

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1515 S HB	<b>Title:</b> Behavioral health contracts
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## Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Washington State Health Care Authority	0	0	823,000	0	0	763,000	0	0	648,000
<b>Total \$</b>	<b>0</b>	<b>0</b>	<b>823,000</b>	<b>0</b>	<b>0</b>	<b>763,000</b>	<b>0</b>	<b>0</b>	<b>648,000</b>

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Fiscal note not available					
Local Gov. Total						

## Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of the Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Washington State Health Care Authority	4.5	1,020,000	1,020,000	1,843,000	4.0	944,000	944,000	1,707,000	3.0	800,000	800,000	1,448,000
Department of Social and Health Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Health	.0	0	0	0	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>4.5</b>	<b>1,020,000</b>	<b>1,020,000</b>	<b>1,843,000</b>	<b>4.0</b>	<b>944,000</b>	<b>944,000</b>	<b>1,707,000</b>	<b>3.0</b>	<b>800,000</b>	<b>800,000</b>	<b>1,448,000</b>

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
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
Department of Health	.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>

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

## Estimated Capital Budget Breakout

NONE

<b>Prepared by:</b> Jason Brown, OFM	<b>Phone:</b> (360) 742-7277	<b>Date Published:</b> Preliminary 2/27/2023
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1515 S HB	<b>Title:</b> Behavioral health contracts	<b>Agency:</b> 075-Office of the Governor
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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.

Legislative Contact: Andy Toulon	Phone: 360-786-7178	Date: 02/19/2023
Agency Preparation: Tracy Sayre	Phone: 360-890-5279	Date: 02/23/2023
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 02/23/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/23/2023

## 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.*

Sec 3. The legislature finds that ongoing coordination between state agencies, the counties, and the behavioral health administrative services organizations is necessary to coordinate the behavioral health system. To this end, the authority shall establish a committee to meet quarterly to address systemic issues, including but not limited to the data-sharing needs of behavioral health system partners.

The committee must meet quarterly and include a representative from the Office of the Governor.

The Office of the Governor estimates that participation on this committee can be accomplished within current resources and therefore doesn't have a fiscal impact.

### 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.*

### 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.*

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

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

NONE

**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.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1515 S HB	<b>Title:</b> Behavioral health contracts	<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	384,000	439,000	823,000	763,000	648,000
<b>Total \$</b>	384,000	439,000	823,000	763,000	648,000

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	4.0	5.0	4.5	4.0	3.0
<b>Account</b>					
General Fund-State 001-1	476,000	544,000	1,020,000	944,000	800,000
General Fund-Federal 001-2	384,000	439,000	823,000	763,000	648,000
<b>Total \$</b>	860,000	983,000	1,843,000	1,707,000	1,448,000

### 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.

Legislative Contact: Andy Toulon	Phone: 360-786-7178	Date: 02/19/2023
Agency Preparation: Catherine Rice	Phone: 360-725-0000	Date: 02/24/2023
Agency Approval: Catrina Lucero	Phone: 360-725-7192	Date: 02/24/2023
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 02/27/2023

## 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.

### 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.

### 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.

## 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	476,000	544,000	1,020,000	944,000	800,000
001-2	General Fund	Federal	384,000	439,000	823,000	763,000	648,000
<b>Total \$</b>			<b>860,000</b>	<b>983,000</b>	<b>1,843,000</b>	<b>1,707,000</b>	<b>1,448,000</b>

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	4.0	5.0	4.5	4.0	3.0
A-Salaries and Wages	330,000	421,000	751,000	652,000	462,000
B-Employee Benefits	120,000	152,000	272,000	239,000	174,000
C-Professional Service Contracts	400,000	400,000	800,000	800,000	800,000
E-Goods and Other Services	10,000	10,000	20,000	16,000	12,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	<b>860,000</b>	<b>983,000</b>	<b>1,843,000</b>	<b>1,707,000</b>	<b>1,448,000</b>

### 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 2024	FY 2025	2023-25	2025-27	2027-29
FISCAL ANALYST 3	65,000	1.0	1.0	1.0	1.0	1.0
MEDICAL ASSISTANCE PROGRA SPECIALIST 3	83,000	1.5	2.0	1.8	2.0	2.0
MEDICAL PROGRAM SPECIALIS' 3	90,000	1.0	1.0	1.0	0.5	
WMS BAND 01	100,000	0.5	1.0	0.8	0.5	
<b>Total FTEs</b>		<b>4.0</b>	<b>5.0</b>	<b>4.5</b>	<b>4.0</b>	<b>3.0</b>

**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: S HB-1515

HCA Request #: 23-160

## Part II: Narrative Explanation

AN ACT Relating to contracting and procurement requirements for behavioral health services in medical assistance programs.

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

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The proposed substitute makes the following changes:

- Section 2 (2) Adjusts and specifies the timeframe in which the Health Care Authority (HCA) must adopt network adequacy standards from July 1, 2024, to January 1, 2025.
- Section 2 (2) Modifies the list of covered services the standards must address to reflect updated references to service types.
- Section 2 (2) Adds additional considerations to be incorporated in the standards, including how statewide services are utilized cross-regionally and how standards would impact requirements for behavioral health administrative service organizations.
- Section 2 (3) Modifies the requirement that HCA evaluate whether provider administrative burden would be reduced by limiting the number of managed care organizations (MCOs) operating in a region by instead requiring the HCA to identify options that would limit provider administrative burden, including the potential to limit the number of MCOs in a region.
- Section 2 (4)(h) Modifies and consolidates some provisions from the original (7) and removes that previous subsection. Adds comprehensive population-based payment arrangements to the types of value-based purchasing option payment structures.
- Removes Section 2 (6)
- Section 2 (8) (formerly 9) Removes HCA requirement to seek approval from the Centers for Medicare and Medicaid services for amendments to expand Medicaid for long-term involuntary inpatient treatment, and instead authorizes HCA to explore opportunities to maximize Medicaid funding as appropriate.
- Section 2 (9) (formerly 10) Removes county and behavioral provider representation from the scoring phase of a procurement.
- Adds new Section 3 and reference to RCW 71.24.861 in the title to amend provisions related to the Behavioral Health System Coordination Committee by highlighting that the group address data sharing needs of behavioral health system partners.

\*\*\*\*\*

Section (1) established an intent to ensure robust new standards defining the levels of Medicaid-funded behavioral health service capacity and resources that are adequate to meet the needs, while providing value-based structures that improve equitable access, promote integration of care, and deliver outcomes.

Section 2 (2) (a) Includes a process for regular updates (from MCOs) at least once per year.

Section 2 (2) (b) Includes a process to involve participation from counties and providers for both the development and ongoing updates.

# HCA Fiscal Note

Bill Number: S HB-1515

HCA Request #: 23-160

Section 2 (2) (c-d) Establishes factors for regional service assessments and monitoring compliance of provider network standards.

Section 2 (3), (4)(d) and (4)(h) Establishes procurement goals related to: evaluating administrative simplification for providers and the number of managed care plans; assessment of 24 hour/7 days a week (24/7) crisis service needs; delegated arrangements in a manner that supports integration; and supporting value-based and capacity based payment models for 24/7 crisis services (and see subsection 8 for related use of directed payments to achieve such goals).

Section 2 (5) Requires the HCA to determine whether the value-based or capacity-based payment models referenced in (4) are more effective than a fee-for-service model.

Section 2 (6) Requires a number of behavioral health network and performance conditions for successful MCO bidders for the future procurement of managed care.

Section 2 (7) HCA shall expand the types of behavioral health crisis services that can be funded with Medicaid to the maximum extent allowable under federal law, including seeking approval from the Centers for Medicare and Medicaid (CMS) services for amendments to the Medicaid state plan or Medicaid state directed payments, especially for 24/7 crisis services model.

## II. B - Cash Receipts Impact

HCA estimates that the federal split will be different by year, depending on if there are startup costs included, which will change the rates.

II. B - Estimated Cash Receipts to:										
ACCOUNT	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29	
General Fund-Medicaid 001-C	384,000	439,000	439,000	324,000	324,000	324,000	823,000	763,000	648,000	
<b>Totals</b>	<b>\$ 384,000</b>	<b>\$ 439,000</b>	<b>\$ 439,000</b>	<b>\$ 324,000</b>	<b>\$ 324,000</b>	<b>\$ 324,000</b>	<b>\$ 823,000</b>	<b>\$ 763,000</b>	<b>\$ 648,000</b>	

## II. C – Expenditures

As the following describes, HCA requires administrative and contract resources, but cannot estimate determinative service cost at this time:

### I. Administrative costs:

To comply with the bill, HCA requests \$860,000 in Fiscal Year (FY) 2024, \$983,000 in FY 2025, \$983,000 in FY 2026, then \$724,000 each year thereafter.

# HCA Fiscal Note

Bill Number: S HB-1515

HCA Request #: 23-160

II. C - Operating Budget Expenditures											
Account	Account Title	Type	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
001-1	General Fund	State	476,000	544,000	544,000	400,000	400,000	400,000	1,020,000	944,000	800,000
001-C	General Fund	Medicaid	384,000	439,000	439,000	324,000	324,000	324,000	823,000	763,000	648,000
<b>Totals</b>			<b>\$ 860,000</b>	<b>\$ 983,000</b>	<b>\$ 983,000</b>	<b>\$ 724,000</b>	<b>\$ 724,000</b>	<b>\$ 724,000</b>	<b>\$ 1,843,000</b>	<b>\$ 1,707,000</b>	<b>\$ 1,448,000</b>

  

II. C - Expenditures by Object Or Purpose											
			FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
<b>FTE</b>			4.0	5.0	5.0	3.0	3.0	3.0	4.5	4.0	3.0
A	Salaries and Wages		330,000	421,000	421,000	231,000	231,000	231,000	751,000	652,000	462,000
B	Employee Benefits		120,000	152,000	152,000	87,000	87,000	87,000	272,000	239,000	174,000
C	Professional Service Contracts		400,000	400,000	400,000	400,000	400,000	400,000	800,000	800,000	800,000
E	Goods and Other Services		10,000	10,000	10,000	6,000	6,000	6,000	20,000	16,000	12,000
<b>Totals</b>			<b>\$ 860,000</b>	<b>\$ 983,000</b>	<b>\$ 983,000</b>	<b>\$ 724,000</b>	<b>\$ 724,000</b>	<b>\$ 724,000</b>	<b>\$ 1,843,000</b>	<b>\$ 1,707,000</b>	<b>\$ 1,448,000</b>

  

II. C - Operating FTE Detail: List FTEs by classification and corresponding annual compensation.											
Job title	Salary	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29	
FISCAL ANALYST 3	65,000	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
MEDICAL ASSISTANCE PROGRAM SPECIALIST 3	83,000	1.5	2.0	2.0	2.0	2.0	2.0	1.8	2.0	2.0	
MEDICAL PROGRAM SPECIALIST 3	90,000	1.0	1.0	1.0	0.0	0.0	0.0	1.0	0.5	0.0	
WMS BAND 01	100,000	0.5	1.0	1.0	0.0	0.0	0.0	0.8	0.5	0.0	
<b>Totals</b>		<b>4.0</b>	<b>5.0</b>	<b>5.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>4.5</b>	<b>4.0</b>	<b>3.0</b>	

  

II. C - Expenditures By Program (optional)											
Program			FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
150	150 - Community Behavioral Health		860,000	983,000	983,000	724,000	724,000	724,000	1,843,000	1,707,000	1,448,000
<b>Totals</b>			<b>\$ 860,000</b>	<b>\$ 983,000</b>	<b>\$ 983,000</b>	<b>\$ 724,000</b>	<b>\$ 724,000</b>	<b>\$ 724,000</b>	<b>\$ 1,843,000</b>	<b>\$ 1,707,000</b>	<b>\$ 1,448,000</b>

Administrative Costs – HCA requires a total of 4.0 FTE for Fiscal Year (FY) 2024, 5.0 FTE for FY 2025, 5.0 FTE in FY 2026, and 3.0 FTE thereafter as the following describes.

Medicare Programs Division (MPD) requires 1.5 FTE MAPS3 starting in FY 2024, and 2.0 FTE MAPS3 thereafter for ongoing development and maintenance of regional measures and monitoring compliance of these standards, and to work with community providers and partners named in Section 2(2), and other oversight and accountability measures required in other sections of the bill.

MPD requires Network Reporting System (NRS) updates and ongoing licensure fees to carry out the requirements of these new regional behavioral health measures. HCA's current software does not have the capability to meet the new behavioral health service level/regional variance that this bill requires (for example, it currently only supports GPS distance measurement, not road-based geographic measurement to determine actual time and distance for location of Medicaid members and providers networks). In addition, while HCA acknowledges that CMS has discussed changing and improving network requirements, CMS has yet to publish those changes; however, HCA believes any new CMS requirements will not eliminate the need for ongoing support of an NRS, but in fact probably further supports this new system need. HCA has been in contact with a few new system contractors, and estimates costs at \$400,000 for the first year (including startup fees) starting in October 2023, and \$300,000 annually thereafter.

To accomplish the various procurement related requirements, assessment and evaluation noted in Section 2(2), (3), (4), (5), (6), (7), and (9) ; and the capacity driven funding model and a directed payment application and evaluation under both Section 2(4)(h) and Section 2(7), HCA/MPD requires:

- 1) 1.0 FTE Medical Program Specialist 3 (MPS3) through FY 2026 to manage the procurement related activities and policy implementation, such as delegation agreement standards;
- 2) 0.5 FTE WMS1 Contracts Consultant, starting January 2024, and 1.0 FTE WMS1 in FY 2025 and FY 2026, to support the contract related provisions of this bill and conflict of interest requirements in Section 2(10);

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HCA Request #: 23-160

- 3) \$200,000 in contract resources for FY 2025 and FY 2026 the VBP/capacity purchasing model, including potential directed payment preparation and evaluation for potentially EQRO, actuarial, or other external contractor; and \$100,000 ongoing resources thereafter to accomplish annual evaluation as required by CMS for a Directed Payment. These ongoing resources will support the likely required actuarial and external quality review contractual work orders for the CMS authorized Directed Payment; and HCA will require ongoing funding for 1.0 FTE of a Financial Analyst 3 to assist with financial tracking, journal vouchers, and additional payable work that will be associated with this bill. This position will also focus on reprocurement, value-based purchasing, directed payment, as well as rate design and related work.

HCA will require ongoing funding for 1.0 FTE of a Financial Analyst 3 to assist with financial tracking, journal vouchers, and additional payable work that will be associated with this bill.

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

## II. Services costs are indeterminate:

Portions of the fiscal note with regard to service costs are indeterminate. The following represents HCA's estimates based on the agency's interpretation of the bill, but estimates of the services are only a proxy for what may result for actual service costs in the future, because actual costs or offsetting costs cannot be determined until the proper analysis and CMS approval has been achieved.

HCA interprets Section 2(7) as requiring the agency to:

- 1) Identify any gaps between what the state currently covers in the Medicaid state plan and what crisis services are eligible for Medicaid under federal rule and submit a state plan amendment if any are identified. HCA anticipates that there are not likely many crisis services not covered today that are Medicaid eligible. If gaps are identified, this could lead to additional services being provided and a fiscal impact to the state. HCA would need to do a comprehensive review before being able to quantify any fiscal impact.
- 2) HCA has determined that crisis services will need to be expanded in order to support 24/7 crisis delivery system; however, as stated, this results in an indeterminate cost at this time. If this section is intended to expand crisis services to ensure needed capacity is met, HCA could estimate as a proxy for needed services, additional children and adult mobile crisis teams – 10 children's teams and 5 adult teams would be required based on the SAMSHA Crisis Now Calculator. Each adult team is estimated to cost approximately \$1.27 million per year (including \$111K in startup costs) and each child team is estimated to cost \$1.3M per year (including \$133K in startup costs). In total, HCA estimates \$22.9M in Year 1, and \$20.7M for each year for Year 2 and onwards for mobile crisis teams. This would include the 10 new youth/child teams, 5 new adult teams, enhancement to 10 youth/child teams, and enhancement to 53 adult teams.

HCA will need to explore any rate or rate structure implications of a 24/7 crisis model, including the best method to implement a potential new rate structure, however, HCA is not able to quantify the impact at this time.

HCA is unable to estimate any services impacts that may be driven by the requirements in Section 2(8) to increase MCO accountability for clients who require long-term involuntary behavioral health treatment. Any internal administrative impacts could be accomplished within the resources already noted above.

## HCA Fiscal Note

Bill Number: S HB-1515

HCA Request #: 23-160

These costs are all indeterminate and not included in the costs that are being requested at this time.

### **Part IV: Capital Budget Impact**

None

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

None

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1515 S HB	<b>Title:</b> Behavioral health contracts	<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.

Legislative Contact: Andy Toulon	Phone: 360-786-7178	Date: 02/19/2023
Agency Preparation: Sara Corbin	Phone: 360-902-8194	Date: 02/21/2023
Agency Approval: Dan Winkley	Phone: 360-902-8236	Date: 02/21/2023
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 02/27/2023

## 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.*

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

*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.*

### 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.*

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

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

NONE

**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.*



# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1515 S HB	<b>Title:</b> Behavioral health contracts	<b>Agency:</b> 303-Department of Health
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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.

Legislative Contact: Andy Toulon	Phone: 360-786-7178	Date: 02/19/2023
Agency Preparation: Donna Compton	Phone: 360-236-4538	Date: 02/22/2023
Agency Approval: Stacy May	Phone: (360) 236-4532	Date: 02/22/2023
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 02/22/2023

## 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.*

This bill establishes new standards for Medicaid-funded behavioral health service capacity and resources for Medicaid enrollee treatment needs.

Section 3: Amends RCW 71.24.861 (Behavioral Health System Coordination Committee) to include addressing data-sharing needs of behavioral health partners as part of the work done by the behavioral health system coordination committee. This bill does not create any new work for the Department of Health (department) as it already participates on this committee and therefore expects no fiscal impact.

### 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.*

### 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.*

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

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

NONE

**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.*