

# Individual State Agency Fiscal Note

Revised

<b>Bill Number:</b> 5228 SB	<b>Title:</b> Behavioral health OT	<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 2024	FY 2025	2023-25	2025-27	2027-29
General Fund-Federal 001-2		773,000	773,000	3,597,000	4,316,000
<b>Total \$</b>		773,000	773,000	3,597,000	4,316,000

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
<b>Account</b>					
General Fund-State 001-1	0	381,000	381,000	1,772,000	2,126,000
General Fund-Federal 001-2	0	773,000	773,000	3,597,000	4,316,000
<b>Total \$</b>	0	1,154,000	1,154,000	5,369,000	6,442,000

### 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.

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## Part II: Narrative Explanation

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

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

See attached narrative.

### II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

See attached narrative.

### II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

See attached narrative.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	381,000	381,000	1,772,000	2,126,000
001-2	General Fund	Federal	0	773,000	773,000	3,597,000	4,316,000
<b>Total \$</b>			0	1,154,000	1,154,000	5,369,000	6,442,000

### III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		1,154,000	1,154,000	5,369,000	6,442,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	0	1,154,000	1,154,000	5,369,000	6,442,000

**III. C - Operating FTE Detail:** FTEs listed by classification and corresponding annual compensation. Totals 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**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

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

NONE

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

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# HCA Fiscal Note

Bill Number: 5228 SB

HCA Request #: 23-029

## Part II: Narrative Explanation

This bill provides occupational therapy services for persons with behavioral health disorders.

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

Section 1 – Amends RCW 71.24.385 of the Community Behavioral Health Services Act. Occupational therapy (OT) is added as an element of the program behavioral health administrative services organizations (BH-ASOs) and managed care organizations (MCOs) must develop to serve individuals with mental disorders or substance use disorders.

Section 2 – Adds a new section. By June 30, 2024, the Health Care Authority (HCA) shall expand coverage in the state Medicaid program to ensure that licensed or certified behavioral health agencies (BHAs) are reimbursed by MCOs for the medically necessary OT needs of their clients.

### II. B - Cash Receipts Impact

Fiscal impacts within this bill would be eligible for Federal Financial Participation (FFP). HCA estimates an average FFP of 67 percent for the MCO Medicaid portion.

#### II. B - Estimated Cash Receipts to:

ACCOUNT	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029
General Fund-Medicaid 001-C	-	773,000	1,439,000	2,158,000	2,158,000	2,158,000
Totals	\$ -	\$ 773,000	\$ 1,439,000	\$ 2,158,000	\$ 2,158,000	\$ 2,158,000

### II. C – Expenditures

HCA requests \$1,154,000 (\$381,000 GF-S) for fiscal year 2025, \$2,148,000 (\$709,000 GF-S for fiscal year 2026, and \$3,221,000 (\$1,063,000 GF-S) for fiscal years 2027 to 2029.

OT services are already available to Medicaid clients through section 11 (Home Health Benefit) of the state plan on the physical health side. The expansion of OT services to the behavioral health population would increase service costs. This would be considered additional treatment for an individual with a behavioral health diagnosis as primary.

We utilized the 2021 Intake and Evaluation Data provided by our actuaries for Mental Health services. We took a 1% estimate of those individuals, projecting that 1 in 100 persons would engage in the additional services offered. This is around 2000 individuals per year for the first fiscal year. For the following years we titrated up to 2% of the intake population and then 3% of the population for the following year and assumed that 3% ongoing.

Given the very small population estimate of the uptake, we estimated the entire population receiving an intake and 24 visits at 15 minutes to total the approximately 6 hours of service as allowed. Projected costs per individual were one intake at \$59.62 and 24 visits at \$22.14, per the published fee schedule.

# HCA Fiscal Note

Bill Number: 5228 SB

HCA Request #: 23-029

**II. C - Operating Budget Expenditures**

Account	Account Title	Type	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029
001-1	General Fund	State	-	381,000	709,000	1,063,000	1,063,000	1,063,000
001-C	General Fund	Medicaid	-	773,000	1,439,000	2,158,000	2,158,000	2,158,000
<b>Totals</b>			<b>\$ -</b>	<b>\$ 1,154,000</b>	<b>\$ 2,148,000</b>	<b>\$ 3,221,000</b>	<b>\$ 3,221,000</b>	<b>\$ 3,221,000</b>

**II. C - Expenditures by Object Or Purpose**

		FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029
N	Grants, Benefits & Client Services	-	1,154,000	2,148,000	3,221,000	3,221,000	3,221,000
<b>Totals</b>		<b>\$ -</b>	<b>\$ 1,154,000</b>	<b>\$ 2,148,000</b>	<b>\$ 3,221,000</b>	<b>\$ 3,221,000</b>	<b>\$ 3,221,000</b>

**Part IV: Capital Budget Impact**

None.

**Part V: New Rule Making Require**

None.