

2023 Legislative Biennial Budget Comparison — March 23, 2023

On March 23, the Washington State Senate released its proposed legislative budgets for the 2023-25 biennium. The chart below highlights WSHA’s budget priorities, as well as other items of interest to hospitals and health systems.

The charts below list state funds and total funds, which includes a sum of general funding from the state (listed as “GFS” below) and other funds, such as federal funds or funds derived from fees or local intergovernmental transfers. We have indicated WSHA’s position on the budget line items.

Our top budget priorities for this budget include:

- **Hospital Safety Net Assessment Program**
- **Difficult to discharge**
- **Health care workforce investments**
- **Behavioral health investments**

Hospital Safety Net Assessment Program

Budget Item Description	Governor’s budget (12/14/22)	Senate proposal (3/23/23)	WSHA Position
The Hospital Safety Net Assessment program allows the Health Care Authority (HCA) to collect assessments from Washington State hospitals and use the proceeds, along with federal match for enhanced payment to hospitals for Medicaid services.		Legislation to be introduced soon will reflect the recent agreement.	Strong Support – WSHA priority

(tables continue on next page)

Difficult to discharge investments (DSHS long-term care, developmental disabilities administration)

Budget Item Description	Governor's budget (12/14/22)	Senate proposal (3/23/23)	WSHA Position
Continue the rapid response nursing team program until June 30, 2024, to provide staffing teams for long-term care facilities facing workforce shortages.	\$17.4 M – GFS \$34.8 M – Total	\$17.4 M – GFS \$34.8 M – Total	Strong Support – WSHA priority
Funding for the ongoing operation and projected cost increases of nursing facility services in Transitional Care Center of Seattle. One FTE position for complex transition planning to home and community-based settings.	\$41 M – GFS \$82 M – Total	\$41 M – GFS \$82 M – Total	Strong Support – WSHA priority
<p>Funding for institutional transitions to help Medicaid patients transition from acute care hospitals, state hospitals and community psychiatric hospitals into settings in the community with more appropriate levels of care. The Governor's Institutional Transitions budget package was a combination of three agency decision packages: Acute Care Hospital Long Length of Stay, Behavioral Health Transitions, and Housing Expansion.</p> <p>The Acute Care Hospital elements included: specialty dementia care (SDC) slots, community stability supports (CSS) slots, TBI slots, non-citizen slots, and 5 FTE to coordinate placements.</p> <p>The Behavioral Health Transitions package included \$791,000 in staff costs for helping people transition out of state hospitals.</p> <p>The Housing Expansion elements included: Rental subsidies for people leaving nursing homes, state hospitals, and acute care hospitals, an interim housing pilot, and program staff.</p>	\$10.9 M – GFS \$12.9 M – Total	<p>Community housing transitions: \$3.6 M – GFS \$4.4 M – Total</p> <p>Community placement incentives: \$2.6 M – GFS \$5.3 M – Total</p> <p>Behavioral health transitions: \$791,000 – GFS \$1.5 M – Total</p> <p>Non-citizen slots: \$1.8 M – GFS \$1.8 M – Total</p>	Strong Support – WSHA priority

		Not funded: TBI slots, rental subsidies for those leaving nursing homes and acute care hospitals, and interim housing pilot.	
Funding to HCA to implement 2SSB 5103 regarding payment to hospitals for Medicaid patients in acute care beds without medical need.		<i>To be determined</i>	Strong Support – WSHA priority
Taskforce and 5-site pilot program to address challenges faced with discharging patients from acute care and post-acute care capacity (including incentive payments, administrative support, and HCS assessment).		HCA: \$22.3 M – GFS; \$22.5 M – Total DSHS: \$1.3 M – GFS; \$2.7 M – Total OFM: \$1.0 M – GFS; UW: \$205,000 – GFS/Total	Strong Support
Funding for a 16-bed Traumatic Brain Injury facility in a community-based residential setting to provide specialized services to individuals experiencing a traumatic brain injury with complex medical and behavioral needs.	\$1.5 M – GFS \$2.9 M – Total	Not funded	Strong Support – WSHA priority
Washington State Institute for Public Policy study on the need for developing specialized long-term services and supports for adults with traumatic brain injuries.		\$552,000 – GFS/Total	
Funding to increase rates for providers of home and community-based services who serve Medicaid clients.	\$80.5 M – GFS \$153.7 M – Total	Not funded	Support
Funding to increase rates for skilled nursing facilities that serve Medicaid clients.	\$55.4 M – GFS \$110.8 M – Total	\$116.7 M – GFS \$240 M – Total	Support
Funding increase rates for assisted living facilities that serve Medicaid clients.	\$69.2 M – GFS \$146 M – Total	\$44.4 M – GFS \$94.8 M – Total	Support

Enhanced rate pilot for providers who take specialized training to better serve clients with complex support needs to reduce unnecessary hospitalization of children and adults with intellectual & developmental disabilities.	\$6.0 M – GFS \$11.9 M – Total	\$5.2 M – GFS \$10.4 M – Total	Strong Support – WSHA priority
Specialty adult family home (AFH) pilot for providers to specialize in serving individuals with intellectual or developmental disabilities with co-occurring conditions.	\$6.1 M – GFS \$13.3 M – Total	\$3.3 M – GFS \$6.9 M – Total	Strong Support – WSHA priority
Development Disability Administration behavior stabilization program to expand capacity for 10 diversion beds and mobile diversion services, as well as increase the rate for service providers.	\$6.8 M – GFS \$11 M – Total	\$6.8 M – GFS \$11 M – Total	Strong Support – WSHA priority
New program with 33 slots for people with developmental disabilities who are transitioning out of acute care and not eligible for federally funded programs due to their immigration status.	\$5.8 M – GFS/Total	\$5.8 M – GFS/Total	Strong Support – WSHA priority
Increased rates for assisted living facilities that serve Medicaid clients with intellectual/developmental disabilities.	\$1 M – GFS \$2.3 M – Total	\$784,000 – GFS \$1.8 M – Total	Support
DSHS funding to increase the capacity of the LTC Ombuds Program to meet the service demands.	\$2.4 M – GFS/Total	\$1.2 M – GFS/Total	
Operating cost for with the phase-in of 64 beds in enhanced services facilities and 107 specialized dementia care beds established through the 2021-23 capital budget for behavioral health providers.		\$14.7 M – GFS \$29.6 M – Total	
Increase to daily rate for enhanced service facilities.		\$6.5 M – GFS \$13.1 M – Total	
Increase for specialty dementia care rates for assisted living providers.		\$11.7 M – GFS \$24.8 M – Total	
Convert from flat rate to add on rate for nursing homes for specialty behavior services, ventilator, and tracheotomy management.		\$1.9 M – GFS \$3.9 M - Total	
Continued use of Klamath Cottage as short-term option for individuals with developmental disabilities who are ready to discharge from an acute care or state hospital and do not have an immediate placement available.		\$4.5 M – GFS/Total	
Provider training & support pilot for community residential providers and to support providers in locating affordable housing for individuals with developmental disabilities.		\$802,000 – GFS \$1.5 M – Total	

Funding to plan for an enhanced behavior support specialty contract to provide intensive behavioral services to adults with intellectual and developmental disabilities in community residential settings.		\$155,000 – GFS \$276,000 – Total	
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Health care staffing and workforce investments

Budget Item Description	Governor's budget (12/14/22)	Senate proposal (3/23/23)	WSHA Position
Funding is provided to DOH to implement SSB 5499 (Multistate nurse licensure).		\$1.2 M – Total	Strong support
Funding is provided to DOH to conduct rulemaking requiring nursing pools to register and disclose corporate structure and ownership as provided in SSB Bill 5547 (Nursing pool transparency).		\$55,000 – GFS \$107,000 – Total	
Funding to hire additional faculty and staff to serve additional students in the EWU Bachelor of Science in Nursing (BSN) degree program.	\$4.6 M – GFS/Total	\$4.6 M – GFS/Total	Support
Funding is provided to increase the number of nursing slots in the community college system.	\$3.6 M – GFS/Total	\$3.6 M – GFS/Total	Support
Expenditure authority for the Nursing Care Quality Assurance Commission (NCQAC) to increase staffing levels to meet increased demand for nursing licensure/updates to policies and regulatory framework.	\$2.2 M – Total	\$2.3 M – Total	Support

The institution will bring nursing salaries from the 25% percentile to 50% percentile for nurses with similar credentials across the state.	\$4.4 M – GFS/Total	Not funded	Support
Funding is provided to increase nurse educator salaries to support the College of Nursing's reaccreditation effort. (WSU)		\$3.9 M – GFS/Total	
Funds to administer a grant program for support services in apprenticeship programs, including those in the clean energy sector.	\$2.0 M – GFS \$4.5 M – Total	Not funded	Support
Washington State Institute for Public Policy study on hospital staffing standards (E2SSB 5236)		\$163,000 – GFS/Total	
Funding to Labor & Industries, DOH, Attorney General's Office and the Office of Administrative Hearings for implementation of E2SSB 5236 (hospital staffing standards).		L&I: \$5.29 M – Total DOH: \$1.0 M – Total AGO: \$1.1 M – Total OAH: \$31,000 – Total	
Implementation of the high school certified nursing assistant pilot program and the licensed practical nurse apprenticeship program, and rulemaking per E2SSB 5582.		\$1.2 M – GFS/Total	Support
Continued support for additional nursing slots in the existing accelerated Bachelor of Science in Nursing program at the Seattle campus and the School of Nursing and Healthcare Leadership at the Tacoma campus.		\$742,000 – GFS/Total	
Expansion of the psychiatry and family medicine residency programs, and child and adolescent psychiatry fellowship positions. (UW)		\$426,000 – GFS/Total \$1.2 M – GFS/Total \$2 M – GFS/Total	
DOH to contract with the central nursing resource center to gather data to assess current clinical placement practices and identify policy options and recommendations to help increase the number of clinical placement opportunities		\$560,000 – GFS/Total	Support
State Board for Community and Technical Colleges to develop a plan to train more nurses and design and implement an online curriculum and pathway to earn a licensed practical nursing credential, as provided in ESSB 5582 (Nurse supply)		\$882,000 – GFS/Total	

Workforce Training and Education Coordinating Board to award incumbent healthcare worker training matching grants to labor-management partnerships.		\$2.0 M – GFS/Total	
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Behavioral health investments

Budget Item Description	Governor's budget (12/14/22)	Senate proposal (3/23/23)	WSHA Position
Crisis stabilization facilities	\$16.8 M – GFS \$30.5 M – Total	Not funded	Strong Support
Civil conversion bed capacity for 60 additional beds	\$18.9 M – GFS \$21.1 M – Total		
Funding is provided to enhance rates for civil conversion patients at two pilot civil commitment sites. The proposal assumes an average of 37 beds per day will be reimbursed with a \$247 enhancement and 15 beds with a \$332 enhancement above current rates.		\$10.3 M – Total	
Funding is provided for HCA to pay for 16 beds at a civil commitment facility being developed in Stanwood beginning in October 2024.		\$1.7 M – GFS \$3.7 M – Total	
Funding is provided for HCA to reimburse the Department of Social and Health Services for long-term civil commitment beds operated at Oak Cottage on the Maple Lane Campus pursuant to the existing rate methodology for evaluation and treatment facilities.		\$6.5 M – GFS \$15.6 M – Total	
Managed care organization behavioral health rate increase as of Jan. 1, 2024	\$52.2 M – GFS \$150.2 M – Total	\$44.5 M – GFS \$124.9 M – Total	Support
Behavioral Health Provider Rate Increase. Funding is provided to maintain and increase access for behavioral health services for Medicaid patients through a 7% increase to provider rates for specified services.		\$2.1 M – GFS \$6.2 M – Total	Support

Funding is provided to maintain the Intensive Outpatient/Partial Hospitalization pilot sites at the FY 2022 contracted levels and to shift these services to a Medicaid benefit beginning in CY 2024		\$1.1 M – GFS \$7.5 M – Total	
Increase Children’s long Term Inpatient Program (CLIP) bed rates	\$6.9 M – GFS \$13.9 M – Total	\$3.4 M – GFS \$6.9 M – Total	Strong support
Funding is appropriated to rebase per diem rates paid for hospital based inpatient psychiatric beds	\$14.8 M – Total \$52.1 M – Total	\$14.8 M – GFS \$52.1 M – Total	Strong support
Funding is provided for the agency to expand opioid treatment program facilities with opportunities available to areas disproportionately impacted by the opioid epidemic.		\$3.8 M – Total	Support
Emergency Department Bridge Program: Funds are provided for an emergency department bridge program for emergency departments to support staffing, clinical consultation for SUD, and linkage to recovery support services and services following acute SUD events.	\$3.0 M – Total	\$3.0 M – Total	Support
Funding is provided to create a program that would allow for extended post-delivery hospital care for persons with SUD at the time of delivery.	\$3.8 M – Total	\$3.5 M – GFS \$7.0 M – Total	Support
Funding is adjusted for changes in utilization and the cost of providing long-term involuntary inpatient treatment in a community setting.	\$196,000 – GFS \$8.1 M – Total	\$1.5 M – GFS \$7.6 M – Total	
Applied Behavioral Analysis rate increases and training	\$5.4 M – GFS \$10.6 M – Total	\$5.4 M – GFS \$10.6 M – Total	
Funding is appropriated to enhance the crisis service system to better align with best practices for crisis services.	\$101.3 M – Total	Not Funded	
Funding and staffing are provided to provide a technology platform to expand the 988 behavioral health crisis response and suicide prevention services.	\$24.6 M – Total	\$13.7 M – Total	
The FY 2022 supplemental operating budget provided funding for HCA to contract for youth inpatient navigator teams in four regions of the state. Funding is provided to expand the teams into other geographic regions of the state.	\$3.3 M – GFS \$4.0 M – Total	HCA: \$3.3 M – GFS \$4.0 M – Total DSHS: \$487,000 – GFS \$850,000 – Total	

One-time funding is provided to support the faculty costs for delivering behavioral health care to patients in long-term civil commitment beds and to teach future mental health professionals at the Behavioral Health Teaching Facility (BHTF) slated to open in 2024.	\$6.6 M – GFS/Total	\$6.6 M – GFS/Total	
Trueblood funding (all categories combined)	\$29.5 M – GFS/Total	\$34.9 M – GFS \$40 M – Total	
UW 90/180 inpatient beds	\$23.8 M – Total	\$23.8 M – Total	
UW short term behavioral health beds	\$10.3 M – Total	\$10.3 M – Total	
Funding is provided for HCA to administer new programs and strategies funded by opioid settlement agreements.		\$3.1 M – Total	
Funding for a work group on pregnant, parenting and families with children to analyze services and outcomes by providers to identify service gaps. Funding will also provide housing supports. Pass-through funding is provided to help critical access hospitals integrate data systems and to support improvements to safe care plans for infants who are born with substance exposure in coordination with DCYF.	\$2.7 M - Total (Distributor Opioid Abatement Settlement)	\$4.6 M – GFS \$9.4 M – Total	
The department will increase access to harm reduction programs and supplies, including the purchase of naloxone and safe usage supplies. Legislation will be proposed to create the new account.	\$3.78 M – Total (Distributor Opioid Abatement Settlement)	\$3.8 M – Total	
Funding provided to support the establishment of health engagement hubs to provide health care and social services for people who use drugs. The six hubs that will offer a range of services, including access to physical and behavioral health care, low barrier buprenorphine, care coordination, reproductive health, and linkages to community recovery supports.	\$6.7 M – Total (Distributor Opioid Abatement Settlement)	\$6.7 M – Total	
Funding is provided to implement SB 5228 (Behavioral health OT), which allows occupational therapy services to be provided to clients with a behavioral health primary diagnosis under the State's Medicaid plan.		\$544,000 – GFS \$1.65 M – Total	Support
One-time funding is provided for the implementation of SSB 5189 (Behavioral health support) which establishes behavioral health support specialists.		UW: \$157,000 GFS/Total HCA: \$332,000 – GFS	

		\$465,000 – Total DOH: \$332,000 – GFS \$465,000 – Total OIC: \$12,000 – Total	
Funding is provided for the operating costs of behavioral health facilities funded in through the Behavioral Health Community Capacity grant program.		\$16.5 M – GFS \$35.7 M – Total	
Funding is provided to implement Engrossed Senate Bill 5130 (Assisted outpatient treatment).		\$2.4 M – GFS \$3.0 M – Total	
The Partnership for Success (PFS) program provides services that address underage drinking, cannabis/tobacco prevention, and opioid/prescription drug misuse among individuals between the ages of 12 and 25.		\$4.0 M – Total	

Other relevant investments

Budget Item Description	Governor’s proposed funding (12/14/22)	Senate proposal (3/23/23)	WSHA Position
Funding is provided for one-time bridge grants to hospitals in financial distress		\$4.0 M – GFS/Total	Support
Funding is provided to maintain and increase access for primary care physician services for Medicaid patients through a 2% increase to Medicaid primary care provider payment rates.		\$2.1 M – GFS \$6.2 M – Total	
Funding to DOH for collaboration with the Washington Medical Coordination Center to create an implementation plan for real-time bed capacity and tracking for hospitals.	\$200,000 – GFS/Total	\$200,000 – GFS/Total	
OIC study on health provider contracting and health insurance affordability (regarding SB 5393).		\$250,000 – GFS/Total	
Funding to investigate hospital complaints more quickly and clear a backlog that developed during the COVID-19 pandemic.	\$2.0 M – GFS \$2.7 M – Total	\$2.0 M – GFS \$2.7 M – Total	Support

Continuation of public health technology, sustainment of information technology that was utilized during the COVID-19 pandemic.	\$17.8 M – GFS/Total	\$17.8 M – GFS/Total	Support
Funding for expansion of Apple Health to undocumented Washingtonians.	\$18.9 M – GFS/Total	Not funded	Support
Funding is provided to support the statewide medical logistics center to house personal protective equipment and a 60-day inventory of supports for public health and health care response.	\$7.4 M – GFS \$14.3 M – Total	\$7.4 M – GFS \$14.3 M – Total	
Funding provided to improve maternal health outcomes by aligning eligibility requirements for pregnant people and children at 210% of the federal poverty level, update maternity supports, and create a post-delivery transitional care program for people with substance use disorder as described E2SSB 5580.		\$3.5 M – GFS \$7.0 M – Total	Support
Funding provided to increase Medicaid service and mileage rates for air ambulance transport.		\$6.4 M – GFS \$20 M – Total	Neutral
Newborn screening fee increase in Medicaid payment to hospitals for all Medicaid-covered births to offset an increase in the newborn screening fee.		\$207,000 – GFS \$710,000 – Total	Support
Funding is provided to reimburse abortion clinics; workforce retention and recruitment incentives; and grant funding for provider training.	\$15 M – GFS/Total	\$15 M – GFS/Total	
One-time funding to continue of the telehealth collaborative.		\$100,000 – GFS/Total	
Funding is provided to increase service and mileage rates for emergent and non-emergent ambulance transportation.		\$4.7 M – GFS \$14.7 M – Total	
Expand the Birth Equity Project/other initiatives to support prenatal and perinatal health.	\$3.2 M – GFS/Total	\$3.2 M – GFS/Total	
Grants for energy audits to help public building owners, including public hospital districts, understand energy usage and ways to use energy more efficiently and cost effectively.	\$20.6 M - Total	\$20.6 M – GFS/ Total	
Funding is provided for expanded tobacco, vapor product and nicotine prevention and treatment strategies.		\$5 M – GFS \$5 M – Total	