



**STATE OF WASHINGTON
HEALTH CARE AUTHORITY**

626 8th Avenue, SE • P.O. Box 45502 • Olympia, Washington 98504-5502

March 18, 2020

To: Integrated Managed Care CEOs

From: MaryAnne Lindeblad, Medicaid Director
Health Care Authority

Subject: Financial Support for Behavioral Health Providers

HCA had scheduled a meeting for April 14, with the intention of holding a discussion with MCOs on barriers to new behavioral health contracting arrangements, adding providers to the network, and HCA's expectations for increased support of alternative financial arrangements to support integrated managed care at the clinical level. That conversation was already becoming urgent due to questions from legislators and providers about perceived reluctance to expand MCO networks, add clinically integrated services, peer services, etc.

However, it has been increasingly apparent that the behavioral health community is facing a unique crisis related to the COVID-19 pandemic, with some providers already fearing imminent bankruptcy. HCA is working as fast as possible to remove legal, administrative and billing barriers to allow providers the greatest flexibility possible in delivering services that we assume will be needed in greater numbers than ever. In addition, we are pursuing new funds from the federal government to support all provider types, including behavioral health. We are also asking CMS for relief from certain actuarial soundness rules and directed payments, to decrease the later impacts of reductions in utilization or encounters related to provider capacity.

Now we are asking you to do your part to move quickly to ensure that behavioral health providers will receive your financial support through this crisis. We are considering contractual and/or rule amendments that will require new payment arrangements to be put in place immediately, but would rather that you step up to the challenge, reach out to providers and give them what they need to stay afloat. At a minimum, we expect you to offer immediate contract changes that switch payment methods from fee-for-service or per diem to capitated or cost-based reimbursement models for all BH provider types. In addition, some providers may need grant funds for new technology, personal protective equipment, etc. Clients may also need additional help to access telehealth services, in the form of offering telephones or other technology.

I will be asking each of you to commit to these changes on our call next Tuesday, knowing that the provider subcontracts may take time to put in place. Thank you very much for your help during this crisis.