Agency Recommendation Summary

The Washington State Health Care Authority requests adjustments in the 2027-2029 biennial budget to align appropriations with projected expenditures for the Community Behavioral Health Support Service, and Behavioral Health Wraparound Support programs.

Program Recommendation Summary

CBH - Community Behavorial Health

The Washington State Health Care Authority requests adjustments in the 2027-2029 biennial budget to align appropriations with projected expenditures for the Community Behavioral Health Support Service, and Behavioral Health Wraparound Support programs.

Fiscal Summary

Fiscal Summary *Dollars in Thousands*	Fiscal Years		Biennial	Fiscal Years		Biennial
	2028	2029	2027-29	2030	2031	2029-31
Operating Expenditures						
Fund 001 - 1	$16,010	$19,989	**$35,999**	$19,989	$19,989	**$39,978**
Fund 001 - 2	$15,539	$18,242	**$33,781**	$18,242	$18,242	**$36,484**
Total Expenditures	**$31,549**	**$38,231**	**$69,780**	**$38,231**	**$38,231**	**$76,462**
Revenue						
001 - 0393	$15,539	$18,242	**$33,781**	$18,242	$18,242	**$36,484**
Total Revenue	**$15,539**	**$18,242**	**$33,781**	**$18,242**	**$18,242**	**$36,484**

Decision Package Description

Problem Statement

Current appropriations do not align with projected 1915i waiver, Community Behavioral Health Support (CBHS) Service and Behavioral Health Wraparound Support (BHWS) costs. Effective July 1, 2024, clients who were receiving BHWS services began transitioning to 1915i waiver CBHS services paid through managed care. A small number of clients remain in BHWS even after the transition because they are either supported at home or are not eligible for 1915i waiver services.

Proposed Solution

The Washington State Health Care Authority (HCA) requests $69,780,000 ($35,999,000 General Fund - State) in BI27-29 and ongoing to align current appropriations with projected expenditures.

Background Information

BHWS was established in 1995 in Engrossed Substitute House Bill 1410 to fund support and services for individuals who have personal care needs due primarily to a psychiatric condition.

Through the 1915i waiver, federal Centers for Medicare and Medicaid Services (CMS) cover a portion of the costs of certain services, such as personal care, that are not normally eligible for federal Medicaid reimbursement. This waiver allows states to offer home and community-based services and support to individuals who would otherwise require more costly institutional care.

Effective July 2024, CMS approved a 1915i state plan amendment to allow for the delivery of wraparound services for clients with a qualifying behavioral health need who also need personal care services. These services are paid for through managed care.

Assumptions and Calculations

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

No, this request seeks to adjust funding based on projected growth of existing caseloads.

Detailed Assumptions and Calculations:

The following assumptions are used in the financial projection:

- Historical data is examined for total caseload/occupied beds for the following facility types and programs:
  - Adult Family Homes
  - Assisted Living Facilities / Adult Residential Care
  - Enhanced Services Facilities
- BHWS Each total caseload is projected into the future according to different estimated growth rates.
- After the projected caseloads are calculated, the average days per year that services will be utilized per client is estimated. For this calculation, 320 days (26.7 per month) are used.
- The department estimates the breakdown in total caseload between Tier 1, Tier 2, Tier 3, Tier 4, Tier 5, and Tier 6 clients. These estimates are based on the most recent available data that shows the percentage breakdown of each tier.
- Finally, the total financial cost is estimated by multiplying the current daily billable rate per tier against the total caseload, apportioned for annual utilization.
- Note: No increase is assumed in the daily billable rates.

Workforce Assumptions:

Not applicable.

Historical Funding:

	FY 26			FY 27		
	GF-S	**GF-F**	**Total**	**GF-S**	**GF-F**	**Total**
Adult Family Homes	67,007	69,742	136,749	59,391	61,816	121,207
Assisted Living Facilities	6,378	6,638	13,016	5,648	5,879	11,527
Enhanced Services Facility	3,786	3,940	7,726	3,824	3,980	7,804
BHWS	2,573	-	2,573	3,547	-	3,547
Admin	376	376	752	376	376	752
Total	$80,120	$80,696	$160,816	$72,786	$72,051	$144,837

Strategic and Performance Outcomes

Strategic Framework:

This request supports all three of HCA’s strategic goals:

- Responding to the needs of Washingtonians;
- Closing gaps in health disparities and advancing health equity; and
- Strengthening agency operations.

Performance Outcomes:

HCA expects to improve the quality and value of health care for affected individuals by achieving the following goals:

- Reduce avoidable use of intensive services and settings
- Improve population health

If this request is funded, the agency will have sufficient funding to cover the projected costs of BHWS and CBHS services.

Equity Impacts

Community Outreach and Engagement:

Not applicable.

Disproportional Impact Considerations:

Not applicable.

Target Communities and Populations:

The Medicaid program provides a vital lifeline for some of the state's most vulnerable, under-represented communities. This request assists individuals that struggle with psychiatric disability. Without the BHWC waivered program, the state may incur higher costs since such individuals would then need to receive care in more costly, institutional settings.

Community Inputs and Incorporation:

Not applicable.

Other Collateral Connections

HEAL Act Agencies Supplemental Questions

Not applicable.

Puget Sound Recovery:

Not applicable.

State Workforce Impacts:

Not applicable.

Intergovernmental:

Not applicable.

Stakeholder Impacts:

Not applicable.

State Facilities Impacts:

Not applicable.

Changes from Current Law:

Not applicable.

Legal or Administrative Mandates:

Not applicable.

Governor's Salmon Strategy:

Not applicable.

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**
	2028	**2029**	**2027-29**	**2030**	**2031**	**2029-31**
Obj. E	$31,549	$38,231	**$69,780**	$38,231	$38,231	**$76,462**

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