

Impact of Supplemental State Operating and Capital Budgets in King County
Major Issues Affecting the Community Behavioral Health System
Reflects Operating and Capital Budgets as Passed Legislature 3/8/2018

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Operating	Supplemental SFY19 Amount	Details and Impact
BHO Enhancements	+\$23.1M state funds +\$69.3M total includes Medicaid rate increase +\$20.0M in KC	Funding is provided to behavioral health organizations for community behavioral health service enhancements, distributed to regions by population. 20% of the state general fund amount is directed to non-Medicaid funding, with the remainder going to increase Medicaid rates. A plan is required from each region to: reduce the use of long-term commitment beds via community alternatives; expedite state hospital discharges; recruit/retain staff in community facilities; divert people from the criminal justice system; and improve recovery-oriented services including clubhouse expansion.
Workforce Proviso (Medicaid Rate Assumptions)	Included Positive impact in KC TBD	This proviso directs actuaries to reevaluate the adequacy of community behavioral health Medicaid rates by comparing to wages in government agencies and hospitals, and updating traffic assumptions. Once rates are updated accordingly, this will increase Medicaid funding for community behavioral health services.
Opening Medicaid State Plan	+\$956K state funds + broad proviso Positive impact in KC TBD	Directs the state to seek an amendment to include SUD peer services in the Medicaid state plan, and to coordinate with BHOs to explore further opportunities to add additional items to the state plan, and also will begin training/certification of peer specialists. Once approved by CMS, a Medicaid plan amendment could improve health outcomes and contribute to future increases in Medicaid rates.
IMD Federal Rule Partial Backfill	\$15.5M state backfill funds Possible \$7.1M backfill in KC	Backfill funds are provided, primarily in the SUD service category, based on a continued assumption of success in securing a partial waiver. This represents the full amount of backfill that DSHS has said is needed, though BHOs generally believe it provides partial funding only. This funding level falls well short of the amount provided for FY18 (\$29.1M statewide, \$13.3M to KC). Unless a waiver is secured, funding will likely be insufficient to cover FY19 IMD costs.
Non-Medicaid/ Crisis Services Reserve	+\$14.5M one-time state funds Possible +\$4.4M in KC	Funding is provided to create a reserve for non-Medicaid services and to stabilize the crisis service system, along with a mandate to spend down or return all reserves before the fully integrated managed care transition. KC has been anticipating and planning for the reserve spenddown.
Opioid Treatment and Overdose Prevention	+\$3.5M state funds +\$14.4M total Possible +\$1.4M in KC	Funds 4 regional hub and spoke centers for medication assisted treatment (MAT); opioid overdose reversal medication distribution; a MAT capacity tracking tool; prescription drug take-back; tribal opioid reduction grants; and a buprenorphine MAT rate increase. It is hoped that 1 hub and spoke center may be sited in KC. MAT capacity tracking and prescription drug take-back would create state versions of KC activities.
Assisted Outpatient Treatment (AOT)	+\$727K state funds +1.7M total Possible +\$520K in KC	Provides limited funding for expanded eligibility for AOT via Senate Bill 6491 to include SUD and people with just 1 prior involuntary commitment. This modest funding level is based on a very low estimate of AOT caseload, and a long, gradual phase-in of AOT services.
Trueblood Fines	+\$46.4M state funds Possible +\$3.6M in KC	Provides for court-mandated fines and other legal costs associated with the <i>Trueblood</i> lawsuit addressing access to competency evaluation and restoration services. A portion of this funding is typically granted out to regions for services to the <i>Trueblood</i> class. King County has had success in securing <i>Trueblood</i> -related grant funds for community-based diversion services.
Capital	Supplemental SFY19 Amount	Details and Impact
Behavioral Health Community Capacity	+\$25.3M state funds At least +\$3M, up to possible +\$8.2M, in KC	\$2M is added for one additional non-IMD secure detoxification facility (bringing the biennial total up to \$4M for two facilities); \$1.3M is added for crisis diversion and stabilization facilities (bringing the biennial total up to \$12.7M); \$2.7M is added to develop alternative long-term commitment beds outside the state hospital (bringing the biennial total up to \$12.7M); \$5M is added for non-IMD facility/service capacity for certain children and youth; \$2M is provided for community behavioral health capacity grants generally; and \$3M is provided for Evergreen Treatment Services' building purchase, contingent on matching funds. Funds will go out as grants to community hospitals or community entities, and will be administered by Commerce.

This summary focuses on major budget items that are new for state fiscal year 2019. Changes expected to have a minor impact are not included. All estimates, especially but not limited to local King County impacts, are preliminary, and will continue to be updated as we continue to learn more about the budget.