



**STATE OF WASHINGTON  
HEALTH CARE AUTHORITY**

626 8th Avenue, SE • P.O. Box 45502 • Olympia, Washington 98504-5502

February 26, 2021

Washington State Senate  
P.O. Box 40433  
Olympia, WA 98504-0433

House of Representatives  
P.O. Box 40426  
Olympia, WA 98504-0426

Dear Honorable Members of the Senate Ways & Means Committee; House Appropriations Committee; Senate Behavioral Health Subcommittee to Health & Long Term Care; House Health Care & Wellness Committee,

**SUBJECT: Engrossed House Bill 2584 (2020) Section 1 (4) Behavioral Health Services – Medicaid Rate Increases – Process Report**

As directed in House Bill 2584, I am writing to report on the Health Care Authority's (HCA) process for verifying that targeted behavioral health provider rate increases have been passed through to providers, in accordance with the appropriation language, and whether the changes in Chapter 285, Laws of 2020 were implemented. The statute reads:

*(4) By November 1<sup>st</sup> of each year, the authority shall report to the committees of the legislature with jurisdiction over behavioral health issues and fiscal matters regarding the established process for each appropriation for a targeted behavioral health provider rate increase, whether the funds were passed through in accordance with the appropriation language, and any information about increased access to behavioral health services associated with the appropriation. The reporting requirement for each appropriation for a targeted behavioral health provider rate increase shall continue for two years following the specific appropriation.*

The intent of the legislation is to ensure that legislatively-funded behavioral health Medicaid provider rate increases are included within the rate-setting process for the provider type or practice setting.

Following the appropriation of funding for any targeted behavioral health provider rate increase, HCA will direct its contracted actuaries to include the appropriate funding in the Medicaid managed care rates. Additionally, during subsequent annual Medicaid rate development processes, HCA's contracted actuaries will compare the paid amounts in the period following the rate increase to the period prior to the effective date of the rate increase to confirm that each managed care organization has appropriately adjusted their provider reimbursement rates to include the increase directed by the Legislature.

Honorable Members of the Washington State Legislature

February 26, 2021

Page 2

The most recent rate development process utilized calendar year 2019 encounter data as the base data for the development of the calendar year 2021 Medicaid managed care rates. There were no targeted behavioral health provider rate increases funded by the Legislature in effect during calendar year 2019. Therefore, this report is unable to provide information validating the distribution of any such rate increases.

In the report due to the Legislature on November 1, 2021, we will provide information regarding the targeted behavioral health provider rate increase funded in the 2019-21 operating budget Engrossed Substitute House Bill 1109 section 215 (22) for Secure Withdrawal Management facilities

Should you have any questions, please contact Christy Vaughn, Healthcare Rates & Finance Section Manager, at [christy.vaughn@hca.wa.gov](mailto:christy.vaughn@hca.wa.gov).

Sincerely,



Megan M. Atkinson  
Chief Financial Officer  
Financial Services Division

By Email

cc: Susan E. Birch, MBA, BSN, RN, Director, HCA  
Catrina Lucero, Deputy Chief Financial Officer, HCA  
Christy Vaughn, Healthcare Rates & Finance Section Manager, HCA