

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, 2020

Washington State
Health Care Authority

Financial Services Division

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This report is for the appropriations for the 2019–2021 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 1st, on each even-numbered year.”

Table 1: Fiscal year 2020: July 1, 2019 to June 30, 2020

Fund	Allotment	Disbursement	Accrual	Total expenditures	Variance
001 - General fund					
State transferable	\$ 362,392,585	\$ 371,095,847	\$ (9,122,526)	\$ 361,973,321	\$ 419,264
State non-transferable	\$ 217,395,599	\$ 166,593,951	\$ 9,925,798	\$ 176,519,749	\$ 40,875,850
Federal	\$ 990,991,904	\$ 927,984,969	\$ 56,545,439	\$ 984,530,409	\$ 6,461,495
Federal - unanticipated	\$ 1,936,383	\$ 180,654	\$ 148,017	\$ 328,671	\$ 1,607,712
Local	\$ 17,982,462	\$ 163,463	\$ 14,338	\$ 177,801	\$ 17,804,661
Operating unanticipated-federal stimulus	\$ -	\$ 1,263	\$ 3,001	\$ 4,265	\$ (4,265)
001 - General fund total	\$ 1,590,698,933	\$ 1,466,020,148	\$ 57,514,068	\$ 1,523,534,215	\$ 67,164,718
Other Funds					
03C - Emer med ser/trauma care SYS trust	\$ -	\$ -	\$ -	\$ -	\$ -
03K - Industrial insurance premium refund	\$ -	\$ -	\$ -	\$ -	\$ -
05C - Criminal justice treatment account	\$ 6,491,000	\$ 6,405,418	\$ 28,919	\$ 6,434,337	\$ 56,663
05H - Disaster response account	\$ -	\$ -	\$ -	\$ -	\$ -
08G - Flexible spending administrative acct	\$ -	\$ -	\$ -	\$ -	\$ -
08J - Prescription drug consortium account	\$ -	\$ -	\$ -	\$ -	\$ -
08K - Problem gambling account	\$ 728,000	\$ 634,856	\$ 85,481	\$ 720,336	\$ 7,664
16W - Hospital safety net assessment account	\$ -	\$ -	\$ -	\$ -	\$ -
172 - Basic health plan trust account	\$ -	\$ -	\$ -	\$ -	\$ -
17T - Health benefit exchange account	\$ -	\$ -	\$ -	\$ -	\$ -
19A - Medicaid fraud penalty account	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
315 - Dedicated marijuana fund account	\$ 28,490,000	\$ 22,023,232	\$ 5,697,106	\$ 27,720,338	\$ 769,662
418 - ST health care authority admin acct	\$ -	\$ -	\$ -	\$ -	\$ -
438 - Uniform dental plan benefits admin	\$ -	\$ -	\$ -	\$ -	\$ -
439 - Uniform medical plan benefits admin	\$ -	\$ -	\$ -	\$ -	\$ -
474 - Sebb flex spending & dep care admin acct	\$ -	\$ -	\$ -	\$ -	\$ -
475 - Sebb dental benefits admin acct	\$ -	\$ -	\$ -	\$ -	\$ -
489 - Pension funding stabilization acct	\$ 857,000	\$ 857,000	\$ (358,064)	\$ 498,936	\$ 358,064
492 - School employees' insurance admin acct	\$ -	\$ -	\$ -	\$ -	\$ -
494 - Sebb medical benefits admin acct	\$ -	\$ -	\$ -	\$ -	\$ -
609 - Medical aid account	\$ -	\$ -	\$ -	\$ -	\$ -
Other funds total	\$ 36,586,000	\$ 29,920,505	\$ 5,453,443	\$ 35,373,948	\$ 1,212,052
Grand total	\$ 1,627,284,933	\$ 1,495,940,652	\$ 62,967,510	\$ 1,558,908,163	\$ 68,376,770

Behavioral health integration

- a) 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.
- b) 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.

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Total underspend of \$68.4 million (\$41.3 million in general fund [GF]-State)

- a) The main driver for the underspend in community behavioral health has been the enhanced Federal Medical Assistance Percentage (FMAP) rate received as relief for the impact of COVID-19, which caused an approximate \$21 million reduction in the state's general fund.
- b) We also experienced a lower than expected cost of long-term inpatient beds. This program has established approximately half the beds originally planned to be established by the end of the fiscal year.
- c) The underspend would have been larger but HCA did not collect the anticipated level of reserves from the behavioral health organizations that closed during the fiscal year - approximately \$30 million versus an expected \$61 million.

Table 2: Fiscal year 2021: July 1, 2020 to August 31, 2020

Fund	Allotment	Disbursement	Accrual	Total expenditures	Variance
001 - General fund					
State transferable	\$ 106,405,832	\$ 93,593,339	\$ 1,154,428	\$ 94,747,767	\$ 11,658,065
State non-transferable	\$ 35,016,580	\$ 20,912,021	\$ 176,416	\$ 21,088,437	\$ 13,928,143
Federal	\$ 250,528,986	\$ 217,981,395	\$ 1,204,746	\$ 219,186,141	\$ 31,342,845
Federal - unanticipated	\$ 430,308	\$ 59,642	\$ 16,969	\$ 76,611	\$ 353,698
Local	\$ 1,489,000	\$ 12,779	\$ 3,951	\$ 16,731	\$ 1,472,269
Operating unanticipated-federal stimulus	\$ -	\$ 11,695	\$ 3,247	\$ 14,942	\$ (14,942)
001 - General fund total	\$ 393,870,706	\$ 332,570,871	\$ 2,559,757	\$ 335,130,629	\$ 58,740,077
Other Funds					
03C - Emer med ser/trauma care SYS trust					
03K - Industrial insurance premium refund					
05C - Criminal justice treatment account	\$ 1,832,498	\$ 1,187,912	\$ 3,678	\$ 1,191,590	\$ 640,908
05H - Disaster response account					
08G - Flexible spending administrative acct					
08J - Prescription drug consortium account					
08K - Problem gambling account	\$ 622,166	\$ 45,812	\$ 3,656	\$ 49,468	\$ 572,698
16W - Hospital safety net assessment account					
172 - Basic health plan trust account					
17T - Health benefit exchange account					
19A - Medicaid fraud penalty account	\$ 2,834				\$ 2,834
23L - Indian health improvement reinvest acct					
315 - Dedicated marijuana fund account	\$ 4,748,834	\$ 512,534	\$ 3,682	\$ 516,216	\$ 4,232,618
418 - ST health care authority admin acct					
438 - Uniform dental plan benefits admin					
439 - Uniform medical plan benefits admin					
474 - Sebb flex spending & dep care admin acct					
475 - Sebb dental benefits admin acct					
489 - Pension funding stabilization acct	\$ 44,000				\$ 44,000
492 - School employees' insurance admin acct					
494 - Sebb medical benefits admin acct					
609 - Medical aid account					
Other funds total	\$ 7,250,332	\$ 1,746,258	\$ 11,016	\$ 1,757,275	\$ 5,493,057
Grand total	\$ 401,121,038	\$ 334,317,129	\$ 2,570,774	\$ 336,887,903	\$ 64,233,135

- a) These figures represent the forecasted allotments and the actual expenditures through the first two months of fiscal year 2021 (July and August 2020).

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- b) The current variance is due to projections and appropriations based on the February 2020 forecast and will be updated when the new forecast is available.

