

# 2017 LEGISLATIVE SUMMARY

## LEGISLATORS MOVE THE NEEDLE ON BEHAVIORAL HEALTH INTEGRATION IN PRIMARY CARE

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Over the last few years, Washington State has been working to integrate behavioral health (i.e., mental health and substance abuse services) into primary care across the state by 2020. As we go down this path, there are many details that need to be worked out to ensure that integration is as smooth as possible, especially for our community health centers (CHCs).

One of the details is how to make this financially sustainable. One example is primary care providers not being reimbursed for collaborative care services provided to Medicaid patients. This includes the intensive case management that behavioral health patients need in a primary care setting; and psychiatric consultation support that providers need to care for their patients. CHCs and other stakeholders advocated for the state to reimburse these services in Medicaid, especially given that Medicare is now reimbursing providers for these services. During a challenging budget session, the Senate and House found scarce resources in the final budget – **\$4 million** over the next two years – to reimburse primary care providers caring for Medicaid patients in a collaborative care or other integrated model.

This year, CHCs also supported **Senate Bill 5779**, which requires the Health Care Authority (HCA) to review their behavioral health payment codes and make changes needed to support bi-directional integration. This should help behavioral health providers work within their full scope of practice, allow medically necessary behavioral health or primary care services to be provided in any setting, and permit same day billing and prior authorization for low level and routine behavioral health services when it is consistent with best practices. Working with other stakeholder partners, CHCs stood front and center in advocating for this important legislation. The Governor signed the bill on May 5!



## LEGISLATIVE CHAMPIONS DEFEND THE SAFETY NET

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This session, legislators had a tough job ahead of them; funding basic education along with everything else, while ensuring that the state has a balanced four year budget. The Senate met this challenge by proposing deep cuts to the social safety net (but not the health care safety net).

Fortunately, in the final budget lawmakers understood the importance of both the health care and social safety net. Despite revenue challenges, they were able to balance the budget without sacrificing important programs that CHC patients rely on (e.g., housing and food assistance).

The Legislature also took steps this year to extend funding for Washington's high risk insurance pool through December 31, 2022. WSHIP serves as a safety net for individuals who have been denied health coverage because of their medical status or are unable to obtain comprehensive coverage. While it is currently closed to new enrollment, the high risk insurance pool provides health care coverage to people with no other options.

## LEGISLATORS NOT AS EXCITED WITH LOAN REPAYMENT

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While we were able to protect the safety net, the CHC system was not able to expand the very successful Health Professional Loan Repayment Program. Working with our stakeholder partners, we asked the Legislature to add \$9 million to the program. This would have helped to ensure that Washington has an adequate workforce to meet the health care needs of the underserved, including those getting care in an integrated setting. Legislators were receptive to our "ask" but reluctant to add funds given that a \$9 million investment was made two years ago.

Our tenor changed from requesting additional funds to protecting existing resources when the Senate proposed to cut \$3 million from the program. We worked with legislators to ensure that they understood that all program funds, even those not paid out this year were already allocated to award recipients. Despite our best efforts, we were not able to avoid this cut in the final budget. We are disappointed with this outcome and will be working to ensure the program is financially sustainable and able to meet the unmet demand of health professionals in critical shortage areas in the state – including within our CHCs across the state.

## OTHER HEALTH CARE CHANGES

The Policy Team worked closely with legislative staff and stakeholders to leverage opportunities and neutralize threats during this legislative session. When the 2017 legislative session ended, a number of issues for Washington and the CHC system were addressed.

### *Administration of Medicaid Dental Services*

The administration of Medicaid dental services was a hot topic this session. Options on the table included utilizing a third party administrator (rather than the HCA), carving out dental to managed care organizations (MCOs) and stand-alone dental plans, or fully integrating dental care with physical health through MCOs. The House's proposal involved a Request for Information (RFI) from MCOs and others that would culminate in a Request for Proposal (RFP) in mid-2018. The Senate wanted to move towards carved out dental managed care. This would allow both in-state MCOs and stand-alone dental health plans to administer the Medicaid dental program.

Lawmakers ultimately decided on a carved out dental managed care model, with assumed savings from reduced emergency room utilization. The HCA would also bypass an RFI and issue an RFP. As a significant provider of Medicaid dental services, the CHC system will work during the interim to ensure that CHCs are adequately reimbursed, plans offer robust provider networks, and that performance and reporting requirements are met.



### *Single Preferred Drug List and 340B Drug Pricing*

Pharmacy was also a hot topic. In the Senate and House's respective proposed budgets, lawmakers assumed significant savings by requiring the HCA to adopt a single, preferred drug list (PDL) and operate a single pharmacy benefit manager (PBM). However, they heard loud and clear that a single PDL and single PBM would unlikely achieve significant savings and be a step backwards from whole person, integrated care. For CHCs and safety net

hospitals, it remained unclear how the change would impact reimbursement from the 340B drug pricing program – proceeds that help support care for low income and uninsured patients.

Despite advocacy opposing this provision, the final budget language released in the early hours of June 30 included PBM and PDL language. But a last minute effort to appeal to Governor Inslee worked! Just prior to signing the budget into law, the Governor exercised his line item veto authority and struck the PBM language from the budget bill. At the end of the day (literally), the HCA is left with implementing a PDL, with specific language to protect the 340B drug program by allowing eligible entities for the program to continue operating under their current pricing agreements.

## LEGISLATORS FAIL TO PASS A CAPITAL BUDGET

This **193 day legislative session** (a combination of a 105-day regular session and three special sessions) was the longest in state history and is finally over. However, lawmakers did not finish their work before they left Olympia this summer! While we avoided a state government shutdown with an operating budget being signed before the end of the fiscal year, there was more to be done – we still needed a state capital budget.



CHCs came together this session to advocate for capital funds to expand their dental capacity. These funds (\$16 million) would go towards building new dental clinics and expanding existing ones because as a state, we have a significant unmet need for dental care. While CHCs have stepped up in recent years to meet this dental need (serving one-third of children and almost one-half of adults on Medicaid) more needs to be done.

Throughout legislative session, CHCs strongly advocated for this much needed investment – and lawmakers in both the Senate and House heard us unequivocally. In the Senate and House proposed budgets, we saw a historic and unprecedented investment in dental capacity. As we approached the end of session, we were optimistic that CHCs would be able to count on this much needed state investment and move forward with their shovel-ready dental projects.

However, late in session we hit a snag! The Senate majority leadership was not interested in passing a capital budget or the supporting bond bill that would fund the capital budget unless progress was made on an unrelated water rights issue. Despite negotiations on the water rights issue occurring throughout the three special sessions, by mid-July lawmakers were at a stalemate. It is unclear at this time whether earnest negotiations will resume later this year or the legislature will address this during the 2018 session. Either way, CHCs are working to highlight the critical need for dental capacity funds and timely legislative action.

**CHCs RALLY TO PROTECT THE AFFORDABLE CARE ACT**

Our advocacy work extended beyond Olympia. This year, the White House and Congressional Republicans were determined to change the Affordable Care Act (ACA) – to push back the gains we have made through federal health care reform. Efforts to repeal and replace the ACA began with the US House of Representatives’ *American Health Care Act (AHCA)*. Among its many provisions, Medicaid expansion would be phased out by 2020, and states would receive less money to support their Medicaid programs. CHC leadership and advocates tirelessly reached out to their Members of Congress, especially Republican members, letting them know what the AHCA would mean to their patients. While the AHCA did pass the House (by a narrow margin), all Washington State Democratic and two Republican Members of Congress – Rep. Jamie Herrera Beutler and Rep. Dave Reichert – stood up for health care and voted “no.”

The US Senate’s version of an ACA Repeal and Replace bill – *Better Care Reconciliation Act (BCRA)* was far from “better.” As the Senate bill was being debated, the original bill changed a number of times – reflecting the fact that Republicans could not balance the interests of conservative members who wanted to see the ACA be simply repealed; and moderate members who understood that over 22 million Americans were in jeopardy of losing their health care coverage.

*“If President Trump called the House bill ‘mean’ in a rare moment of honesty – can you imagine what he is going to say about this new Senate bill?”*  
 Senator Patty Murray

Our CHCs supported our federal lawmakers, including hosting press events, sharing patient stories that could be used in floor speeches, and serving as trusted health care resources. All this came to a head on July 27, when

after a marathon of amendments, debates, and failed votes on different versions of BCRA, the last effort by Republicans – to pass a “skinny” repeal – failed to get a majority of votes.



For now, it appears that the height of the ACA debate is behind us. While CHCs will remain vigilant in protecting the health care gains we have worked so hard to achieve in this state, our attention is also focused on ensuring that the CHC Fund, Children’s Health Insurance Program, National Health Service Corp, and the Teaching Health Center Graduate Medical Education programs are adequately funded. Due to Congressional inaction, funding expired on September 30. CHCs are working closely with their Members of Congress and the National Association of Community Health Centers to continue these critical programs.

**LEGISLATORS HEAR FROM OUR CHC ADVOCATES**

CHC advocates who are part of our grassroots advocacy program, *Save Health Care in Washington* encouraged legislators to protect the health care safety net. This year, direct contact with legislators included:

- 87,736 ADVOCACY MESSAGES** were delivered to lawmakers in Olympia;
- 6,200 VIEWS** on Facebook of the advocacy video we developed for session;
- 809 EMAILS** were sent by advocates to their state and federal legislators;
- 17 PATIENT STORIES** were collected to share with state and federal legislators; and
- 11 TOWN HALLS** had Save Health Care in Washington advocates in attendance.

CHC CEOs, senior staff, and board members also made direct contact with legislators this session. During Joint Legislative Days on **February 8 and 9**, they travelled to Olympia to

**JOINT LEGISLATIVE DAYS**  
**84** Representatives from  
**20** CHCs visited  
**124** Legislators

protect the health care safety net, expand the state health professional loan repayment program, increase dental capacity, and support behavioral health integration. The Legislature heard loud and clear about our priorities and the important work we do for our patients and communities.

Our communications strategy supported and extended the impact of our in-person discussions with legislators. We generated earned media coverage on the importance of protecting the safety net and increasing dental capacity in several of our target markets. We also weighed in on the federal health care debate, highlighting the negative impacts of walking backwards on health care reform would have on CHC patients. Ongoing contact with legislative and health reporters throughout session kept them apprised of our legislative priorities and laid the groundwork for potential stories during the interim.

**MEDIA PLACEMENT**

- 9 Op-Eds / Guest Columns
- 3 Letters to the Editor
- 7 News Pieces Featuring CHCs
- Covered 7 of our 11 Media Target Markets

**INNOVATION: OUR CHC ADVOCACY VIDEO SHINES ON SOCIAL MEDIA**

With the threat to health care looming in Washington DC, *Save Health Care in Washington* developed and used an advocacy video to put faces to the Medicaid program. Our one and a half minute video was cut into several 30 second spots and shared on social media. We promoted the video with Facebook ads and asked advocates to share the video with their legislators.



More than 6,200 people have viewed this video (including some of our legislators) and it is our top post of the year. As we expand our reach on social media, we will continue to use new software programs and analytics to drive engagement among our followers.

**THE ROAD AHEAD**

Legislative session is over but policy issues remain. During the summer and fall, we will assist CHCs to take advantage of new opportunities enacted this session. This includes ensuring new payment rules are developed to support bi-directional integration and working with the state as it moves to carved out managed care for Medicaid dental. Our work will also include making sure our CHC system has a strong voice in the implementation of the Medicaid Transformation Demonstration (formerly known as the 1115 waiver).

In the midst of this, we are already looking ahead to the 2018 legislative session. We will be discussing issues that were either unresolved this session (e.g., dental capital grants) or resolved unfavorably for the CHCs (e.g., cut to the loan repayment program). We will be looking for ways to engage our CHC subject matter experts to help us identify other opportunities for the CHCs. All this will be against a background of guarding against future threats to the health care safety net (whether from the state or federal level).

**We achieved a lot this legislative session and have much to be proud of!**

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