University of Washington

2025-27 Regular Budget Session

Maintenance Level - MF - BHTF Support

Agency Recommendation Summary

In 2019, in response to a lack of psychiatric beds, a shortage of the behavioral health care workforce, and the closure of civil commitment beds at Western State Hospital, the Legislature, in partnership with the Governor's Office and the University of Washington, passed ESSHB 1593 to create a Behavioral Health Teaching Facility (also known as the Center for Behavioral Health and Learning). As a part of that legislation, an agreement was made for the state to provide funding to cover the full costs of operating the long-term civil commitment (LTCC) beds at the new facility. This decision package is to codify that agreement. Therefore, the University of Washington Medicine (UW Medicine) is putting forward this decision package requesting the $20 million provided in the 2024 supplemental operating budget be made ongoing starting in FY26, to support the costs of delivering behavioral health care to patients in LTCC beds at the Behavioral Health Teaching Facility (BHTF). This facility opened in June of 2024 and is currently ramping up patient admittance to full capacity. This funding was provided in the 2024 supplemental operating budget as one-time funding in FY25, with a cost report due to the legislature in June 2025. However, this funding is necessary in FY26 and ongoing to ensure the LTCC beds can be operational and financially sustainable, until a long-term funding model is determined based on annual cost reporting. Without this funding, UW Medicine would not be able to operate these LTCC beds starting in FY26, nor fulfill the teaching and training mission of the new facility.

Fiscal Summary

Fiscal Summary *Dollars in Thousands*	Fiscal Years		Biennial	Fiscal Years		Biennial
	2026	2027	2025-27	2028	2029	2027-29
Operating Expenditures						
Fund 001 - 1	$20,000	$20,000	**$40,000**	$20,000	$20,000	**$40,000**
Total Expenditures	**$20,000**	**$20,000**	**$40,000**	**$20,000**	**$20,000**	**$40,000**

Decision Package Description

In 2019, in response to a lack of psychiatric beds, a shortage of the behavioral health care workforce, and the closure of civil commitment beds at Western State Hospital, the Legislature, in partnership with the Governor's Office and the University of Washington, passed ESSHB 1593 to create the BHTF. The Legislature provided capital funding to the University of Washington to build the BHTF, which now contains 150 new beds for delivery of inpatient behavioral health services, including 75 beds for 90/180-day long-term civil commitment (LTCC) patients. UW Medicine broke ground for construction of the BHTF in October 2021 and the facility opened on time in June 2024.

The BHTF provides a continuum of care for individuals who require long-term inpatient treatment, acute psychiatric hospitalization, state-of-the-art treatments such as neuromodulation, quality medical/surgical care for individuals who also struggle with mental health and addiction, and 24/7 state-wide provider-to-provider psychiatry consultation. When this project was conceived by policymakers, one of the agreed-upon tenets was that the care of patients on LTCC, who would otherwise be cared for at one of our state hospitals, the state would fund the care of these patients at UW Medicine's new facility. The LTCC patients admitted at this facility would have previously been treated at Western State Hospital, and the payment methodology for care of these patients would have been fully paid for in the state operating budget annually. This is why the agreement made at the conception of building this new facility included state support for the full cost of caring for patients in the LTCC beds at the BHTF.

As a result, UW Medicine in consultation with the legislature and the HCA determined a daily bed rate to cover the costs of running the 75 LTCC beds. Based on UW Medicine's assumed daily bed rate for the LTCC beds, UW Medicine received a one-time appropriation of $20 million in the 2024 supplemental operating budget to support the opening of the behavioral health teaching facility for fiscal year 2025.

UW Medicine is requesting the $20 million appropriation for the costs of operating these beds be built into maintenance as an ongoing appropriation starting in FY26, and any future adjustments to this appropriation occur once a cost reporting mechanism is established, in partnership with the Governor's Office and the Legislature, after a full year of operation at full capacity. Without it, UW would decrease the number of beds available to serve patients in need. This facility not only attends to some of our state's most vulnerable populations, but it also is designed to teach and train the future behavioral health workforce across the care provider team.

This proposal will ensure the BHTF continues to have the resources necessary to provide essential behavioral health care to the state's most vulnerable patients and continue to increase and help strengthen the state's behavioral health treatment capacity into the future.

Assumptions and Calculations

Expansion, Reduction, Elimination or Alteration of a current program or service:

This funding was appropriated in the 2024 supplemental operating budget as one-time funding. This request is to make this funding on-going starting in FY26, which will ensure the LTCC beds at the BHTF will be operated per the agreement made in partnership with the Governor's Office and the Legislature to cover the full costs of caring for this patient population.

Detailed Assumptions and Calculations:

The following assumptions were used to develop the daily bed rate based on the facility:

- 75 new beds for long-term commitment beds
- Capacity for a 24/7 telehealth psych consultation program
- Capacity for other treatment modalities to support the transition of psych patients to community-based living arrangements
- Capacity to provide comprehensive workforce training and development for behavioral health providers of the future

General Assumptions in the development of the day rate:

- Current costs to provide care in a similar setting were used
- Includes costs for any ancillary services based on current patient experience/profiles
- Estimated Clinical Faculty Funding based on a rate per RVU was included
- Incremental teaching costs were estimated and included

Assumptions in developing state budget requests:

- 75 LTCC bed capacity and patient care
- Incremental teaching costs
- Operating at 97% capacity 365 days per year
- **Total requested from the state budget: $20,000,000**

Workforce Assumptions:

The Behavioral Health Teaching Facility was conceived of, designed, and now operationalized not only to provide behavioral health care to some of the state's most vulnerable patient population, but to teach, train, and build the future behavioral health workforce for the state. Without this funding, there would be significant impacts on UW Medicine's ability to train and teach the state's future behavioral health workforce, which could add to the strain and shortage of workers across the state to meet the current and future demand for behavioral health care across Washington.

Historical Funding:

As noted above, the BHTF was opened in June of 2024, and the 2024 Supplemental Operating budget provided the $20 million in FY25, solely to support behavioral health care and training at the University of Washington Medical Center. A report detailing how these funds and any federal funds are expended for the medical center shall be submitted to the governor and the appropriate committees of the legislature, pursuant to RCW 43.01.036, by June 30, 1 2025. This decision package would ensure these funds be made on-going.

Strategic and Performance Outcomes

Strategic Framework:

This proposal helps to advance the Governor's goal for Healthy and Safe Communities, as well as the Governor's vision to transform Washington's mental health system, by moving civil patients out of the state's two major hospitals – Eastern and Western State – into community-based treatment facilities and by expanding the number and the capacity of the state's behavioral health workforce.

Performance Outcomes:

Funding this proposal will result in increased behavioral health care treatment capacity including future workforce, with specific outcomes including:

- 75 long-term civil commitment beds in a community-based hospital setting
- Capacity to provide modern behavioral health treatment including treatments currently not available at the existing state hospitals such as a full array of neuromodulation therapies for treatment resistant depression, anxiety, and psychosis.
- Training of a multidisciplinary workforce of behavioral health professionals for Washington State.
- Cost-based reimbursement to UW Medicine ensures the BHTF is financially sustainable and can continue to serve this vulnerable patient population in the long term.

This item has extensive documentation through legislative action. It also aligns with Governor Inslee's goal of creating healthy and safe communities, as this facility serves some of the most vulnerable Washingtonians.

Equity Impacts

Community Outreach and Engagement:

The design and conception of this facility included significant community engagement throughout the legislative, pre-design, design, and building process. This request is for the funding necessary to ensure the financial stability of a facility with significant statewide community support.

Disproportional Impact Considerations:

This request would have no disproportionate impact on marginalized communities. The BHTF serves a vulnerable patient population from across the state that would be negatively impacted by not fully funding the costs necessary to provide essential care for patients on long-term civil commitment at the BHTF.

Target Communities and Populations:

The requested funding will support care delivery for patients occupying the 75 LTCC beds (90/180-day civil commitment). The LTCC beds will serve patients with severe mental illness who would otherwise be on a waitlist for the existing state hospitals and help realize Governor Inslee's vision of serving patients traditionally cared for at Western State Hospital in smaller facilities closer to the communities where they live. The patients served by the BHTF will include individuals from across the state with complex and persistent behavioral health care needs who require long-term civil commitment. As mentioned above, the BHTF provides a high-quality care environment for patients to receive care in a community-based hospital setting. Health equity will be improved by providing this vulnerable patient population with access to state-of-the-art treatment in a supportive, healing environment, with the goal of helping them return to a community setting.

Community Inputs and Incorporation:

The BHTF solicited significant community and stakeholder input throughout the process of designing and building the facility. This request is solely to codify the commitment made to fully fund the LTCC beds that are now operational.

Other Collateral Connections

HEAL Act Agencies Supplemental Questions

N/A

Puget Sound Recovery:

N/A

State Workforce Impacts:

N/A

Intergovernmental:

There is significant intergovernmental support for ensuring the long-term financial sustainability of this facility, to ensure it can continue to serve the vulnerable patient population it was designed for. In addition, this facility plays a vital role in teaching and training the next generation of behavioral health care workers, and full reimbursement for the costs of operating these beds is essential to the ability of UW Medicine in fulfilling its teaching mission.

Stakeholder Impacts:

The BHTF serves a vulnerable patient population from across the state that would be negatively impacted by not fully funding the costs necessary to provide essential care for patients on long-term civil commitment at the BHTF. In addition, not funding this proposal would significantly impact the state's ability to meet the capacity needs for LTCC beds, and the essential care they provide.

State Facilities Impacts:

N/A

Changes from Current Law:

N/A

Legal or Administrative Mandates:

N/A

Governor's Salmon Strategy:

N/A

Reference Documents

Attachment 1 - Fiscal Details - BHTF Funding.xlsx
Attachment 2 - OFM Letter - BHTF Funding.pdf

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?

No

Objects of Expenditure

Objects of Expenditure *Dollars in Thousands*	Fiscal Years		Biennial	Fiscal Years		Biennial
	2026	2027	2025-27	2028	2029	2027-29
Obj. Y	$20,000	$20,000	**$40,000**	$20,000	$20,000	**$40,000**

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