



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555

January 5, 2018

Honorable Christine Rolfes, Chair
Honorable John Braun, Ranking Member
Senate Ways & Means Committee

Honorable Timm Ormsby, Chair
Honorable Bruce Chandler, Ranking Member
House Appropriations Committee

Honorable Annette Cleveland, Chair
Honorable Ann Rivers, Ranking Member
Senate Health & Long Term Care Committee

Honorable Eileen Cody, Chair
Honorable Joe Schmick, Ranking Member
House Health Care & Wellness Committee

Dear Honorable Members of the Legislature:

Pursuant to Chapter 1, Laws of 2017, 3rd Special Session, the Office of Financial Management contracted with Public Consulting Group, Inc. (PCG) to analyze how best to develop a psychiatric managed care capitation risk model that integrates long-term civil inpatient psychiatric hospital services as defined in RCW 71.24.025 into managed care capitation rates and non-Medicaid contracts, and holds managed care entities at full financial risk.

I am writing to transmit the report, which is available on our website [here](#). If you have any questions, please contact Rich Pannkuk, Senior Budget Assistant, at 902-0539 or Rich.Pannkuk@ofm.wa.gov.

Sincerely,

David Schumacher
Director

cc: Michael Bezanson, Senate Ways & Means Committee
Charlie Gavigan, House Appropriations Committee
Evan Klein, Senate Health & Long Term Care Committee
Chris Blake, House Health Care & Wellness Committee
Rich Pannkuk, Office of Financial Management