

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1860 HB	<b>Title:</b> Behavioral health discharge
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## Estimated Cash Receipts

Agency Name	2021-23			2023-25			2025-27		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Washington State Health Care Authority	0	0	278,000	0	0	542,000	0	0	542,000
Washington State Health Care Authority	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
<b>Total \$</b>	<b>0</b>	<b>0</b>	<b>278,000</b>	<b>0</b>	<b>0</b>	<b>542,000</b>	<b>0</b>	<b>0</b>	<b>542,000</b>

## Estimated Operating Expenditures

Agency Name	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Washington State Health Care Authority	.7	126,000	126,000	404,000	1.3	248,000	248,000	790,000	1.3	248,000	248,000	790,000
Washington State Health Care Authority	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Department of Social and Health Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>0.7</b>	<b>126,000</b>	<b>126,000</b>	<b>404,000</b>	<b>1.3</b>	<b>248,000</b>	<b>248,000</b>	<b>790,000</b>	<b>1.3</b>	<b>248,000</b>	<b>248,000</b>	<b>790,000</b>

## Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	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
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Breakout

<b>Prepared by:</b> Bryan Way, OFM	<b>Phone:</b> (360) 522-3976	<b>Date Published:</b> Revised 2/4/2022
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# Individual State Agency Fiscal Note

Revised

<b>Bill Number:</b> 1860 HB	<b>Title:</b> Behavioral health discharge	<b>Agency:</b> 107-Washington State Health Care Authority
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2022	FY 2023	2021-23	2023-25	2025-27
General Fund-Federal 001-2		278,000	278,000	542,000	542,000
<b>Total \$</b>		278,000	278,000	542,000	542,000

In addition to the estimates above, there are additional indeterminate costs and/or savings . Please see discussion.

### Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	1.3	0.7	1.3	1.3
<b>Account</b>					
General Fund-State 001-1	0	126,000	126,000	248,000	248,000
General Fund-Federal 001-2	0	278,000	278,000	542,000	542,000
<b>Total \$</b>	0	404,000	404,000	790,000	790,000

In addition to the estimates above, there are additional indeterminate costs and/or savings . Please see discussion.

### Estimated Capital Budget Impact:

NONE

*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: Kim Weidenaar	Phone: 360-786-7120	Date: 01/10/2022
Agency Preparation: Jodi Barnes	Phone: 360-725-0490	Date: 02/04/2022
Agency Approval: Michael Paquette	Phone: 360-725-0875	Date: 02/04/2022
OFM Review: Bryan Way	Phone: (360) 522-3976	Date: 02/04/2022

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 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	0	126,000	126,000	248,000	248,000
001-2	General Fund	Federal	0	278,000	278,000	542,000	542,000
Total \$			0	404,000	404,000	790,000	790,000

In addition to the estimates above, there are additional indeterminate costs and/or savings . Please see discussion.

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		1.3	0.7	1.3	1.3
A-Salaries and Wages		127,000	127,000	254,000	254,000
B-Employee Benefits		41,000	41,000	82,000	82,000
C-Professional Service Contracts		177,000	177,000	354,000	354,000
E-Goods and Other Services		9,000	9,000	18,000	18,000
G-Travel		1,000	1,000	2,000	2,000
J-Capital Outlays		10,000	10,000	2,000	2,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		39,000	39,000	78,000	78,000
9-					
Total \$	0	404,000	404,000	790,000	790,000

In addition to the estimates above, there are additional indeterminate costs and/or savings . Please see discussion.

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 2022	FY 2023	2021-23	2023-25	2025-27
FISCAL ANALYST 3	63,000		0.3	0.2	0.3	0.3
OCCUPATIONAL NURSE CONSULTANT	127,000		1.0	0.5	1.0	1.0
Total FTEs			1.3	0.7	1.3	1.3

**III. D - Expenditures By Program (optional)**

NONE

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

*Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods*

NONE

**IV. D - Capital FTE Detail:** *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

None

**Part V: New Rule Making Required**

# HCA Fiscal Note

Bill Number: HB 1860

HCA Request #: 22-039

## Part II: Narrative Explanation

AN ACT Relating to preventing homelessness among persons discharging from inpatient behavioral health settings.

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

**Sec. 2 (6) (a) (iii)** – requires the Health Care Authority (HCA) to track rates of homelessness and housing instability among clients who were discharged from inpatient behavioral health settings within the past 12 months.

**Sec. 2. (7) (b)** – requires HCA to report to the governor and appropriate committees of legislature by October 1, 2023, regarding options and recommendations for integrating value-based purchasing terms and a performance improvement project into managed health care contracts relating to increasing stable housing in the community outcomes specified under subsection (1) of this section.

**Sec. 3** – directs HCA by October 1, 2022, to require that any contract with a managed care organization (MCO) include a requirement to provide housing-related care coordination services to members who are being discharged from inpatient behavioral health settings. This requires 'meeting with the enrollee' and 'locating' housing so would have major cost and staff ramifications for MCO care coordinators and TEAMonitor requirements for care coordination.

### II. B - Cash Receipts Impact

Fiscal impacts associated with this bill would be eligible for Federal Financial Participation (FFP) at either a 50 percent match or a 75 percent match level. Level of match by position and other costs needed is identified on each eligible component in the expenditure detail below.

ACCOUNT	FY-2022	FY-2023	FY-2024	FY-2025	2021-23	2023-25	2025-27
General Fund-Medicaid 001-C	-	278,000	271,000	271,000	278,000	542,000	542,000
Totals	\$ -	\$ 278,000	\$ 271,000	\$ 271,000	\$ 278,000	\$ 542,000	\$ 542,000

### II. C – Expenditures

HCA will require \$404,000 (\$126,000 General Fund-State (GF-S)) funding in FY-2023, and then \$790,000 (\$248,000 General Fund-State (GF-S)) ongoing per biennium. HCA also requires 2.0 FTE per year each year starting in FY-2023.

**Sec 2 (6)(a)(iii), (7)(b) and Sec 3** will require additional resources. HCA estimates needing the resources identified below.

- 1.0 FTE Occupational Nurse Consultant in the Medicaid Programs Division (MPD) with responsibility for external quality review organization (EQRO) contract management related to performance measure development and validation, plus care coordination oversight of MCOs as these are new expectations of MCOs and will require intense training and oversight. MPD to lead. Position & associated costs eligible for enhanced Medicaid 75% match rate. This bill will also require resources for MPD to coordinate the implementations of new measures into MCO contracts, this includes coordinating with the EQRO who currently analyzes and validates annual MCO reporting results for HCA.
- EQRO Contracts (Eligible for enhanced Medicaid 75% match rate):
  - EQRO contracting – \$20,000 per measure per year for the EQRO to do performance measure validation (PMV) - \$40,000 for 2 measures, \$60,000 for 3 measures. Assuming a minimum of 2 measures (1 adult; 1 youth). If more measures are requested, cost will increase at the \$20,000 per measure cost.

# HCA Fiscal Note

Bill Number: HB 1860

HCA Request #: 22-039

- EQRO contracting – \$30,000 per year for reporting – for up to 4 new measures to cover the federal and public reporting of contracted measures for this bill as required by federal Medicaid managed care regulations.

Additional funding for the EQRO contract may be needed if VBP work is in addition to requirements outlined in the MCO 2020 VBP Measures Budget Proviso ESHB 1109 already contracted (e.g., higher overall number of performance measures). Since validating homegrown measures is new work, the amount needed to fully support this work is undetermined at this time.

In collaboration with HCA via an existing service level agreement, additional resources from DSHS-RDA will be needed to develop performance measures, and track and monitor performance on an ongoing basis. RDA costs are eligible for regular 50% Medicaid match rate. HCA requests \$107,000 (\$53,500 GF-S) per year beginning in FY2023 and ongoing.

**Sec. 3** To perform the level of care coordination required in this bill, it is expected that MCOs would need to hire a multi-disciplinary team of care coordinators (including licensed and non-licensed team such as (licensed independent clinical social workers (LICSW), registered nurse (RN), non-licensed housing program managers). The teams would need to be located across the state to be able to meet with each enrollee discharging in person. The care coordination teams would need to engage clients prior to discharge and stay engaged through discharge, perhaps averaging a couple months per care coordination segment. Some care coordination support is already required by contract, including housing support for SUD inpatient discharges, long-term civil commitments, and transitional age youth connecting to housing through the Foundational Community Supports Program. This language builds on those requirements to support enrollees discharging from any inpatient BH setting.

Fiscal impacts of adding the additional care coordination requirements to the managed care contracts is *indeterminate*. At this stage, the full detailed scope and uptake rates of the additional care coordination activities cannot be determined. Additionally, contract changes that increase MCO administrative costs do not result in direct 1:1 funding within the managed care rates by activity. The non-benefit component of MCO rates (that includes MCO administrative funding) is aggregated and applied as a percentage of premium across all MCOs at the program level.

Goods and services, travel, and equipment are calculated on actual program averages per FTE.

Administrative costs are calculated at \$39,000 per 1.0 FTE. This cost is included in Object T based on HCA's federally approved indirect rate. While these funds will cover all needed indirect costs supporting this effort, for the purposes of this fiscal note, they are represented as 0.6 FTE of a Fiscal Analyst 3.

## II. C - Operating Budget Expenditures

Account	Account Title	Type	FY-2022	FY-2023	FY-2024	FY-2025	2021-23	2023-25	2025-27
001-1	General Fund	State	-	126,000	124,000	124,000	126,000	248,000	248,000
001-C	General Fund	Medicaid	-	278,000	271,000	271,000	278,000	542,000	542,000
Totals			\$ -	\$ 404,000	\$ 395,000	\$ 395,000	\$ 404,000	\$ 790,000	\$ 790,000

## II. C - Expenditure by Object

# HCA Fiscal Note

Bill Number: HB 1860

HCA Request #: 22-039

		FY-2022	FY-2023	FY-2024	FY-2025	2021-23	2023-25	2025-27
<b>FTE</b>		0.0	1.3	1.3	1.3	0.7	1.3	1.3
A	Salaries and Wages	-	127,000	127,000	127,000	127,000	254,000	254,000
B	Employee Benefits	-	41,000	41,000	41,000	41,000	82,000	82,000
C	Professional Service Contracts	-	177,000	177,000	177,000	177,000	354,000	354,000
E	Goods and Other Services	-	9,000	9,000	9,000	9,000	18,000	18,000
G	Travel	-	1,000	1,000	1,000	1,000	2,000	2,000
J	Capital Outlays	-	10,000	1,000	1,000	10,000	2,000	2,000
T	Intra-Agency Reimbursements	-	39,000	39,000	39,000	39,000	78,000	78,000
<b>Totals</b>		<b>\$ -</b>	<b>\$ 404,000</b>	<b>\$ 395,000</b>	<b>\$ 395,000</b>	<b>\$ 404,000</b>	<b>\$ 790,000</b>	<b>\$ 790,000</b>

## II. C - Operating FTE Detail

Job title	Salary	FY-2022	FY-2023	FY-2024	FY-2025	2021-23	2023-25	2025-27
FISCAL ANALYST 3	63,000	0.0	0.3	0.3	0.3	0.2	0.3	0.3
OCCUPATIONAL NURSE CONSULTANT	127,000	0.0	1.0	1.0	1.0	0.5	1.0	1.0
<b>Totals</b>		<b>0.0</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>0.7</b>	<b>1.3</b>	<b>1.3</b>

## Part IV: Capital Budget Impact

None

## Part V: New Rule Making Required

None



# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1860 HB	<b>Title:</b> Behavioral health discharge	<b>Agency:</b> 300-Department of Social and Health Services
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## Part I: Estimates

☒ No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

NONE

### Estimated Capital Budget Impact:

NONE

*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.

<b>Legislative Contact:</b> Kim Weidenaar	<b>Phone:</b> 360-786-7120	<b>Date:</b> 01/10/2022
<b>Agency Preparation:</b> Sara Corbin	<b>Phone:</b> 360-902-8194	<b>Date:</b> 01/13/2022
<b>Agency Approval:</b> Dan Winkley	<b>Phone:</b> 360-902-8236	<b>Date:</b> 01/13/2022
<b>OFM Review:</b> Bryan Way	<b>Phone:</b> (360) 522-3976	<b>Date:</b> 01/13/2022

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 .

Passage of this legislation will not impact the Department of Social and Health Services (DSHS) workload or client benefits. Therefore, there is no fiscal impact to DSHS from this bill.

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

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

**IV. D - Capital FTE Detail:** *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

None

## **Part V: New Rule Making Required**