



Behavioral Health and Recovery Services

Behavioral health services are in high demand, particularly given the health and emotional impacts of COVID-19. At the same time, King County is facing a funding crisis for behavioral health services. Despite recent and significant new State investments in local crisis services, state and federal funding have long been inadequate. The economic downturn has left the State facing a significant budget deficit and sharply reduced King County's Mental Illness and Drug Dependency (MIDD) fund. Meanwhile, steady growth in Involuntary Treatment Act (ITA) court costs over the past several years have dramatically increased County costs, threatening to jeopardize community treatment and access to care.

BACKGROUND

King County's [Behavioral Health and Recovery Division](#) (BHRD) ensures high-quality behavioral health services for low-income people, including both Medicaid eligible and non-Medicaid eligible populations. As the Behavioral Health Administrative Service Organization (ASO) for the region, BHRD receives about \$52 million biennially in State General Funds to support non-Medicaid funded programs like outreach, crisis response, medication assisted treatment, and Involuntary Treatment Act (ITA) Court costs. State General Funds combined with the MIDD revenues make it possible for the County to fund care for non-Medicaid eligible residents, such as undocumented persons and those just above Medicaid income eligibility, keeping doors to treatment open for more people in need.

KEY INVESTMENTS

In order to improve health outcomes for residents and reduce impacts to the much more expensive crisis system, King County made a strategic decision over the past five years to continue funding programs that stabilize clients (Medicaid and non-Medicaid), even when dedicated revenues did not cover the costs. As a result, the King County ASO has been operating at a loss of approximately \$7 million per year since 2015.

Local flexible funding, such as property tax and MIDD funds, previously filled in this gap. However, non-Medicaid backed expenditures, including ITA Court legal costs, have continued to grow faster than non-Medicaid revenues over time. In 2021-2022, King County can no longer afford to fill this gap with local funds. Additionally, this gap may continue to widen without legislative changes or changes to ITA Court operations.

To cover a projected negative cash balance and preserve needed programs at least for one year, the proposed budget transfers MIDD funds (\$15 million) to the Behavioral Health Fund for 2021-2022. However, even with this transfer, absent another fund source or state legislative action, deep cuts to non-Medicaid funded programs will still be necessary in 2022.



King County

2021-2022 Proposed Budget

Proposed Service Reductions to Close 2021-2022 Non-Medicaid Shortfall

The proposed budget reduces all non-mandated services funded by State General Fund to \$0 beginning Jan 1, 2022:

Program	Reduction	Significant Impacts
Medication Assisted Treatment (MAT) for non-Medicaid clients	\$2.8 M	Eliminates MAT services to 400 non-Medicaid clients daily
Mental Health Residential Treatment Program	\$2.7 M	Eliminates 24/7 residential care for 75 non-Medicaid clients/year
Transitional Support Program	\$0.9 M	Eliminates services for 437 psychiatric discharge patients/year
Next Day Appointment Program	\$0.2 M	Loss of a major hospital prevention program
Homeless Outreach Stabilization and Transition (HOST) Program	\$0.7 M	Eliminates one of the few BH homeless response services serving 400 clients per year
Extraordinary Treatment Program	\$0.5 M	Eliminates a small program serving intensive-needs clients
Substance Use Disorder Recovery/ Advocacy Program	\$0.2 M	Eliminates a grassroots collaboration focused on advocacy and stigma reduction
SUD Residential Program	\$0.4 M	Loss of residential treatment, which will lead to increased emergency room, inpatient and criminal justice costs
Crisis Respite Program	\$0.3 M	
Total	\$8.7 M	

Sales Tax Option: House Bill 1590

House Bill 1590 (RCW 82.14.530) approved during the 2020 Legislative Session, changed an existing 0.1 percent county sales tax option to raise revenues dedicated to affordable housing and behavioral health (at least 60%), and related services (up to 40%) to permit the tax to be invoked through Council action, rather than by popular vote. This tax would generate about \$70 million per year.

The Executive is proposing levying this tax as part of the 2021-2022 budget. If the King County Council were to approve the new dedicated sales tax and allocate \$8-10 million per year toward behavioral health non-Medicaid services, the proposed cuts for 2022 could be avoided.