

2021-23 Final Budget Comparison — April 24, 2021

Today, the legislature released its final 2021-23 operating budget. The chart below highlights items of interest to hospitals and health systems, and compares them to items that were previously proposed in the House and Senate. The final budget represents the compromise reached by both chambers regarding the state’s spending priorities over the next biennium.

The chart lists state funds and total funds, which includes the state fund and federal (or other) funds. We have indicated the items that WSHA actively supports. This budget analysis contains the following sections:

- WSHA Hospital / Health System Top Budget Priorities
- COVID-19 Response
- Difficult to Discharge Funding
- Other Health Care Issues (such as Medicaid, low-income health care, etc.)
- Behavioral Health, including mental health, substance use and addressing the opioid crisis
- Other Important Items
- 2021-23 Final Capital Budget (was released on April 22, 2021)

WSHA Hospital / Health System Top Budget Priorities

Item	Senate Proposal (3/25/21)	House Proposal (3/26/21)	FINAL BUDGET (4/24/21)	WSHA Position
Specialty dementia care rate add-on Senate: \$10 per client per day House: \$60 per client per day for patients discharging from acute hospitals (<i>120 specialized dementia beds</i>)	\$2.4 million state (\$5.99 million total)	\$2.3 million state (\$5.25 million total)	Senate & House proposals funded: \$2.4 million state (\$5.99 million total) \$2.3 million state (\$5.25 million total)	Strong support (WSHA request)
Funding adjustment to reflect anticipated utilization for long-term psychiatric services in community hospitals. Also includes proviso language that establishes a rate	\$15.8 million state (\$29.4 million total)	\$28 million state (\$52 million total)	\$28 million state (\$52 million total)	Strong support

methodology as advocated by WSHA. Total maintenance and policy level amounts appropriated: Senate: \$101.5 million state (\$183 million total) House and Final: \$100.2 million state (\$180.3 million total)				
Expand intensive outpatient / partial hospitalization pilot program. Final: \$1.8 million to fund the existing pilot programs, added to \$8.6 million in maintenance level that is appropriated for the pilots.	\$1.8 million state (\$1.8 million total)	<i>Same</i>	\$1.8 million state (\$1.8 million total)	Support

COVID-19 Response

Item	Senate Proposal (3/25/21)	House Proposal (3/26/21)	FINAL BUDGET (4/24/21)	WSHA Position
In response to the pandemic, hospital surge placements to create community capacity for long term care clients <u>discharging from acute care hospitals</u> : Senate: <ul style="list-style-type: none"> 65 geriatric specialty beds 20 noncitizen slots 120 specialized dementia care beds House: <ul style="list-style-type: none"> 65 geriatric specialty clients at an average daily rate of \$200 per-client per-day 20 noncitizen slots at an average daily rate of \$225 per-client per-day 120 specialized dementia care beds at an average daily rate of \$60 per-client per-day (<i>WSHA request, see above chart</i>) 	DSHS: \$8.5 million state (\$15.1 million total) HCA: \$923,000 state (\$923,000 total)	DSHS: \$11.1 million state (\$14.7 million total) HCA: <i>Same</i>	DSHS: \$11.1 million state (\$14.7 million total) HCA: \$923,000 state (\$923,000 total)	Strong support (WSHA strongly advocated for surge funding)
COVID-19 temporary long term care rate increases	\$41.1 million state (\$142.8 million total)	\$101.3 million state (\$285.6 million total)	\$41.1 million state (\$142.8 million total)	Support
COVID-19 testing and tracing grants to DOH	\$900 million total	<i>Same</i>	\$900 million total	Support
Preparation and deployment of COVID-19 vaccines to DOH	\$100 million total	\$140 million total	\$100 million total	Support

Federal grant funding to DOH to increase public health workforce to response to COVID-19 pandemic. House: funding for both hiring and PPE	\$100 million total	\$145 million total	\$100 million total	Support
Support for HIV clients to increase local spending authority to comply with federal Ryan White Care Act for those living with HIV/AIDS	\$26.85 million total	<i>Same</i>	\$26.85 million total	
Spanish public radio campaign to educate about COVID-19	<i>Not funded</i>	\$2 million state	\$1.2 million state	
COVID-19 health data implementation (HB 1127)	<i>Not funded</i>	\$298,000 state	\$298,000 state	Neutral

Difficult to Discharge

Item	Senate Proposal (3/25/21)	House Proposal (3/26/21)	FINAL BUDGET (4/24/21)	WSHA Position
Support of Transitional Care Center of Seattle , DSHS owned nursing home, for difficult-to-place patients from hospitals	\$22.3 million state (\$46.2 million total)	<i>Same</i>	\$22.3 million state (\$46.2 million total)	Strong support
Transition patients from state and community psychiatric hospitals to community settings, including specialized dementia and enhanced adult residential care placements	\$7 million state (\$14.6 million total)	\$8.1 million state (\$16.9 million total)	\$7 million state (\$14.6 million total)	Strong support
Increased personal care for clients whose need is due to psychiatric disability, provided via Medicaid managed care organizations. This funding helps address gaps between DSHS and HCA patients.	\$13.6 million state (\$14 million total)	DSHS: <i>Same</i> HCA: \$7.1 million state (\$7.1 million total)	DSHS: \$13.6 million state (\$14 million total) HCA: \$12.3 million state (\$12.3 million total)	Strong support
Dementia - Staffing at dementia action collaborative and dementia specialty services at two AAAs	\$1.98 million state (\$1.9 million total)	\$1.5 million state (\$1.5 million total)	\$1.5 million state (\$1.5 million total)	Support

AAA case management	\$3.1 million state (\$7.6 million total)	<i>Not funded</i>	\$3.1 million state (\$7.6 million total)	Support
Community living grants for community-based services	\$13.95 million total	\$13.8 million total	\$13.8 million total	Support
Assisted living facility rates	\$1.98 million state (\$4.3 million total)	<i>Not funded</i>	\$1.98 million state (\$4.3 million total)	
Rebase nursing home rate methodology	\$29.6 million state (\$61.7 million total)	\$10.4 million state (\$22.3 million total)	\$26.75 million state (\$54.9 million total)	
Preadmission Screening and Resident Review (PASRR) services capacity increase for specialized services to individuals with intellectual or developmental disabilities in nursing facilities	<i>Not funded</i>	\$1.8 million state (\$4.3 million state)	\$1.8 million state (\$4.3 million state)	Support
Personal care services in homeless shelters pilots in Pierce, King, Clark and Spokane Counties	\$790,000 state (\$790,000 total)	<i>Not funded</i>	\$870,000 state (\$870,000 total)	Support
Home care administrative rate increase	\$527,000 state (\$1.4 million total)	\$88,000 state (\$219,000 total)	\$88,000 state (\$219,000 total)	Support
Long Term Services and Supports Trust implementation	\$8.1 million total	<i>Same</i>	\$8.1 million total	
Enhance behavioral health personal care in long-term care	\$12.3 million state	<i>Same</i>	\$12.3 million total	Support
Developmental Disability Services report on community respite & crisis stabilization, study Medicaid rates, develop quality metrics, and establish staffing plan to achieve a case management ratio of 1:35.	<i>Not funded</i>	<i>Not funded</i>	\$345,000 state (\$345,000 total)	
Transition clients from acute care hospitals to state-operated facility on the Rainier School campus	\$3.95 million state (\$4.4 million total)	<i>Not funded</i>	<i>Not funded</i>	Support
Relocate residents from Rainier School - establish 3 SOLA homes, 71 supported living beds and 19 AFH beds	\$22.9 million state (\$49 million total)	<i>Not funded</i>	<i>Not funded</i>	
Community Residential Options - funding for 5 SOLA homes; 12 beds in supported living; and 4 AFH beds to expend residential options for ID/DD clients	<i>Not funded</i>	<i>Not funded</i>	\$4.8 million state (\$10.3 million total)	

State-Operated Living Alternatives for children - establish SOLA homes for children and youth	<i>Not funded</i>	\$5.6 million state (\$10.9 million total)	\$4.6 million state (\$9.7 million total) Funding for 4 homes	
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Other Health Care

Item	Senate Proposal (3/25/21)	House Proposal (3/26/21)	FINAL BUDGET (4/24/21)	WSHA Position
Extending postpartum Medicaid coverage for low-income women, from 60 days to one year of coverage. The program is fully funded in the final budget.	\$230,000 state (\$857,000 total)	\$8.2 million state (\$14.4 million total)	\$297,000 state (\$979,000 total) (HCA + HBE)	Support
Adult and pediatric primary care provider and pediatric critical care provider rate increases Final: Effective October 1, 2021, up to 15% increase for adult primary care, up to 21% increase for pediatric primary care and critical care.	\$56.2 million state (\$145.6 million total)	\$33.5 million state (\$93.8 million total)	\$45.9 million state (\$123.9 million total)	Support
Medical and psychiatric respite care for Medicaid enrollees who are unsheltered (study).	<i>Not funded</i>	\$25,000 state (\$50,000 total)	\$25,000 state (\$50,000 total)	Support
Premium assistance for individuals at or below 250% FPL and meet other criteria in SB 5377, who purchase coverage on the Exchange starting in 2023. (additional \$8 million state is provided for implementation)	\$100 million state (\$100 million total)	<i>Not funded</i>	\$50 million state (\$50 million total)	Support
Foundational public health as described in RCW 43.70.515 for ongoing system effectiveness	\$150 million state	\$100 million state	\$146.78 million state	Support
Comprehensive public health districts (HB 1152) for administration	<i>Not funded</i>	\$1.96 million state	\$2.67 million state	
Health Equity Zones (SB 5052)	\$1.4 million state	<i>Not funded</i>	\$1.4 million state	Neutral
Family planning services funding to help service providers	\$550,000 state	<i>Same</i>	\$250,000 state	
Ongoing maintenance and support of core public health data systems (federal funds) and ongoing maintenance and support for prescription monitoring program (state funds). House: separate line for PMP	\$3.5 million state (\$22.4 million total)	\$3 million state (\$18.2 million total)	\$4.2 million state (\$22.4 million total)	

Operation and expansion of WWAMI medical school program	\$16.9 million state	\$14.7 million state	\$14.7 million state	
Paramedic training program at the University of Washington	\$450,000 state	<i>Not funded</i>	\$450,000 state	
WSU Spokane Medical School development	\$36.8 million state	<i>Same</i>	\$36.8 million state	
Universal Developmental Screening to be completed in fall 2021 to capture newborn screening data across all providers	\$1 million state	\$2.1 million state	\$1.6 million state	
Audio-only telemedicine implementation (HB 1196)	Not funded	\$1 million state	\$1.1 million state (\$1.2 million total)	Support
Online Hepatitis B telehealth training development	\$30,000 state	<i>Not funded</i>	\$30,000 state	
Implement recommendations from 2018 community health workers task force	\$800,000 state	\$1.3 million state	\$1.3 million state	
Adult dental services provider rate increase	\$21.4 million state (\$76 million total)	<i>Not Funded</i>	\$21.4 million state (\$76 million total)	
Funding for staffing and contracting costs for state generic drug purchasing (ESSB 5203)	\$1.3 million state	<i>Not funded</i>	\$1.6 million state	
1115 Medicaid Transformation - one year extension <ul style="list-style-type: none"> Medicaid Quality Improvement Program (MQIP) Long Term Supports (funded by MQIP) Foundational Community Supports (funded by MQIP) 	\$342.3 million total \$53.6 million total \$73.2 million total	<i>Same</i>	\$342.3 million total \$53.6 million total \$73.2 million	
Creating a Universal Health Care Commission	\$950,000 state (\$950,000 total)	<i>Not funded</i>	\$950,000 state (\$950,000 total)	Neutral
Dementia care telemedicine program through University of Washington Neurology Department	<i>Not funded</i>	\$452,000 state	\$452,000 state	
One time grant for RHCs, PHDs, FQHCs, BHASOs and free clinics to provide care for un- and underinsured patients regardless of immigration status	<i>Not funded</i>	\$35 million federal	\$35 million federal	Support

Funding for program evaluation required by CMS for a WRHAP Pilot	\$60,000 state, \$120,000 total	Same	Same	Support
Health system transparency bill implementation (HB 1272)	<i>Not funded</i>	DOH: \$654,000 state (\$846,000 total)	UW: \$736,000 DOH: \$3.7 million state; (\$3.7 million total)	Neutral
Child health profile system providing messages for parents about child well-visits, immunizations, and other health information	<i>Not funded</i>	\$1 million state	\$1 million state	
Latino Center for Health at the University of Washington	\$1 million state	\$1.3 million state	\$1.3 million state	

Behavioral Health, including mental health, substance use and opioid response

Item	Senate Proposal (3/25/21)	House Proposal (3/26/21)	FINAL BUDGET (4/24/21)	WSHA Position
<p>Reducing civil commitment wards in Western state hospitals (WSH) Senate: saving from closing 7 wards (210 beds) House: savings from closing 6 wards (180 beds) Final: savings from closing 6 wards (180 beds) in a phased approach, starting on July 1, 2021 through April 1, 2023. Also requires DSHS and HCA to coordinate a plan to ensure increasing community capacity for long-term services.</p> <p>The state anticipates 242 beds in the community that will be added from fiscal year 2021 through end of fiscal year 2023.</p>	--\$75.7 million (\$81.9 million total)	--\$56 million state (\$56 million total)	--\$56 million state (\$56 million total)	Closely monitor – to ensure that there is sufficient community bed capacity before any beds at WSH are closed
<p>Investments in state run inpatient or residential beds:</p> <ul style="list-style-type: none"> 29-bed forensic ward expansion at WSH (FY 2022) 30-bed facility – Maple Lane (July 2023) 16-civil bed facility – Grand Round (Nov 2022) 48-bed regional treatment center in Vancouver (16 state/32 contract) 	\$27.4 million state \$4.3 million state \$6.5 million state (\$11.6 million total) \$3 million state (\$5.9 million total)	\$27.4 million state \$4.3 million state \$6.5 million state (\$11.6 million total) \$14.2 million total	\$27.4 million state \$4.3 million state \$6.5 million state (\$11.6 million total) \$3 million state (\$5.9 million total)	Support

<i>See capital budget summary below for additional state investment</i>				
988 line and crisis behavioral health system (HB 1477), including increasing adult/youth mobile crisis response capacity and development of technological platform	<i>Not funded</i>	\$10.5 million state (\$100.4 million total)	\$845,000 state (<i>funding for mobile crisis teams below</i>)	
Planning and technological investments for bed and service tracking, including Medication Assisted Treatment (MAT) tracking and Funds for HIT costs for implementing IMD waiver, and inpatient bed tracker	\$687,000 state (\$3.2 million total)	\$207,000 state (\$2.1 million total) - <i>HIT costs only</i>	\$267,000 state (\$2.4 million total) <i>Final contains no funds for inpatient bed tracker</i>	
Community behavioral health provider rate increases: <ul style="list-style-type: none"> • 2% rate increase for providers serving BH-ASO clients and costs for involuntary treatment hearings (BH-ASOs) • 2% rate increase for behavioral health providers (MCOs) • Rate increase for behavioral health providers - up to 15% increase effective October 1, 2021 		\$6.8 million state \$17.1 million state (\$55.1 million total) \$5.6 million state (\$15.1 million total)	\$6.8 million state \$17.1 million state (\$55.1 million total) \$6.5 million state (\$17.5 million total)	
Expanded mental health services and supports under the federal Mental Health block grant	<i>Not funded</i>	\$19.2 million total	\$20.6 million total	
Expanded substance use disorder services and supports including outreach, treatment and recovery support services	<i>Not funded</i>	\$16.6 million state (52.1 million total)	\$6.6 million state (\$42 million total)	

<p>Behavioral health services for children, youth and women including:</p> <ul style="list-style-type: none"> • Partnership Access Lines and Mental Health Referral Service for Children (HB 1325) • Child assessment & diagnosis • Mental health consultation for infant and early childhood consultants • Expanded behavioral health services for pregnant/parenting women (PCAP) • Pilot for rural behavioral health to improve behavioral health outcomes for young people in rural communities (Island County) • Startup funding for 12-bed CLIP facility specializing in rehabilitative mental health for children and youth with intellectual or developmental disabilities • Rate increase for Parent Child Assistance Providers (PCAP) • Expanded services at Child Study and Treatment Center 	<p>\$2.9 million total</p> <p>\$3 million state (\$3.2 million total)</p> <p>\$2.5 million total</p> <p>\$1.4 million state</p> <p><i>Not funded</i></p> <p><i>Not funded</i></p> <p><i>Not funded</i></p> <p><i>Not funded</i></p>	<p>\$3.3 million total</p> <p>\$1.1 million state (\$1.3 million total)</p> <p><i>Not funded</i></p> <p><i>Not funded</i></p> <p>\$750,000 total</p> <p>\$3.9 million state (6.3 million total)</p> <p>\$234,000 state (\$402,000 total)</p> <p>\$485,000 state (\$750,000 total)</p>	<p>\$3.3 million total</p> <p>\$1.1 million state (\$1.3 million total)</p> <p>\$2.4 million total</p> <p>\$687,000 state (\$1.4 million total)</p> <p>\$750,000 total</p> <p>\$3.9 million state (\$6.3 million total)</p> <p>\$234,000 state (\$402,000 total)</p> <p>\$275,000 state (\$539,000 total)</p>	<p>Support</p>
<p>Suicide prevention, multi-agency, implement recommendations of the Action Alliance for Suicide Prevention</p>	<p>\$4.6 million state</p>	<p><i>Same</i></p>	<p>\$4.6 million state</p>	<p>Support</p>
<p>State response to de-criminalization of personal drug possession (State v. Blake, SB 5476), including family navigators, case management, housing vouchers, recovery residences, clubhouse, medications for opioid use disorder in jail, and oversight and administration.</p>	<p><i>Not funded</i></p>	<p><i>Not funded</i></p>	<p>\$58.3 million state (62.2 million total)</p>	
<p>Opioid overdose medication in EDs and behavioral health settings (SB 5195)</p>	<p>\$1.3 million state (\$4.4 million total)</p>	<p><i>Not funded</i></p>	<p>\$1.5 million state (\$4.9 million total)</p>	
<p>Additional opioid and SUD response, including grants to Tribes for prevention and treatment, tribal residential</p>	<p>\$3 million state (\$16.8 million total)</p>	<p>\$9 million state (\$25 million total)</p>	<p>5 million state (\$21 million total)</p>	<p>Support</p>

facilities SUD rates, secure drug/safe medication return, opioid overdose medication for jail, and prescription monitoring program investments				
Crisis response , including: <ul style="list-style-type: none"> Expanding mobile crisis response teams (adults and youth) Safe station pilot program to divert people with substance use disorder (SB 5074) Adding mental health practitioners to crisis teams Behavioral health respite Peer crisis response training 	\$15.9 million state (\$26.4 million total) \$395,000 state (\$1.15 million total) \$2 million state \$150,000 state <i>Not funded</i>	<i>Funded under 988</i> <i>Not funded</i> \$2 million total \$175,000 state \$500,000 total	\$25.9 million state (\$38.6 total) \$395,000 state (\$1.15 million total) \$2 million total \$150,000 state \$500,000 total	Support
Non-medical services and supports , including: <ul style="list-style-type: none"> SUD Peer support/recruitment SUD Family navigators Housing subsidies for discharged inpatient SUD treatment Transition teams for state hospital patients (SB 5071) Rate increase for wraparound services 	\$1.7 million state \$1 million state \$2.2 million state \$132,000 state (\$330,000 total) <i>Not funded</i>	<i>Not funded</i> <i>Not funded</i> \$6.2 million state <i>Not funded</i> \$840,00 state	\$5 million total \$500,000 total \$6.2 million state \$132,000 state (\$330,000 total) \$840,00 state	Support
Behavioral health pilot and grant programs (HB 1504)	Not funded	\$1 million total	\$1.8 million total	Support
Psychiatry Residency Program at UW	\$3 million state	\$1.8 million state	\$3 million state	Support
Child and Adolescent Psychiatry Residency Program at UW	\$1 million state	\$1 million state	\$1 million state	Support
Supports for forensic patients requiring competency, restoration, housing (as required by Trueblood litigation)	\$26 million state (\$28.6 total)	\$25.1 million state (\$27.7 million total)	\$25.1 million state (\$27.7 million total)	Support
Non-emergency medical transport rate	\$1.3 million state (\$3.5 million total)	<i>Same</i>	\$1.3 million state (\$3.5 million total)	Support

Other Important Items

Item	Senate Proposal (3/25/21)	House Proposal (3/26/21)	FINAL BUDGET (4/24/21)	WSHA Position
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Affordable Housing for All grants for permanent supportive housing operations, maintenance, and services	<i>Not funded</i>	<i>Not funded</i>	\$37 million state	
Uniform guardianship act implementation at courts	\$8 million state (\$8 million total)	<i>Not funded</i>	\$8 million state	Support Senate
Health Emergency Labor Standards Act (SB 5115)	\$1.8 million state	<i>Not funded</i>	L&I: \$421,000 state	WSHA amended
Health Care Worker Benefits (SB 5190) (State Accident Account and Medical Aid Account)	\$1.6 million state, \$16.3 million total	<i>Not funded</i>	L&I: \$733,000 state ESD: \$90,000 federal	WSHA amended
LNI rulemaking for infectious disease outbreak state guidelines	\$624,000 state	\$624,000 state	\$624,000 state	
Nonfatal Strangulation (SB 5183) Labor & Industries (CVC) pays for forensic medical exams for victims without the victim having to apply for services through the program	L&I: \$2.2 million state Com: \$66,000 state	<i>Not funded</i>	L&I: \$2.2 million state Com: \$66,000 state	Neutral

2021-23 Final Capital Budget (and as compared to proposed House and Senate Capital Budgets)

Behavioral Health - Community Investments

Item	House Proposal (3/24/21)	Senate Proposal (3/25/21)	FINAL BUDGET (4/22/21)	WSHA Position
Competitive grants for community hospitals and freestanding E&T facilities to increase capacity for patients on 90- and 180-day civil commitment orders (not an IMD facility).	\$18 million	<i>Same</i>	\$18 million	Strongly Support

Enhanced adult residential care facilities for long-term patients with dementia discharged/diverted from state psych hospitals (not an IMD)	\$14.5 million	\$6.6 million	\$10 million	Support
House and Final: At least six enhanced service facilities for long-term placement of patients discharged or diverted from state psychiatric hospitals (not IMD facilities). Senate: At least two enhanced service facilities for long-term placement of patients discharged or diverted from state psychiatric hospitals (not IMD facilities)	\$11.6 million	\$3.5 million	\$11.6 million	Support
At least one facility with secure withdrawal management and stabilizing treatment beds (not an IMD facility)	\$2 million	\$4 million	\$2 million	Support
At least one crisis triage and stabilization facility (not an IMD).	\$2 million	\$700,000	\$2 million	Support
Two 16-bed crisis triage and stabilization facilities in King County (with one in Seattle and one in South King County), per Trueblood settlement	\$8 million	<i>Same</i>	\$12 million	Support
At least two mental health peer respite centers (not an IMD)	\$3.1 million	\$1.05 million	\$2 million	Support
House and Final: At least three intensive behavioral health treatment facilities for long-term placement of behavioral health patients with complex needs. Senate: For at least one intensive behavioral health treatment facilities for long-term placement of behavioral health patients with complex needs.	\$9.4 million	\$4.7 million	\$9.4 million	Support
Grants for community providers to increase behavioral health services to children and minor youth	\$2 million	\$700,000	\$2 million	Support

Behavioral Health - State Facilities

Item	House Proposal (3/24/21)	Senate Proposal (3/25/21)	FINAL BUDGET (4/22/21)	WSHA Position
UW Behavioral Health Teaching Hospital (150 beds)	\$191.3 million	<i>Same</i>	\$200.8 million	Support
Design of 350-bed forensic hospital at Western State Hospital	\$51 million	<i>Same</i>	\$51 million	Support

Construction of 48-bed state-owned, mixed-use, community civil behavioral health facility - Clark County	\$37.7 million	<i>Not funded</i>	\$37.7 million	Support
Renovations for two wards for treatment and recovery, WSH	\$16.6 million	<i>Same</i>	\$16.6 million	Support
Construction 16-bed state-operated, community civil behavioral health facility – Maple Lane	\$15.2 million	<i>Same</i>	\$15.2 million	Support
Renovations at Child Study and Treatment Center, WSH and ESH	\$7 million	<i>Not funded</i>	\$7 million	Support
Renovation – Columbia Cottage in Maple Lane. Operates as 30-bed satellite for WSH to serve patients found not guilty by reason in insanity.	\$5 million	<i>Same</i>	\$5 million	Support