

**BEHAVIORAL HEALTH AND SERVICE  
INTEGRATION ADMINISTRATION**

Address Interim CD Medicaid Rates



**2015-17 BIENNIAL BUDGET**

Request	FY 15	FY16	FY17	15-17
FTE	0.0	0.0	0.0	0.0
GF-State	\$9,251,000	\$6,938,000	\$000,000	\$6,938,000
<b>Total</b>	<b>\$42,880,000</b>	<b>\$32,160,000</b>	<b>\$000,000</b>	<b>\$32,160,000</b>

**DECISION PACKAGE SUMMARY**

The Behavioral Health and Service Integration Administration (BHSIA) requests a short term rate increase for Medicaid chemical dependency/substance use disorder services in order to keep the chemical dependency/substance use disorder provider network viable until the rates of reimbursement have been actuarially certified and approved by the Centers for Medicare and Medicaid Services (CMS). By funding this request, BHSIA is expected to have continued essential services available statewide for Medicaid individuals with chemical dependency/substance use disorders.

**PROBLEM STATEMENT**

The opportunity to expand Medicaid under the Affordable Care Act has resulted in an increased number of individuals becoming newly eligible for Medicaid services. An unintended consequence of this expansion has been a significant decrease in the amount that service providers are being reimbursed for the same services, provided to the same individuals who were previously treated as low-income eligible clients. The state Medicaid rates for services are significantly lower than the low-income rates of reimbursement paid to providers to serve people not eligible for Medicaid. If this request is not approved, there is a risk of reduced capacity to provide essential Medicaid services to those in need of chemical dependency/substance use disorder treatment. Raising the rate within existing funding was looked at as an option, but would only decrease access and capacity within the system for essential services. With the passage of ESSB 6002 Section 208 (7), the Legislature directed BHSIA, Division of Behavioral Health and Recovery (DBHR) to review differential rates paid for alcohol and substance abuse assessment and treatment services for Medicaid and non-Medicaid clients and the impact to providers as previously uninsured clients become eligible for services through the Medicaid expansion under the Affordable Care Act. With adequate revenue, providers will have the resources needed to retain staff and meet the increased need for persons who are in need of Medicaid eligible substance disorder treatment. This is a stop gap fee for service model while actuarially sound rates area being developed.



**DSHS VISION**  
People are healthy • People are safe • People are supported • Taxpayer resources are guarded

**DSHS MISSION**  
To transform lives

**DSHS VALUES**  
Honesty and Integrity • Pursuit of Excellence • Open Communication • Diversity and Inclusion • Commitment to Service

**BEHAVIORAL HEALTH AND SERVICE INTEGRATION  
ADMINISTRATION  
ADDRESS INTERIM CD MEDICAID RATES**



**2015-17 BIENNIAL BUDGET**

**PROPOSED SOLUTION**

SSB 6312 identifies the state purchasing of mental health and chemical dependency/substance use disorder treatment services and integration with managed care contracts and the creation of Behavioral Health Organizations (BHO's). These BHO's will be responsible for formulating their network of services within a defined regional area that will be identified later this fall. A temporary rate increase will help to keep providers statewide viable so that Medicaid individuals continue to have access to essential services during the period of transition to a managed care model.

The proposed implementation date of a vendor rate increase is for July 1, 2015. For the nine month period leading up to implementation of the BHO's in FY 16, an 18.5 percent increase to GF-State is proposed for: outpatient group treatment, Parent Child Assistance Program (PCAP), Safe Babies Safe Moms (SBSM) and Pregnant and Parenting Women (PPW) Residential services.

**EXPECTED RESULTS**

The budget request supports the Department of Social and Health Services Goal 1: Health – Each individual and each community will be healthy.

The decision package is essential to implementing the BHSIA Strategic Objective 1.5: Increase outpatient chemical dependency/substance use disorder treatment retention for adults.

This request supports the Results Washington Goal 4: Healthy and Safe Communities. This request supports the Results Washington goal to help keep people healthy and safe in their communities by providing access to good medical care to improve people's lives.

We will have continued access to essential services within an appropriate setting that will lead to a continuum of services that result in sustained recovery of individuals with chemical dependency/substance use disorders. Supporting a rate increase for providers reduces the likelihood of providers closing their businesses and maintains access to services.

**STAKEHOLDER IMPACT**

The Association of County Human Services (ACHS), local county governments, PCAP Programs, and PPW residential providers will be in support of this proposal.



**DSHS VISION**  
People are healthy • People are safe • People are supported • Taxpayer resources are guarded  
**DSHS MISSION**  
To transform lives  
**DSHS VALUES**  
Honesty and Integrity • Pursuit of Excellence • Open Communication • Diversity and Inclusion • Commitment to Service