

HOUSE BILL REPORT

HB 2254

As Passed Legislature

Title: An act relating to providing flexibility in the partnership access line assessment to cover administrative costs.

Brief Description: Providing flexibility in the partnership access line assessment to cover administrative costs.

Sponsors: Representatives Callan, Eslick, Reed, Zahn, Thomas, Ormsby, Macri, Fosse, Bergquist and Thai; by request of Health Care Authority.

Brief History:

Committee Activity:

Appropriations: 1/19/26, 1/28/26 [DP].

Floor Activity:

Passed House: 2/10/26, 96-0.

Passed Senate: 3/4/26, 49-0.

Passed Legislature.

Brief Summary of Bill

- Allows reasonable costs for a third-party administrator to calculate and administer the assessments to be included in the proportional share calculation for the Partnership Access Line funding model.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 30 members: Representatives Ormsby, Chair; Gregerson, Vice Chair; Macri, Vice Chair; Couture, Ranking Minority Member; Connors, Assistant Ranking Minority Member; Penner, Assistant Ranking Minority Member; Schmick, Assistant Ranking Minority Member; Berg, Bergquist, Burnett, Callan, Corry, Cortes, Doglio, Dye, Fitzgibbon, Keaton, Leavitt, Lekanoff, Manjarrez, Marshall, Peterson, Pollet, Rude, Ryu, Springer, Stonier, Street, Thai and Valdez.

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.

Staff: Meghan Morris (786-7119).

Background:

Partnership Access Line.

The Partnership Access Line (PAL) is a phone consultation service for primary care providers to consult with a pediatric psychiatrist. Seattle Children's Hospital delivers PAL consultation services in affiliation with the University of Washington Department of Psychiatry and Behavioral Sciences (UW) through a contract with the Health Care Authority (HCA).

Partnership Access Line for Moms and Kids.

The PAL for Moms pilot program provides consultation for health care professionals to assess and treat depression in pregnant women and new mothers.

Mental Health Referral Service for Children and Teens.

The Mental Health Referral Service for Children and Teens program facilitates referrals to children's mental health services and other resources for parents and guardians.

Psychiatry Consultation Line.

The HCA, in collaboration with the UW, implements the Psychiatry Consultation Line (PCL) to provide emergency department providers, primary care providers, and county and municipal correctional facility providers with on-demand access to psychiatric and substance use disorder clinical consultation for adult patients. The clinical consultation may occur via telemedicine.

First Approach Skills Training.

The First Approach Skills Training (FAST) program provides brief, evidence-based behavioral therapy for youth and families with common mental health concerns, in settings such as primary care clinics or schools where longer-term treatment is not typically provided. For each FAST program, there is a two-page educational handout that can be given out as a first step in care, prior to referral for the clinician-guided intervention.

Partnership Access Line Funding Model.

The funding model for the PAL, PCL, Mental Health Referral Service for Children and Teens, and FAST programs is as follows:

- The HCA consults with the UW and Seattle Children's Hospital to determine the annual costs of operating each program, including administrative costs.
- For each program, the HCA must calculate the proportion of clients that are covered by Medicaid or state medical assistance programs based on data collected by the UW and participating hospitals. The state must cover the cost for clients covered under Medicaid or state medical assistance programs.
- The HCA must collect a proportional share of program costs, excluding administrative costs, from each of the following entities that are not for covered lives

under contract with the HCA as Medicaid managed care organizations:

- health carriers;
- self-funded multiple employer welfare arrangements; and
- employers or other entities that provide health care in Washington, including self-funding entities or employee welfare benefit plans.

The HCA may contract with a third-party administrator to calculate and administer the assessments, which are deposited into the Telebehavioral Health Access Account to support telebehavioral health programs.

Summary of Bill:

Reasonable costs for the third-party administrator to calculate and administer the assessments may be included in the proportional share calculation for the total assessment on:

- health carriers;
- self-funded multiple employer welfare arrangements; and
- employers or other entities that provide health care in Washington, including self-funding entities or employee welfare benefit plans.

The HCA's other administrative costs for these programs may not be included in the assessments.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In Support) This bill is a smart technical fix and allows the state to manage the carrier assessment sufficiently and save money. This is great for the state and for everyone using the four telephone-based programs and one training program funded through a covered lives assessment on health insurance plans. Currently the HCA bears the cost of contracting with a third-party administrator to calculate and administer the assessment. This bill allows the state to move the cost of contracting with a third-party administrator away from state general funds into the PAL assessment. Financial pressures within the HCA have led to reductions in PAL staffing and increased waiting time for services. The administrative savings created in House Bill 2254 provide an opportunity to reinvest those dollars.

The PCL was established in 2019 and modeled off the PAL line at Seattle Children's to help healthcare providers who need assistance treating adult patients with behavioral health

diagnoses across the state. The line is available 24-7, 365 days a year, and any medical provider in the state can call the PCL line when treating an adult individual with behavioral health issues and get a UW Medicine psychiatrist on the phone to consult on the course of treatment. From 2020 to 2024, the psychiatrists provided over 4,000 consultations with 1,600 unique healthcare providers in 38 of the state's 39 counties. The model is effective.

(Opposed) None.

Persons Testifying: Representative Lisa Callan, prime sponsor; Daniel Garcia, WA Health Care Authority; Dr. Bob Hilt, Seattle Children's; and Charlotte Shannon, UW Medicine.

Persons Signed In To Testify But Not Testifying: None.