
Health Care & Wellness Committee

HB 1813

Brief Description: Concerning the reprocurement of medical assistance services, including the realignment of behavioral health crisis services for medicaid enrollees.

Sponsors: Representatives Macri, Doglio, Parshley, Davis, Ormsby, Scott and Pollet.

Brief Summary of Bill

- Shifts responsibilities for facility-based behavioral health crisis services from Medicaid managed care organizations (MCOs) to behavioral health administrative services organizations (BHASOs).
- Directs the Health Care Authority (Authority) to conduct a reprocurement of Medicaid managed care contracts.
- Eliminates the requirement that MCOs contract with BHASOs for behavioral health crisis services and directs the Authority to establish new contracts with BHASOs for behavioral health crisis services beginning January 1, 2027.

Hearing Date: 2/11/25

Staff: Chris Blake (786-7392).

Background:

The Health Care Authority (Authority) provides medical care services to eligible low-income state residents and their families, primarily through the Medicaid program. While some clients receive services through the Authority on a fee-for-service basis, the majority receive coverage for medical services through managed care systems. Managed care is a prepaid, comprehensive system for delivering a complete medical benefits package that is available for eligible families, children under age 19, low-income adults, certain disabled individuals, and pregnant women.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Since January 1, 2020, all physical health, mental health, and substance use disorder services have been integrated in a managed care health system for most Medicaid clients, called Apple Health. Under this arrangement, the Authority contracts with managed care organizations (MCOs) on a regional basis under a comprehensive risk contract to provide health care services to persons enrolled in a managed care plan. The Authority selects MCOs through a competitive procurement process and establishes standards for MCOs that seek to contract to provide services.

While Medicaid clients receive most behavioral health services through an MCO, behavioral health administrative service organizations (BHASOs) administer certain behavioral health services that are not covered by the MCO within a specific regional service area. The services provided by a BHASO include maintaining continuously available crisis response services, administering services related to the involuntary commitment of adults and minors, coordinating planning for persons transitioning from long-term commitments, maintaining an adequate network of evaluation and treatment services, and providing services to non-Medicaid clients in accordance with contract criteria. An MCO must contract with the BHASO within the regional service area for the administration of crisis services and the MCO must reimburse the BHASO for behavioral health crisis services provided to the MCO's enrollees.

Summary of Bill:

Contracting with Medicaid Managed Care Organizations.

By July 31, 2026, the Health Care Authority (Authority) must begin a competitive bid process to procure services for medical assistance programs through managed care organizations (MCOs). The procurement includes physical health, long-term services and supports, and behavioral health services, other than the behavioral health services covered by behavioral health administrative services organizations (BHASOs).

Contracting with Behavioral Health Administrative Services Organizations.

As of January 1, 2027, the general responsibility of the BHASOs to contract with enough providers for crisis services is expanded to include contracting with peer support services and facility-based crisis services, including crisis stabilization services, walk-in centers, peer-run crisis services and outreach programs. Additional clarification is provided to specify that the BHASOs must contract with mobile crisis response services for behavioral health assessments, interventions, and support. The scope of the behavioral health crisis hotlines operated by the BHASOs is clarified to require immediate support, triage, and referral, including the capacity to connect persons with crisis counselors and dispatch additional crisis services.

The Authority must contract with the BHASOs to provide statutorily designated behavioral health services as they will exist on January 1, 2027. The requirement that MCOs contract with BHASOs for behavioral health crisis services is discontinued as of January 1, 2027. By January 1, 2026, the Authority must conduct a comprehensive funding analysis to determine the financial needs of each BHASO region to deliver the services under the new contract. The funding

analysis must: (1) consider each region's service delivery model; (2) calculate the funding needed to maintain the region's crisis response system and the funding available through both Medicaid payments and additional funding sources; and (3) provide recommendations for establishing regional budgets to assure adequate service delivery, including consideration of utilization trends and other measures of regional need. The Authority must adjust the funding to reflect changes in service capacity, such as the addition of new programs and facilities or the expansion of existing services.

Transition Planning.

The Authority must collaborate with the BHASOs and MCOs to establish a comprehensive transition plan for the behavioral health crisis services that will shift from the MCOs to the BHASOs. The transition plan must address the coordination between MCOs, BHASOs, and local behavioral health providers; timelines and milestones for phasing in the behavioral health crisis services; and plans for managing the opening of new programs, facilities, and services. The Authority must submit the transition plan to the Governor and the Legislature by December 31, 2025.

Behavioral Health Crisis System Monitoring and Outreach.

The Authority must collect data from BHASO reports on the outcome and utilization of behavioral health crisis services by Medicaid enrollees. The data must include: (1) the number of individuals served by crisis services; (2) demographic data of individuals accessing services; and (3) key outcomes such as reductions in hospital admissions, law enforcement involvement, and recidivism to crisis care. Beginning December 1, 2027, the Authority must submit an annual report to the Governor and the Legislature regarding the utilization and effectiveness of behavioral health crisis and stabilization services provided by BHASOs.

The Authority, in collaboration with public health agencies, community organizations, and law enforcement, must establish an outreach campaign to inform the public of the availability of behavioral health crisis services, such as the 988 crisis line and mobile crisis response. Similarly, BHASOs must implement local public awareness campaigns and encourage access to crisis services.

Appropriation: None.

Fiscal Note: Requested on February 5, 2025.

Effective Date: The bill contains multiple effective dates. Please see the bill.