

Multiple Agency Fiscal Note Summary

Bill Number: 5056 SB	Title: Behav. health/crim. justice
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Estimated Cash Receipts

Agency Name	2019-21		2021-23		2023-25	
	GF- State	Total	GF- State	Total	GF- State	Total
Washington State Health Care Authority	0	150,000	0	106,000	0	106,000
Total \$	0	150,000	0	106,000	0	106,000

Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other						
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Washington State Health Care Authority	.8	165,000	315,000	1.0	116,000	222,000	1.0	116,000	222,000
Department of Social and Health Services	.0	0	0	.0	0	0	.0	0	0
Total \$	0.8	165,000	315,000	1.0	116,000	222,000	1.0	116,000	222,000

Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Washington State Health Care Authority	.0	0	0	.0	0	0	.0	0	0
Department of Social and Health Services	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

NONE

Prepared by: Devon Nichols, OFM	Phone: (360) 902-0582	Date Published: Final 2/25/2019
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Individual State Agency Fiscal Note

Bill Number: 5056 SB	Title: Behav. health/crim. justice	Agency: 107-Washington State Health Care Authority
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2020	FY 2021	2019-21	2021-23	2023-25
General Fund-Federal 001-2	83,000	67,000	150,000	106,000	106,000
Total \$	83,000	67,000	150,000	106,000	106,000

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.5	1.0	0.8	1.0	1.0
Account					
General Fund-State 001-1	91,000	74,000	165,000	116,000	116,000
General Fund-Federal 001-2	83,000	67,000	150,000	106,000	106,000
Total \$	174,000	141,000	315,000	222,000	222,000

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

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If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

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If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact: Kevin Black	Phone: (360) 786-7747	Date: 01/14/2019
Agency Preparation: Hanh OBrien	Phone: 360-725-1447	Date: 02/01/2019
Agency Approval: Carl Yanagida	Phone: 360-725-1033	Date: 02/01/2019
OFM Review: Devon Nichols	Phone: (360) 902-0582	Date: 02/25/2019

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

See attached narrative.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

See attached narrative.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

See attached narrative.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	91,000	74,000	165,000	116,000	116,000
001-2	General Fund	Federal	83,000	67,000	150,000	106,000	106,000
Total \$			174,000	141,000	315,000	222,000	222,000

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.5	1.0	0.8	1.0	1.0
A-Salaries and Wages	35,000	71,000	106,000	142,000	142,000
B-Employee Benefits	13,000	27,000	40,000	54,000	54,000
C-Professional Service Contracts	80,000		80,000		
E-Goods and Other Services	36,000	42,000	78,000	24,000	24,000
G-Travel	1,000	1,000	2,000	2,000	2,000
J-Capital Outlays	9,000		9,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	174,000	141,000	315,000	222,000	222,000

III. C - Operating FTE Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2020	FY 2021	2019-21	2021-23	2023-25
Management Analyst 4	70,620	0.5	1.0	0.8	1.0	1.0
Total FTEs		0.5	1.0	0.8	1.0	1.0

Part IV: Capital Budget Impact

NONE

None

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

None

HCA Fiscal Note

Bill Number: 5056 SB

HCA Request #: 19-03

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

This bill directs HCA to provide incentives to its service contractors to reduce the involvement of individuals with behavioral health disorders within the criminal justice system.

Bill details

Section 2 amends RCW 70.320.020 to require the Performance Measures Coordinating Committee (PMCC) to integrate measures into the Statewide Common Measure Set that track effective integration of behavioral health in primary care settings; track rates of criminal justice system involvement among public health system clients with an identified behavioral health need including, but not limited to, rates of arrest and incarceration; and setting improvement targets. The PMCC must also report to the Governor and Legislature by December 1, 2019 regarding implementation.

Section 3 amends RCW 70.320.030 to require:

- The Health Care Authority (HCA) to amend its managed health care contracts to reflect these measures and targets and require implementation of performance improvement projects by July 1, 2020.
- The HCA must also integrate value-based purchasing terms relating to the criminal justice outcomes, to incentivize improved performance by January 1, 2021.

II. B - Cash Receipts Impact

HCA assumes that the some of the fiscal impacts associated with this bill would be eligible for Federal Financial Participation (FFP). HCA estimates an average FFP of 47.6 percent.

Cash Receipts			FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
001	GF-Federal Medicaid Title XIX	C	83,000	67,000	53,000	53,000	53,000	53,000
Total			83,000	67,000	53,000	53,000	53,000	53,000
Biennial total				150,000		106,000		106,000

II. C - Expenditures

This proposed legislation would have fiscal impact based on current HCA practices.

Section 2 directs the PMCC to add performance measures into the Statewide Common Measure Set and provide a progress report to the governor and legislature by December 1, 2019. While there is an existing committee and process to review existing measures that have been externally developed and validated, there is no process to develop new measures. The capacity to create measures does not currently exist within the PMCC or HCA, and requires a highly specialized set of skills. The process the PMCC uses to review, approve, and implement new measures into the Statewide Common Measure Set typically requires a 9-12 month-long process. HCA assumes it will form a contract with Washington Health Alliance to convene the PMCC and would begin on or about July 1, 2019. If the PMCC determines there is not an adequate measure and requests Department of Social Health and Services - Research and Data Analysis develop a new measure, that process would begin at the conclusion of the PMCC approval process. The development process takes approximately one year and would commence on or about January 1, 2020.

Section 3 requires amendments to existing managed care organizations (MCOs) contracts by July 1, 2020. There is an existing process in place for amending existing contracts, but the proposed

HCA Fiscal Note

Bill Number: 5056 SB

HCA Request #: 19-03

legislation language would represent new work for the MCOs and may requires significant changes to the contracts, including establishing a tracking system to ensure accountability. HCA assumes a Management Analyst 4 is needed on January 1, 2020 to write new requirements into MCO contracts, coordinate with Department of Corrections (DOC) and Medicaid Eligibility and Community Support staff, oversee performance and manage day to day operations assisting the plans in connecting with DOC and community services, and review and approve performance improvement projects consistent with the new standards, while providing subject matter expertise.

The agency must also integrate value-based purchasing terms relating to the criminal justice outcomes, to incentivize improved performance by January 1, 2021. Current processes are in place within the agency to select appropriate measures from the Common Measure Set for value-based purchasing arrangements. HCA assumes monitoring of performance towards benchmarks is wrapped into current Quality Improvement Score (QIS) monitoring structure by fiscal staff and can be absorbed with current staffing.

By Fund:

Expenditures			FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
001	GF-State	1	91,000	74,000	58,000	58,000	58,000	58,000
001	GF-Federal Medicaid Title XIX	C	83,000	67,000	53,000	53,000	53,000	53,000
Total			174,000	141,000	111,000	111,000	111,000	111,000
Biennial Total				315,000		222,000		222,000

By Object:

Objects			FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
A	Salaries & Wages		35,000	71,000	71,000	71,000	71,000	71,000
B	Employee Benefits		13,000	27,000	27,000	27,000	27,000	27,000
C	Personal Serv Contr		80,000	-	-	-	-	-
E	Goods and Services		36,000	42,000	12,000	12,000	12,000	12,000
G	Travel		1,000	1,000	1,000	1,000	1,000	1,000
J	Capital Outlays		9,000	-	-	-	-	-
Total			174,000	141,000	111,000	111,000	111,000	111,000

FTEs

Job title	Salary	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
MANAGEMENT ANALYST 4	70,620	0.5	1.0	1.0	1.0	1.0	1.0
Total	70,620	0.5	1.0	1.0	1.0	1.0	1.0

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

None

Individual State Agency Fiscal Note

Bill Number: 5056 SB	Title: Behav. health/crim. justice	Agency: 300-Department of Social and Health Services
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Part I: Estimates

☒ No Fiscal Impact

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Kevin Black	Phone: (360) 786-7747	Date: 01/14/2019
Agency Preparation: Sara Corbin	Phone: 360-902-8194	Date: 01/17/2019
Agency Approval: Ginger Stewart	Phone: 360-725-2505	Date: 01/17/2019
OFM Review: Devon Nichols	Phone: (360) 902-0582	Date: 02/25/2019

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

SB 5056 has no fiscal impact to the Department of Social and Health Service (DSHS), Behavioral Health Administration (BHA) as the fiscal impact related to the bill would be incurred by Health Care Authority (HCA). HCA must direct the performance measure coordinating committee to measure rates of criminal justice system involvement and arrest and incarceration with a report due to the legislature due on December 1, 2019.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency; identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

None.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

None.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

NONE

None.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

None.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5056 SB	Title: Behav. health/crim. justice
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☒ Cities: Local public health and law enforcement agencies will engage at some level with the performance measures coordinating committee, but the degree of involvement and resulting potential costs are not known.
- ☒ Counties: Same as above.
- ☐ Special Districts:
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☒ Key variables cannot be estimated with certainty at this time: The degree of local government involvement with the initiatives of the performance measures coordinating committee is unknown.

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Indeterminate Impact

Part III: Preparation and Approval

Fiscal Note Analyst: Rebecca Duncan	Phone: 360-725-5040	Date: 01/17/2019
Leg. Committee Contact: Kevin Black	Phone: (360) 786-7747	Date: 01/14/2019
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 01/17/2019
OFM Review: Devon Nichols	Phone: (360) 902-0582	Date: 02/25/2019

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

This bill focuses the health care authority's purchasing efforts on providing incentives to its contractors to reduce criminal justice system involvement for public health system clients with behavioral health disorders.

Section 1 provides background to this issue, citing the increasing proportion of arrests of persons with an identified mental health or substance use disorder condition and the increase in referrals for state mental health services related to competency. This section also details and provides justification for the aim of reversing (the aforementioned) trends and achieve the outcome of reduced criminal justice system involvement for public health system clients with behavioral health disorders.

Section 2 amends RCW 70.320.020 to place the Performance Measures Coordinating Committee, created by the HCA, in charge of establishing a performance measure to be integrated into the statewide common measure set which tracks effective integration practices of behavioral health services in primary care settings; (ii) performance measures which track rates of criminal justice system involvement among public health system clients with an identified behavioral health need including, but not limited to, rates of arrest and incarceration; and (iii) improvement targets related to these measures.

Section 3 shifts the authority from the DSHS to the health care authority to evaluate whether contracting entities are achieving the outcomes described in section one and section 2 (RCW 70.320.020). The health care authority would need to amend managed health care contracts with service contracting entities by July 1, 2020, to require contractors to implement mandatory performance improvement projects so they can achieve these outcomes. In addition, the authority would need to integrate value-based purchasing terms relating to criminal justice outcomes under RCW 70.320.020 and this section into managed health care contracts by January 1, 2021.

Section 4 amends RCW 43.20A.895, shifting responsibility from the DSHS to the health care authority to implement a strategy for the improvement of the behavioral health system.

Section 5 RCW recodifies 43.20A.895 as a section in chapter 71.24 RCW.

Sections 6 through 12 making current legislation consistent with the recodifying in section 5.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

The legislation would have indeterminate expenditure impacts for local governments.

The main expenditure impact of this bill would be on state government, specifically on the Department of Social and Health Services and the Washington State Health Care Authority. According to the legislation, local governments, especially public health entities and law enforcement agencies, would play a role in monitoring the success of the outcomes listed in the legislation. However, the legislation does not include specific guidelines regarding the degree of that involvement. For instance, costs could be minimal if the performance measures coordinating committee requests data that is already being tracked. On the other hand, if the committee requires local governments to hire new employees for the express purpose of collecting this data and working with the committee, the costs could be substantial. Therefore, the cost of collaboration and engagement with local governments is indeterminate.

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

The legislation would have no revenue impact for local government.

SOURCES:

Washington State Health Care Authority
Washington State Department of Social and Health Services
Pierce County Superior Court