

# Operation of community behavioral health service delivery system

Engrossed Second Substitute Senate Bill 5432; Section 1025(4); Chapter 360; Laws of 2019; RCW 71.24.420  
December 1, 2024

## Legislative requirement

This report is for the appropriations for the 2023–2025 biennium, in compliance with RCW 71.24.420(4):

“The authority shall monitor expenditures against the appropriation levels provided for in subsection (1) of this section and report to the governor’s office and the appropriate committees of the legislature once every two years, on or about December 1<sup>st</sup>, on each even-numbered year.”

## Behavioral health integration

Community behavioral health staff and programs officially transferred to HCA on July 1, 2018, pursuant to the provisions of Second Engrossed Substitute House Bill 1388; Chapter 201; Laws of 2018.

Community behavioral health services were incrementally integrated into the state’s managed care delivery model. In fiscal year 2020, the final state regions (North Sound, Great Rivers, Salish, and Thurston Mason) integrated from a locally controlled service delivery model to the joint state and locally controlled model.

## Total underspend of \$48.9 million (\$50.8 million in General Fund-State [GFS])

HCA continues to experience lower levels of costs in our long-term inpatient beds due to a significant lag in our billings from providers. The agency was also over-optimistic in projecting when HCA would be able to bring on new providers. \$22.8 million of the GFS underspend is associated with long-term inpatient beds.

For the Trueblood Settlement Agreement, HCA was \$9.7 million underspent in GFS due to a reduction in housing vouchers and the use of client flex funds. The agency was also not able to execute contracts for all its Phase 2 funding.

**Table 1: Fiscal year 2023 (July 1, 2022, to June 30, 2023)**

001- General Fund	Allotment	Disbursement	Accrual	Total Expenditures	Variance
State Transferable	\$ 472,030,064	\$ 467,569,963	\$ 15,867,961	\$ 483,437,924	\$ (11,407,860)
State Non- Transferable	\$ 430,850,205	\$ 328,490,239	\$ 40,167,017	\$ 368,657,256	\$ 62,192,949
State Governors Emergency Allocation					
Federal	\$ 1,525,186,189	\$ 1,471,127,655	\$ 92,261,982	\$ 1,563,389,637	\$ (38,203,448)
Federal Stimulus	\$ 34,485,189	\$ 16,444,491	\$ 565,449	\$ 17,009,940	\$ 17,475,404
Federal - Unanticipated	\$ 1,357,431				\$ 1,357,431
Federal - Unanticipated Stimulus					
Local	\$ 17,706,591	\$ 705,162	\$ 139,892	\$ 845,054	\$ 16,861,537
<b>001- General Fund Total</b>	<b>\$ 2,481,615,669</b>	<b>\$ 2,284,337,510</b>	<b>\$ 149,002,301</b>	<b>\$ 2,433,339,811</b>	<b>\$ 48,276,013</b>

Other Funds	Allotment	Disbursement	Accrual	Total Expenditures	Variance
05C - Criminal Justice Treatment Account	\$ 10,725,000	\$ 10,378,237	\$ 582,556	\$ 10,960,793	\$ (235,793)
08K - Problem Gambling Account	\$ 784,250	\$ 617,380	\$ 75,192	\$ 692,571	\$ 91,679
315 - Dedicated Cannabis Account	\$ 28,370,928	\$ 23,906,508	\$ 3,686,534	\$ 27,593,042	\$ 777,886
706 - Coronavirus State Fiscal Recovery Fund	\$ 100,000,000	\$ 99,854,198	\$ 138,383	\$ 99,992,581	\$ 7,419
<b>Other Funds Total</b>	<b>\$ 139,880,178</b>	<b>\$ 134,756,323</b>	<b>\$ 4,482,665</b>	<b>\$ 139,238,987</b>	<b>\$ 641,191</b>

<b>GRAND TOTAL</b>	<b>\$ 2,621,495,847</b>	<b>\$ 2,419,093,833</b>	<b>\$ 153,484,966</b>	<b>\$ 2,572,578,798</b>	<b>\$ 48,917,204</b>
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## Total underspend of \$34.2 million (\$56.4 million in GFS)

HCA continues to experience lower levels of costs in our long-term inpatient care beds due to a significant lag in our billings from providers. Again, the agency was overoptimistic in projecting when the agency would be able to bring on new providers. \$20.9 million of the GFS underspend is associated with long-term inpatient care beds.

For the Trueblood Settlement Agreement, HCA was \$10.9 million underspent in GFS due to a reduction in housing vouchers and the use of client flex funds. The agency was also not able to execute contracts for all its Phase 2 funding.

**Table 2: Fiscal year 2024 (July 1, 2023, to June 30, 2024)**

<b>001- General Fund</b>	<b>Allotment</b>	<b>Disbursement</b>	<b>Accrual</b>	<b>Total Expenditures</b>	<b>Variance</b>
State Transferable	\$ 551,946,084	\$ 547,887,037	\$ 12,817,169	\$ 560,704,207	\$ (8,758,159)
State Non- Transferable	\$ 458,713,228	\$ 342,274,069	\$ 51,282,152	\$ 393,556,222	\$ 65,157,006
State Governors Emergency Allocation	\$ 100,000	\$ -	\$ -	\$ -	\$ 1,000,000
Federal	\$ 1,416,848,348	\$ 1,403,084,567	\$ 89,175,090	\$ 1,492,259,657	\$ (75,411,309)
Federal Stimulus	\$ 25,977,110	\$ 7,879,719	\$ 10,834,844	\$ 18,714,563	\$ 7,262,547
Federal - Unanticipated	\$ 375,000	\$ -	\$ -	\$ -	\$ 375,000
Local	\$ 17,640,109	\$ 907,132	\$ 41,714	\$ 948,846	\$ 16,691,263
<b>001- General Fund Total</b>	<b>\$ 2,471,599,879</b>	<b>\$ 2,302,032,524</b>	<b>\$ 164,150,969</b>	<b>\$ 2,466,183,495</b>	<b>\$ 6,316,348</b>

<b>Other Funds</b>	<b>Allotment</b>	<b>Disbursement</b>	<b>Accrual</b>	<b>Total Expenditures</b>	<b>Variance</b>
05C - Criminal Justice Treatment Account	\$ 10,752,382	\$ 9,543,323	\$ 1,215,294	\$ 10,758,617	\$ (6,235)
08K - Problem Gambling Account	\$ 1,801,250	\$ 651,486	\$ 348,426	\$ 999,912	\$ 801,338
25N - Stwd 988 Behav Hlth & Suicide Prev Line	\$ 12,688,000	\$ 6,713,500	\$ -	\$ 6,713,500	\$ 5,974,500
315 - Dedicated Cannabis Account	\$ 35,934,250	\$ 10,857,736	\$ 5,537,630	\$ 16,395,366	\$ 19,538,884
706 - Coronavirus State Fiscal Recovery Fund	\$ 28,385,944	\$ 25,337,769	\$ 1,489,439	\$ 26,827,208	\$ 1,558,736
<b>Other Funds Total</b>	<b>\$ 89,561,826</b>	<b>\$ 53,103,814</b>	<b>\$ 8,590,789</b>	<b>\$ 61,694,603</b>	<b>\$ 27,867,223</b>

<b>GRAND TOTAL</b>	<b>\$ 2,561,161,705</b>	<b>\$ 2,355,136,338</b>	<b>\$ 172,741,758</b>	<b>\$ 2,527,878,098</b>	<b>\$ 34,183,571</b>
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