

EHB 2584 - S COMM AMD
By Committee on Ways & Means

ADOPTED 03/05/2020

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 71.24
4 RCW to read as follows:

5 (1) It is the intent of the legislature that behavioral health
6 medicaid rate increases be grounded with the rate-setting process for
7 the provider type or practice setting.

8 (2) In implementing a rate increase funded by the legislature,
9 including rate increases provided through managed care organizations,
10 the authority must work with the actuaries responsible for
11 establishing medicaid rates for behavioral health services and
12 managed care organizations responsible for distributing funds to
13 behavioral health services to assure that appropriate adjustments are
14 made to the wraparound with intensive services case rate, as well as
15 any other behavioral health services in which a case rate is used.

16 (3) (a) The authority shall establish a process for verifying that
17 funds appropriated in the omnibus operating appropriations act for
18 targeted behavioral health provider rate increases, including rate
19 increases provided through managed care organizations, are used for
20 the objectives stated in the appropriation.

21 (b) The process must: (i) Establish which behavioral health
22 provider types the funds are intended for; (ii) include transparency
23 and accountability mechanisms to demonstrate that appropriated funds
24 for targeted behavioral health provider rate increases are passed
25 through, in the manner intended, to the behavioral health providers
26 who are the subject of the funds appropriated for targeted behavioral
27 health provider rate increases; (iii) include actuarial information
28 provided to managed care organizations to ensure the funds directed
29 to behavioral health providers have been appropriately allocated and
30 accounted for; and (iv) include the participation of managed care
31 organizations, behavioral health administrative services
32 organizations, providers, and provider networks that are the subject

1 of the targeted behavioral health provider rate increases. The
2 process must include a method for determining if the funds have
3 increased access to the behavioral health services offered by the
4 behavioral health providers who are the subject of the targeted
5 provider rate increases.

6 (c) The process may:

7 (i) Include a quantitative method for determining if the funds
8 have increased access to behavioral health services offered by the
9 behavioral health providers who received the targeted provider rate
10 increases;

11 (ii) Ensure the viability of pass-through payments in a capitated
12 rate methodology; and

13 (iii) Ensure that medicaid rate increases account for the impact
14 of value-based contracting on provider reimbursements and
15 implementations of pass-through payments.

16 (4) By November 1st of each year, the authority shall report to
17 the committees of the legislature with jurisdiction over behavioral
18 health issues and fiscal matters regarding the established process
19 for each appropriation for a targeted behavioral health provider rate
20 increase, whether the funds were passed through in accordance with
21 the appropriation language, and any information about increased
22 access to behavioral health services associated with the
23 appropriation. The reporting requirement for each appropriation for a
24 targeted behavioral health provider rate increase shall continue for
25 two years following the specific appropriation."

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26 On page 1, line 2 of the title, after "services;" strike the
27 remainder of the title and insert "and adding a new section to
28 chapter 71.24 RCW."

EFFECT: Makes mandatory rather than optional the inclusion of the following entities in the Health Care Authority's process for verifying that funds appropriated for targeted behavioral health rate increases are used for the objectives stated in the appropriation: Managed care organizations, behavioral health administrative services

organizations, and providers. Also adds provider networks as participants in this verification process.

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