



Wash State Health Care Authority  
2019-21 First Supplemental Budget Session  
Policy Level - 75 - ASO Vol Inpatient Psyc Increase

## Agency Recommendation Summary

The Health Care Authority (HCA) submits a placeholder request in the 2020 supplemental budget to increase funding for Behavioral Health Administrative Service Organizations (BH-ASOs) for non-Medicaid clients voluntarily seeking inpatient psychiatric treatment.

## Program Recommendation Summary

### **CBH - Community Behavioral Health**

See agency recommendation summary

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2020	2021	2019-21	2022	2023	2021-23

## Decision Package Description

As the state moves to fully integrated managed care, behavioral health organizations (BHOs) will no longer provide services. Administrative service organizations (ASO) will, in their place, manage the regional non-Medicaid contracts. These contracts are funded through grant, general fund state and state dedicated funding.

The previous funding arrangement allowed BHOs to determine the most critical funding needs within their service area. With the change in payment arrangements 70% of non-Medicaid funds are allocated to ASOs and 30% to managed care organizations (MCOs). Funding allocated to MCOs covers non-Medicaid services for Medicaid clients. Funding allocated to the ASOs includes payment of services for non-Medicaid clients. The ASOs collectively have indicated that they do not have the resources to provide voluntary inpatient treatment to non-Medicaid residents.

Currently, some community hospitals deny psychiatric admissions for clients unless they have a court order for involuntary treatment. This practice is related in part to the variation in payment practices across BHOs and ASOs, with some of the BHOs and ASOs not having sufficient funds to offer payment for voluntary treatment. One result is that clients are sometimes detained involuntarily because they cannot receive inpatient care otherwise. Another result is that the person cycles in and out of crisis services, without the ability to have a consistent treatment plan during their crisis episode.

With the transition to integrated managed care, the BH-ASOs have assumed responsibility for non-Medicaid psychiatric inpatient treatment. The current contract follows prior practice in allowing the BH-ASO to determine whether sufficient funds are available to offer voluntary inpatient hospitalization. At least two BH-ASOs have determined that they will never have sufficient funds to cover voluntary inpatient treatment, as this may be considered less critical than other services on the list of necessary services within the region.

Individuals receiving crisis services, regardless of funding, must be offered least restrictive treatment options. Thus, before moving to involuntary detention and treatment, voluntary inpatient treatment must be one of the lesser restrictive options considered should the individual agree to the care. Additionally, individuals already detained involuntarily, by law, regardless of funding, must be offered voluntary treatment (RCW 71.05.260). In summary, voluntary inpatient treatment is a necessary component to the full continuum of crisis interventions.

HCA is requesting additional state funding to cover voluntary psychiatric hospitalization. The funds will be distributed to the BH-ASOs based on population and will be monitored. New contract language will mandate that psychiatric hospitalization for low-income clients be covered based on medical necessity and not based on availability of BH-ASO funds.

### **What alternatives did you explore and why was this option chosen?**

HCA could mandate voluntary psychiatric hospitalization without additional funds, but the BH-ASOs would likely cut services covered by state-only funds, such as residential care and other behavioral health services.

## Assumptions and Calculations

### ***Expansion or alteration of a current program or service:***

This additional funding would allow BH-ASOs to treat more clients. It would not alter the current service offering.

### ***Detailed assumptions and calculations:***

This is a placeholder request. Additional details will be provided

### ***Workforce Assumptions:***

No additional staff are requested.

## Strategic and Performance Outcomes

### ***Strategic framework:***

This decision package supports the Governor's executive order to reduce bed capacity at the state hospitals.

### ***Performance outcomes:***

The outcomes this would achieve include 1) Increased availability of community hospital psychiatric beds and evaluation and treatment units for voluntary admissions. 2) Increased ability to allow clients the ability to receive treatment without removing legal rights in order to receive appropriate treatment to enable recovery.

## Other Collateral Connections

### ***Intergovernmental:***

Regional inter-local committees established by the Legislature have expressed concerns regarding access to inpatient care. Counties that provide crisis services are feeling the impacts of the restrictions on state funding at the local level related to the BH-ASO transition.

### ***Stakeholder response:***

N/A

### ***Legal or administrative mandates:***

N/A

### ***State workforce impacts:***

N/A

### ***State facilities impacts:***

N/A

### ***Changes from current law:***

N/A

### ***Puget Sound recovery:***

N/A

## 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

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