

HB 2584 - H AMD 1246

By Representative Caldier

ADOPTED 02/14/2020

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; and (iii) include actuarial
28 information provided to managed care organizations to ensure the
29 funds directed to behavioral health providers have been appropriately
30 allocated and accounted for. The process must include a method for
31 determining if the funds have increased access to the behavioral
32 health services offered by the behavioral health providers who are
33 the subject of the targeted provider rate increases.

1 (c) The process may:
2 (i) Include a quantitative method for determining if the funds
3 have increased access to behavioral health services offered by the
4 behavioral health providers who received the targeted provider rate
5 increases;
6 (ii) Ensure the viability of pass-through payments in a capitated
7 rate methodology;
8 (iii) Ensure that medicaid rate increases account for the impact
9 of value-based contracting on provider reimbursements and
10 implementations of pass-through payments; and
11 (iv) Include the participation of managed care organizations,
12 behavioral health administrative services organizations, and
13 providers that are the subject of the targeted behavioral health
14 provider rate increases.
15 (4) By November 1st of each year, the authority shall report to
16 the committees of the legislature with jurisdiction over behavioral
17 health issues and fiscal matters regarding the established process
18 for each appropriation for a targeted behavioral health provider rate
19 increase, whether the funds were passed through in accordance with
20 the appropriation language, and any information about increased
21 access to behavioral health services associated with the
22 appropriation. The reporting requirement for each appropriation for a
23 targeted behavioral health provider rate increase shall continue for
24 two years following the specific appropriation."

25 Correct the title.

EFFECT: (1) Adds managed care organizations to the entities the Health Care Authority must work with in ensuring that behavioral health rate increases include appropriate adjustments for services that are paid with case rate.

(2) Requires actuarial information be included in the process for verifying provider rate increases are used for the objectives stated in the appropriation and that the process establish which behavioral health provider types the funds are intended for.

(3) Allows for the process: To include a quantitative method for determining if the funds have increased access to behavioral health services; to ensure the viability of pass-through payments in a capitated rate methodology; and to ensure that Medicaid rate increases account for the impact of value-based contracting on provider reimbursements and implementations of pass-through payments.

(4) Clarifies the requirements of the bill apply to rate increases provided through managed care organizations.

(5) The process is no longer required but instead allowed to include representatives from specified organizations and the method

to determine whether the funds provided for rate increases have increased access to services may be quantitative.

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