefits staff resources

Adds \$590,000; adds 2 FTE

Enhances the administration of the Public Employees Benefits Board (PEBB) and School Employees Benefits Board (SEBB) programs to increase responsiveness to retirees, improve customer and stakeholder satisfaction, and maintain critical program expertise.

Health Care Cost Transparency Board

Adds \$1.4 million (\$538,000 state)

Increases HCA staffing support for the Board in expectation of increased analytics to inform state decision makers regarding state health care costs.

Fee-for-service prior authorization planning

Adds \$1.3 million (\$427,000 state); adds 3.0 FTE

Allows HCA to plan new technology solutions to support the modernization of the fee-for-service prior authorization process for Apple Health.

Tribal administration

Add \$932,000 (\$628,000 state)

Provides staffing to assist Urban Indian Health Service providers to remove barriers in the Apple Health delivery system.

Other administration

Adds \$967,000 (\$258,000 state); adds 1.5 FTE

Provides funding to cover increases in clinical contract costs and to update ProviderOne to support the WA Cares program.

Behavioral health

Behavioral health data collection and management

Adds \$2.6 million (\$2.3 million state); adds 5.2 FTE

Improves behavioral health data collection, validation, and reporting abilities.

Children and Youth Behavioral Health Workgroup (CYBHWG)

Adds \$2.4 million (\$2.4 million state)

Supports the CYBHWG to update the statewide strategic plan and cover increased contracting costs.

Crisis response

Adds \$10.2 million (\$6.5 million state)

Covers operating costs at crisis stabilization facilities opening in fiscal year 2027. Funding also supports youth stabilization teams, including rural crisis stabilization and withdrawal management facilities.

Long-term civil commitment

Adds \$29.9 million (\$17.1 million state); adds 3.5 FTE

Establishes civil beds at Olympic Heritage Behavioral Health (OHBH) starting in fiscal year 2027; supports a study to minimize the use of state funding to operate OHBH; enhances two reimbursement rates paid to involuntary civil commitment bed providers; and transitions temporary behavioral health positions from various projects into permanent roles.

Opioid crisis response

Adds \$17.8 million (\$10.8 million state); adds 0.7 FTE

Supports the expansion of medication for opioid use disorder (MOUD) programs in city, county and tribal jails until federal funds are available; funds a summit to bring tribal and state leader to address the impact of the opioid crisis; supports a campaign to educate tribal communities about opioid misuse prevention and treatment; allows the launch of two health engagement hubs; pilots the use of Smart Health machines with various organizations; increases access to Sublocade; and supports a new Opioid Recovery and Care Access Center.

Youth and young adults

Adds \$16.6 million (\$11.4 million state)

Supports a community residential program designed for young adults exiting an inpatient behavioral health facility with risk of unaccompanied homelessness; pilots a behavioral health program for school-aged children; offsets provider administrative costs and covers prescription costs for non-Medicaid New Journeys participants; expands Community Prevention and Wellness Initiative (CPWI) programs; and supports the use of the Icelandic Prevention Model to address substance use in tribal communities.

Trueblood diversion programs

Adds \$8 million (\$8 million state)

Continues Trueblood diversion programs to provide assessments, mental health services, substance use disorder treatment, case management, employment assistance, and social services.

Certified community behavioral health clinic grants

Adds \$5 million (\$5 million state)

Allows certified community behavioral health clinics (CCBHC) to continue operations when sufficient federal funding is no longer available and while HCA pursues a state demonstration waiver.

Other proposals

Adds \$21.1 million (\$13.4 million state)

Continues actuarial work to develop behavioral health comparison rates related to regional and service level variations; supports two pilot programs of health care professionals to address the acute and chronic physical and

behavioral health needs of people experiencing homelessness; increases the number and payment rates of peer bridgers; covers the startup costs of intensive behavioral health treatment facilities (IBHTF); and moves the pharmacy dispensing fee to a tiered structure.

New Apple Health (Medicaid) benefits & payment rate increases

Doula reimbursement

Adds \$823,000 (\$332,000 state)

Compensates birth doulas for services provided to Apple Health clients.

Adult family homes tiered rates

Adds \$51.4 million (\$12.1 million state)

Allows the implementation of the tiered rate structure included in the collective bargaining agreement with adult family homes for personal care services.

Ambulance transport and non-emergency medical transportation (NEMT)

Adds \$8.4 million (\$3.3 million state)

Increases rates paid to non-emergency transportation brokers and compensates non-emergency ambulance transportation over 25 miles, each direction, for the return trip.

Program of Assertive Community Treatment (PACT)

**Adds \$16.4 million (\$7 million state);
adds 0.7 FTE**

Adds two PACT teams, increases PACT payment rates, and provides startup funding to help fully staff PACT teams.

Behavioral health personal care

**Adds \$31.9 million (\$16.3 million state);
adds 2 FTE**

Allows for the inclusion of assisted living facilities in the tiered rate structure in the collective bargaining agreement with adult family homes for personal care services.

PEBB and SEBB benefit changes

While not explicitly funded in HCA's budget, agencies will pay HCA to cover their employees' costs to add health care benefit enhancements such as virtual diabetes management (PEBB), diagnostic and supplemental breast screenings (PEBB and SEBB), and vision hardware (PEBB).

Savings restoration

Adds \$344.8 million (\$106.9 million state)

Reverses the additional program integrity savings reduction that is assumed in the current budget. All achievable savings are already presumed in managed care rates.

Health Benefit Exchange

Adds \$7.6 million (\$2.1 million state)

Supports increased costs resulting from Medicaid redeterminations and an increase in year-round utilization of the customer support center; implements the Apple Health expansion medical assistance program; pays for increased costs associated with Automated Client Eligibility System; and supports the increased costs of essential software.

Integrated eligibility and enrollment (IE&E)

Funding was provided in the DSHS budget to continue work toward stabilization of legacy systems and advancing the IE&E project.

Electronic health records

An additional \$13 million was funded in the WATECH budget to continue work toward procurement of a statewide electronic health records system for use by HCA, Department of Corrections, DSHS, and other providers.