Behavioral Health Provider Call

Division of Behavioral Health and Recovery September 23, 2025



Behavioral Health Provider Call Agenda September 23, 2025

Time	Subject	Who
• 1:30 pm	WelcomeAgency/Division UpdatesPrevention Update	Teesha Kirschbaum, DBHR Director Sarah Mariani, Section Manager
• 1: 45 pm	• ConsentLink	Jennifer Alvisurez, HIT Program Manager
• 2:00 pm	 Medicaid Updates and Q/A 	Evan Klein, Special Assistant for Legislative & Policy Affairs Teesha Kirschbaum, DBHR Director
• 2:25 pm	• Closing	Teesha Kirschbaum, DBHR Director



Washington's Electronic Consent Management (ECM)



Initiatives in our Health IT Ecosystem

- Transform the user navigation experience
- Standardized care framework
- Platform enabled transformation with modularized components



Source: <u>Health Technology Initiatives Fact Sheet</u>



Existing Consent Landscape

- High administrative burdens on patients and providers
- Existing processes full of bottlenecks and consent silos
- Major impacts on care coordination





ECM Program Objectives

- Provide a solution that:
 - ► Facilitates patient-authorized exchange of sensitive data.
 - ► Is scalable, secure, sustainable, and meets provider needs.
- Improve the exchange of health data
- Reduce administrative burden related to consents







Onboarding Criteria

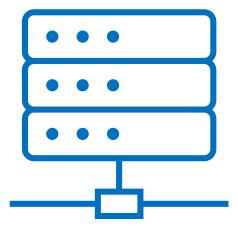
- Washington state is primary service location
- Serving Medicaid population
- Organizational leadership endorsement
- Administer a HIPAA and/or 42 CFR Part 2 compliant consent form
 - ► Purpose to exchange health information



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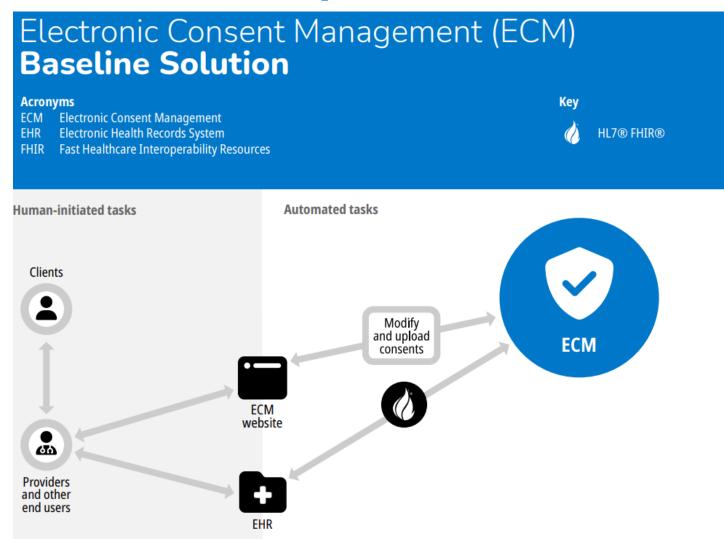
System Features

- Optical Character Recognition (OCR) technology for scanning paper-based consent
- Consent expiration reporting & other use analytics
- Secure cross-organizational access
- Customizable role-based access





Phase One Implementation

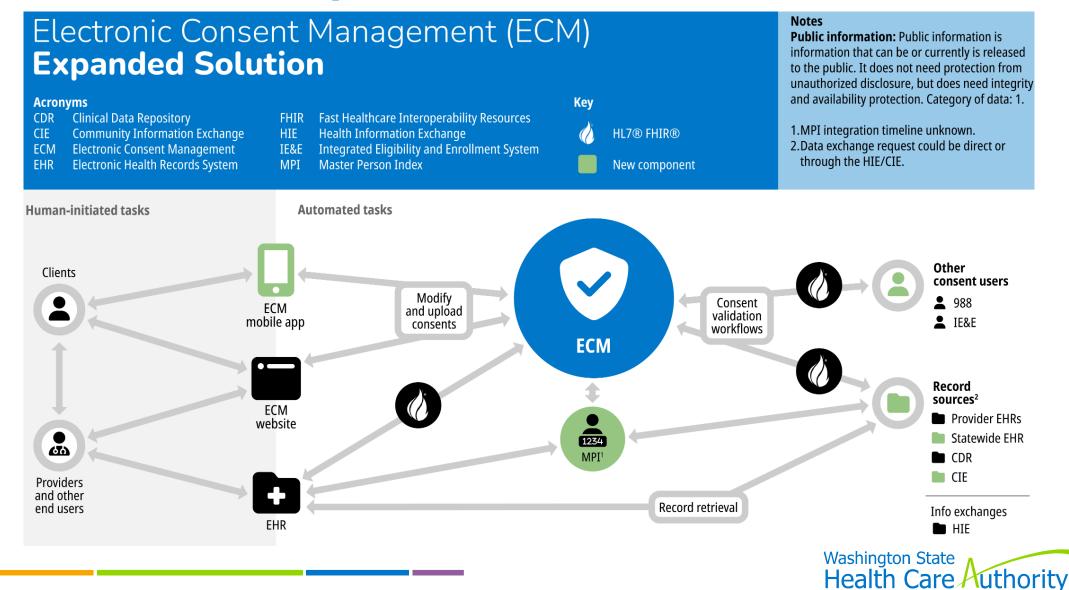


Notes

Public information: Public information is information that can be or currently is released to the public. It does not need protection from unauthorized disclosure, but does need integrity and availability protection. Category of data: 1.



Phase Two Implementation





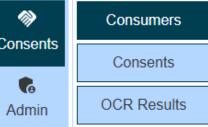


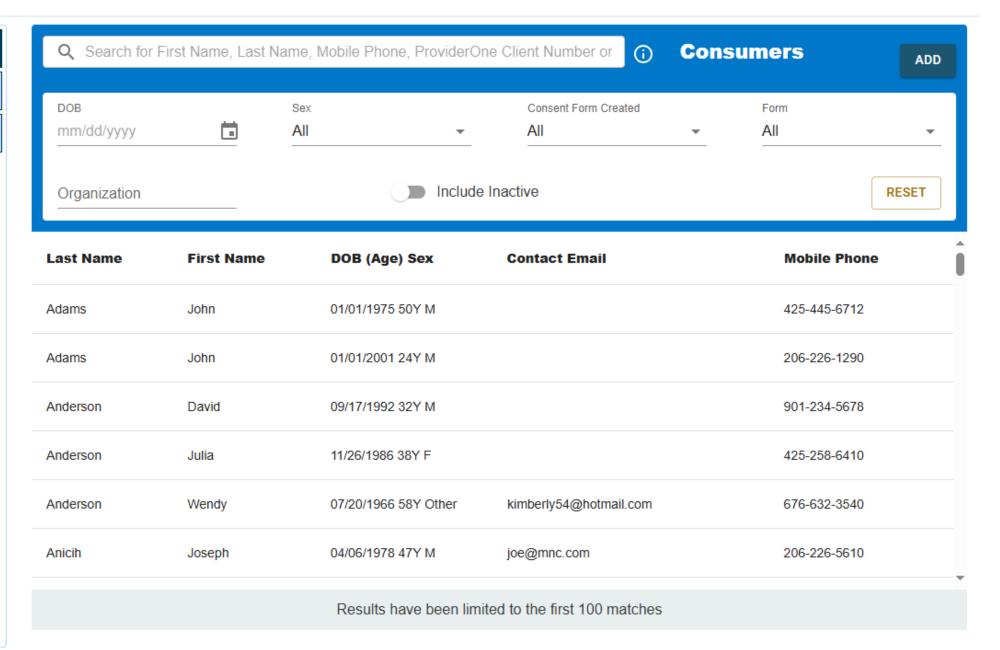
ıl. Reports











Get started with digitally transforming consent at your organization!



Interested in learning more?

Check out our webpage

o <u>ECM webpage</u>

Look into additional resources

- o <u>Factsheet</u>
- o <u>FAQ</u>
- HCA's technology initiatives

Sign up for regular updates

ECM email listserv (GovDelivery)

Ready to implement ConsentLink?

Contact us!

o <u>econsent@hca.wa.gov</u>



Recent State and Federal Regulatory Changes

Evan Klein

Special Assistant for Legislative & Policy Affairs September 23, 2025



Agenda

- Impact of federal rules
- ▶ Federal budget (H.R. 1) Medicaid impacts
- Apple Health data privacy



Federal Rules



New Federal Requirements

- Changes in federal regulations and increased oversight require substantial changes to Apple Health in the coming years:
- In April 2023, HCA entered mitigation with CMS for non-compliance with Classic ex-parte (automated) renewals.
 - Compliance date: June 2027
 - Compliance with mitigation and the eligibility rules is met by moving Classic financial eligibility to Washington Healthplanfinder.
- Additional Managed Care Access rules require increased oversight of state directed payments, network adequacy and quality reporting in Managed Care.
- Prior Authorization rules require increased oversight and policy changes related to clinical guidelines and turnaround times



Use of Federal Public Benefits (PRWORA)

- This year, Health and Human Services updated the definition of "federal public benefit" under PRWORA.
 - ▶ Prohibits many lawfully present non-citizens from accessing benefits including health care and other social services.
- Potential to limit access to services with providers that receive federal grant funding.
 - ► Requires certain providers to check immigration status *exempts non-profits*.
 - ► Requires all providers to take action to prevent service delivery when the provider is aware a patient is a non-citizen.
- Awaiting additional guidance to inform scope of impacts.



Federal Budget

Federal budget background

- Congress passed a continuing resolution for the federal budget on July 3, 2025, which was signed into law by President Trump on July 4.
- The budget contains numerous provisions that impact Medicaid, food assistance, and the individual market.
- Hundreds of thousands of Medicaid-eligible Washington residents will be impacted.
- ▶ HCA and state partners are still assessing the full scope of impacts to Apple Health. We anticipate significant administrative changes and new state costs associated with implementation.



Medicaid policies in the budget

	Policy	Effective Dates
Restricts payment for protected health services	Restricts federally funded Medicaid payments for 1 year to nonprofit organizations that primarily engage in family planning services or reproductive services and provide abortion services. Likely to impact over \$11 million in funding.	Effective for 1 year, from date of enactment (July 4, 2025)
Funding for non-citizens	Changes Medicaid eligibility for refugee, asylee, and other non-citizen adults.	Oct. 1, 2026
Work requirements	Establishes work requirements as a new condition of Medicaid eligibility for adults aged 19-65 who receive full coverage. This makes coverage based on working, training, or doing community engagement 80 hours per month. Includes certain categorical exemptions.	Dec. 31, 2026, with option to apply for waiver to implement Dec. 31, 2028
Rural health funding	Allocates \$10 billion annually to states, which can be used to support rural health transformation projects with a focus on promoting care, supporting providers, investing in technology, and assisting rural communities.	States can apply in 2025; funding from 2026–2030
Increases the frequency of eligibility redeterminations	Requires states to redetermine eligibility for adults enrolled through Medicaid expansion every 6 months, instead of every 12 months.	Dec. 31, 2026
Retroactive coverage	Shortens period of retroactive coverage eligibility from 3 months to 1 month for adults and 2 months for other Medicaid and CHIP applicants.	Jan. 1, 2027
Restricts new state-directed payments (SDPs) from exceeding Medicare payment levels	Requires existing SDPs for hospital and nursing facility services and services provided at an academic medical center to reduce by 10% per year, beginning in 2028 until they reach Medicare levels.	10% reductions begin in 2028
Cost-Sharing	Requires adults to pay cost-sharing of up to \$35 for many services. Excludes primary care, behavioral health, emergency services, and services rendered in certain rural settings from the requirement.	Oct. 1, 2028
Address verification	Changes requirements for address verification.	Oct. 1, 2029
Removes good-faith waivers related to erroneous payments	Removes ability to waive federal penalties for a state's good-faith efforts to correct erroneous excess Medicaid payments under the Payment Error Rate Measurement (PERM) program and other state and federal audits.	Oct. 1, 2029

State funding and enrollment impacts

Proposed work requirements, increased frequency of redeterminations, and other changes to eligibility and enrollment rules will impact access and state funding.

Over 600,000 Washingtonians will be impacted by work requirements and changes to redeterminations.

Lawfully-present non-citizens will see direct restrictions to access.

Our state is projected to lose billions in federal funding between 2025–2034.



Prohibiting payment for protected health services

- Prohibits federally funded Medicaid payments to nonprofit organizations that primarily engage in family planning services or reproductive services and provide abortion services.
- Applies for 1 year, starting on date of enactment (July 4, 2025).
- Could reduce federal funding by over \$11 million per year for family planning services in Washington.
- ► Enforcement of this H.R. 1 provision is currently enjoined by Federal District Court.



Medicaid eligibility changes

- Reduces federally funded Medicaid eligibility for refugee, asylee, and other non-citizen adults, effective Oct. 1, 2026.
- ► HCA anticipates this could impact over 30,000 individuals currently enrolled in Apple Health.
- Individuals may be eligible for other programs:
 - ► Apple Health Expansion
 - ► 1332 waiver coverage on Exchange
 - Emergency Medical
 - Pregnancy or After-Pregnancy Coverage



Impacts of federal work requirements

- ▶ By December 31, 2026, states are required to institute work requirements as a new condition of Medicaid eligibility for adults aged 19–65 who receive full coverage.
 - ► Makes coverage contingent on working, training, or doing community engagement for 80 hours per month.
 - ► Applies to individuals age 19-65 who do not meet an exemption.



Impacts of federal work requirements continued



Medicaid enrollees work

Most Apple Health clients work (or are the dependents of a working adult).¹



Adults will lose coverage

More than 620,000 adults would be at risk to lose or delay coverage due to administrative red tape. Assuming similar experience from other states, an estimated 187,000 Washington adults will lose Medicaid coverage.²



States may apply for waiver

States may apply for a waiver to delay implementation to December 31, 2028. Must show good-faith efforts to come into compliance as part of waiver application. CMS is expected to provide additional guidance in 2026.

Sources:

- (1) WA Legislative report: Employment Status of Apple Health Clients, 2023.
- (2) Robert Wood Johnson Foundation, State-by-State Estimates of Medicaid Expansion Coverage Losses, 2025.
- (3) Health Affairs, Evidence from Arkansas's Medicaid Work Requirements, March 2025



Exemptions from federal work requirements

- The federal work requirements don't apply to individuals who are:
 - Pregnant or receiving postpartum coverage
 - ► Under the age of 19
 - ► Foster youth and former foster youth under the age of 26
 - ► Tribal members
 - Medically frail
 - Disabled veterans
 - Entitled to Medicare Part A or B

- Already comply with work requirements under the Temporary Assistance for Needy Families (TANF) program or Supplemental Nutrition Assistance Program (SNAP)
- Parents or caregivers of a dependent child or individual with a disability
- Incarcerated or recently released from incarceration within the past 90 days
- ► AUD/SUD treatment



Increasing the frequency of eligibility redeterminations

- Requires states to redetermine eligibility for adults enrolled through Medicaid Expansion for Adults every 6 months, beginning December 31, 2026.
- Impacts 620,000 adults enrolled in Apple Health.
 - Will likely lead to thousands of individuals losing coverage.
- ▶ 80-85% of population automatically renews, but 15% of population who needs active management will drive significant staffing impacts for HCA, Department of Social and Health Services (DSHS), and Health Benefit Exchange (HBE).



Impact of cost-sharing requirements

Beginning October 1, 2028, requires adults to pay cost-sharing of up to \$35 for many services.



Forces out-of-pocket spending for individuals who may be earning as little as \$16,000 per year







Impact of state-directed payments (SDPs) and provider taxes

- Prohibits new provider taxes and ramps down existing provider taxes from 6% to 3.5% of net revenue.
 - Ramps down by 0.5% per year, beginning in 2028.
- Prohibits new SDPs from exceeding Medicare payment levels and requires existing SDPs to reduce by 10% per year until they reach Medicare levels.
 - Reductions begin in 2028.
 - Applies to inpatient and outpatient hospital services, nursing facility services, and certain services provided at an academic medical center.
- Provider taxes and SDPs allow states to draw down federal funds to support local health system needs and directly invest in providers and facilities.



Rural health funding

- Allocates \$10 billion annually to states, from 2026 to 2030.
- Funding can be used by states to support rural health transformation projects, with a focus on:
 - Promoting care
 - Supporting providers
 - Investing in technology
 - Assisting rural communities
- States must apply in 2025 to participate.
 - ► Applications will be approved/denied by December 31, 2025.
 - Must include a rural health transformation plan.



Other Medicaid provisions

- Reduces the home equity limit for long-term care eligibility.
 - ► Effective Jan. 1, 2028
- Shortens period of retroactive coverage eligibility.
 - From 3 months to 1 month for Apple Health adults
 - From 3 months to 2 months for all other Medicaid applicants
 - ► Effective Jan. 1, 2027
- Changes address verification processes.
 - ► Effective Oct. 1, 2029



Data Privacy

Data privacy

- In June, Washington became aware that CMS shared Medicaid data from a number of states with the Department of Homeland Security (DHS).
- To participate in federally funded programs, states are required to share enrollment and claims information with CMS.
- Federal health care privacy and Medicaid laws prohibit the use of health care information for immigration purposes.
 - ► Federal District Court issued injunction in mid-August, prohibiting DHS from using Medicaid data for immigration enforcement.



Data privacy, continued

- Washington has taken several steps to mitigate impacts, where possible:
 - Limiting data sharing when not required
 - ► Updating the Apple Health Notice of Privacy Practices
 - Sending <u>postcards</u> to impacted Apple Health clients
 - Contemplating program changes or other privacy protections
- Data sharing with CMS will continue when required and significant unknowns remain



Questions and contact

Evan Klein | Special Assistant for Legislative & Policy Affairs Email: evan.klein@hca.wa.gov



Resources

- ► H.R.1: <u>Text H.R.1 119th Congress (2025-2026)</u>: <u>One Big</u> <u>Beautiful Bill Act | Congress.gov | Library of Congress</u>
- Summary of State Mitigation Strategies for Medicaid Renewal Requirements
- Medicaid and CHIP Managed Care Access, Finance, and Quality final rule: <u>Managed Care Rule</u> and Ensuring Access to Medicaid Services: Access Rule

