

Budget Savings Options 2025

Dollars in Thousands

Agency: Health Care Authority

| Agency<br>Priority<br>H, M, L | Impact<br>1-5 | Program/Activity                                                                                                                              | GF-S  |                   |          |          |          | Other Funds |          |          |          |          | FTE Change |                                     |       |      |       | Brief Description and Rationale                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Effective<br>Date<br>(MM/YY) | Impacts of Reductions and<br>Other Considerations                                                                                                                                                                                                                                                                                                                                                                                                              | Law/Reg. Change<br>Required (cite) |
|-------------------------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-------|-------------------|----------|----------|----------|-------------|----------|----------|----------|----------|------------|-------------------------------------|-------|------|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
|                               |               |                                                                                                                                               | FY 25 | FY 26             | FY 27    | FY28     | FY 29    | FY 25       | FY 26    | FY 27    | FY28     | FY 29    | FY 25      | FY 26                               | FY 27 | FY28 | FY 29 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |
|                               | 1             | Agency admin reduction--A&B costs                                                                                                             |       | \$3,250           | \$3,250  | \$3,250  | \$3,250  |             | \$8,125  | \$8,125  | \$8,125  | \$8,125  |            | position analysis under development |       |      |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | FTE Reductions               | 7/1/2025                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                    |
|                               | 1             | Agency admin reduction--Travel reduction                                                                                                      |       | \$87              | \$87     | \$87     | \$87     |             | \$218    | \$218    | \$218    | \$218    |            |                                     |       |      |       | 40 percent reduction to all travel                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 7/1/2025                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |
|                               | 1             | Agency admin reduction--Good and Services                                                                                                     |       | \$700             | \$700    | \$700    | \$700    |             | \$1,750  | \$1,750  | \$1,750  | \$1,750  |            |                                     |       |      |       | Reduction to Agency goods and services purchases                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Various                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |
|                               | 1             | Agency admin reduction--Contracts                                                                                                             |       | \$4,250           | \$4,250  | \$4,250  | \$4,250  |             | \$10,625 | \$10,625 | \$10,625 | \$10,625 |            |                                     |       |      |       | Reduction to Agency contracts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | various                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |
|                               | 1             | PEBB (A&B Costs)                                                                                                                              |       |                   |          |          |          |             | \$525    | \$525    | \$525    | \$525    |            | position analysis under development |       |      |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | FTE Reductions               | 7/25                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                    |
|                               | 1             | SEBB (A&B Costs)                                                                                                                              |       |                   |          |          |          |             | \$415    | \$415    | \$415    | \$415    |            | position analysis under development |       |      |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | FTE Reductions               | 7/25                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                    |
|                               | 1             | PEBB (Contract reductions)                                                                                                                    |       |                   |          |          |          |             | \$260    | \$510    | \$510    | \$510    |            |                                     |       |      |       | Actuarial, Legal and Contractor Savings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 7/25                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |
|                               | 1             | SEBB (Contract reductions)                                                                                                                    |       |                   |          |          |          |             | \$235    | \$485    | \$485    | \$495    |            |                                     |       |      |       | Actuarial, Legal and Contractor Savings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 7/25                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |
|                               | 1             | PEBB (Goods and Services)                                                                                                                     |       |                   |          |          |          |             | \$450    | \$450    | \$450    | \$450    |            |                                     |       |      |       | Printing, reproduction and telecommunications                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 7/25                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |
|                               | 1             | SEBB (Goods and Services)                                                                                                                     |       |                   |          |          |          |             | \$250    | \$250    | \$250    | \$250    |            |                                     |       |      |       | Printing, reproduction and telecommunications                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 7/25                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |
|                               | 1             | PEBB - Third-Party Administrator (TPA) Accounts                                                                                               |       |                   |          |          |          |             | \$390    | \$390    | \$390    | \$390    |            |                                     |       |      |       | Reflects a statewide reduction of 10% WMS positions; a 25% reduction would equal ~\$980K.                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 7/25                         | Reductions in TPA account expenses will automatically occur for eliminated benefits eligible positions in state agencies and higher education institutions.                                                                                                                                                                                                                                                                                                    |                                    |
|                               |               | Health Care Cost Transparency Board--claim federal match                                                                                      |       | \$325             | \$325    | \$325    | \$325    |             |          |          |          |          |            |                                     |       |      |       | No change to program, leverage GF-F Medicaid for HCCTB                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 7/1/2025                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |
| Apple Health Scenarios        |               |                                                                                                                                               |       |                   |          |          |          |             |          |          |          |          |            |                                     |       |      |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |
|                               | 2             | Eliminate Maternity Support Services                                                                                                          |       | \$16,000          | \$16,000 | \$16,000 | \$16,000 |             | \$24,000 | \$24,000 | \$24,000 | \$24,000 |            |                                     |       |      |       | Eliminate optional Medicaid benefit. Serves approximately 36,000 clients                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 7/1/2025                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                | SPA, RCW, and WAC                  |
|                               | 2             | Eliminate reimbursement for CRT wheelchairs for NF residents                                                                                  |       | \$2,000           | \$4,000  | \$4,000  | \$4,000  |             | \$2,000  | \$4,000  | \$4,000  | \$4,000  |            |                                     |       |      |       | Eliminate reimbursement for Complex Rehabilitating Technology (CRT) wheelchairs.                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 1/1/2026                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                | WAC                                |
|                               | 2             | Eliminate Assisted Outpatient Treatment                                                                                                       |       | \$1,100           | \$2,200  | \$2,200  | \$2,200  |             | \$790    | \$1,500  | \$1,500  | \$1,500  |            |                                     |       |      |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1/1/2026                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                | RCW, WAC                           |
|                               | 2             | Eliminate Secure Withdrawal Management                                                                                                        |       | \$1,500           | \$3,100  | \$3,100  | \$3,100  |             | \$2,400  | \$4,900  | \$4,900  | \$4,900  |            |                                     |       |      |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1/1/2026                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                | RCW, WAC                           |
|                               | 2             | Eliminate Apple Health Expansion--Services                                                                                                    |       | \$35,000          | \$70,000 | \$70,000 | \$70,000 |             |          |          |          |          |            |                                     |       |      |       | Eliminate state funded Apple Health Expansion program                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 1/1/2026                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                | WAC and proviso                    |
|                               | 2             | Eliminate Apple Health Expansion--Admin                                                                                                       |       | \$2,500           | \$5,000  | \$5,000  | \$5,000  |             |          |          |          |          |            |                                     |       |      |       | Eliminate state funded Apple Health Expansion program                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 1/1/2026                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                | WAC and proviso                    |
|                               | 4             | Non-Native SUD encounters                                                                                                                     |       | \$22,300          | \$44,600 | \$44,600 | \$44,600 |             |          |          |          |          |            |                                     |       |      |       | Agency requested DP funded in the Insee proposal, provides GF-S to reimburse tribal facilities at the full Indian Health Services All-inclusive rate for substance use disorder services provided to non-Native clients.                                                                                                                                                                                                                                                                                                                    | 7/1/2025                     | Potential that CMS will require Washington to implement this change.                                                                                                                                                                                                                                                                                                                                                                                           | N/A                                |
|                               |               | Cap laboratory reimbursement levels                                                                                                           |       | \$3,000           | \$6,000  | \$6,000  | \$6,000  |             | \$7,000  | \$15,000 | \$15,000 | \$15,000 |            |                                     |       |      |       | Changes agency FFS rate schedule for certain lab reimbursement rates and establishes maximum fee schedule for managed care                                                                                                                                                                                                                                                                                                                                                                                                                  | 1/1/2026                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                | SPA, WAC and MC contract changes   |
|                               |               | Carve pharmacy out of managed care                                                                                                            |       | \$7,500           | \$15,000 | \$15,000 | \$15,000 |             | \$13,000 | \$26,000 | \$26,000 | \$26,000 |            |                                     |       |      |       | This option is still being developed, the fiscal estimates are from a prior/dated analysis and represent the savings of repricing MC POS encounters to FFS.                                                                                                                                                                                                                                                                                                                                                                                 |                              | This option has significant implementation considerations and timing concerns.                                                                                                                                                                                                                                                                                                                                                                                 | SPA, contract, and WAC             |
|                               |               | Eliminate GF-S medical respite funding                                                                                                        |       | \$2,200           | \$2,200  | \$2,200  | \$2,200  |             |          |          |          |          |            |                                     |       |      |       | Eliminates state-only funded program for medical respite however, medical respite is now covered under the Medicaid Transformation waiver. No impact to clients                                                                                                                                                                                                                                                                                                                                                                             | 7/1/2025                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |
|                               |               | Implement site neutral payments for non-hospital based clinics                                                                                |       | \$11,000          | \$23,000 | \$23,000 | \$23,000 |             | \$27,000 | \$55,000 | \$55,000 | \$55,000 |            |                                     |       |      |       | Reduces outpatient facility charges at off-campus hospital based clinics                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 1/1/2026                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                | SPA, RCW, and WAC                  |
|                               | 1             | Reduce (50%) community behavioral health services (formerly called BH personal care)                                                          |       | \$20,000          | \$40,000 | \$40,000 | \$40,000 |             | \$20,000 | \$40,000 | \$40,000 | \$40,000 |            |                                     |       |      |       | CBS is a 1915i waiver services. Complete elimination of this program would have harmful consequences for severely mentally ill individuals. The focus of this waiver is to provide support for people with SMI who have not been able to stay out of jail, institutions, facilities, multiple times in the last 12 months, maintain current housing. HCA anticipates there will be approximately 2,700 clients enrolled in July 2025. This program intersects with DSHS/ALISA. This item is under development.                              | 1/1/2026                     | Impacts DSHS program. Could result in increased hospital costs if AFHs and ALF are no longer willing to take clients with complex behaviors. AFH rates are bargained. There could be additional CBA implications that would delay any effective date.                                                                                                                                                                                                          | SPA, Waiver, WAC                   |
|                               |               | Eliminate required reimbursement for Cologuard                                                                                                |       | \$250             | \$500    | \$500    | \$500    |             | \$1,100  | \$2,200  | \$2,200  | \$2,200  |            |                                     |       |      |       | Eliminates mandatory coverage of Cologuard brand fecal tests.                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1/1/2026                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                | MC contract                        |
|                               | 1             | Reduce Applied Behavior Analysis (ABA) rates                                                                                                  |       | \$1,600           | \$3,300  | \$3,300  | \$3,300  |             | \$1,600  | \$3,300  | \$3,300  | \$3,300  |            |                                     |       |      |       | Reduces ABA rates that were increased effective Jan 1, 2024.<br>*An increase of 20% in reimbursement rates for codes specific to individuals with complex behavioral health care needs (0362T and 0373T).<br>*An increase of 15% in reimbursement rates for all other billing codes on HCA's ABA fee schedule, except Q3014 which is a general telemedicine code and is not included in this rate increase.                                                                                                                                 | 1/1/2026                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                | MC contract                        |
|                               |               | COVID vaccine reimbursement and coverage policy changes                                                                                       |       | \$2,700           | \$2,700  | \$2,700  | \$2,700  |             | \$10,000 | \$10,000 | \$10,000 | \$10,000 |            |                                     |       |      |       | Currently scheduled for July 1, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 7/1/2025                     | Planned for Mid Year rate update.                                                                                                                                                                                                                                                                                                                                                                                                                              | MC contract                        |
|                               |               | Eliminate ancillary services on admin day stays                                                                                               |       | \$400             | \$800    | \$800    | \$800    |             | \$1,200  | \$2,200  | \$2,200  | \$2,200  |            |                                     |       |      |       | Eliminates reimbursement for hospital ancillary services (labs, therapy, etc.) for patients on admin day stays                                                                                                                                                                                                                                                                                                                                                                                                                              | 1/1/2026                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                | RCW, SPA                           |
|                               | 1             | Eliminate Foundational Community Supports Glide Path program                                                                                  |       | \$2,000           | \$2,000  | \$2,000  | \$2,000  |             |          |          |          |          |            |                                     |       |      |       | Program connects FCS Supported Employment enrollees with additional rental assistance. MTP waiver programs for health related social needs rental assistance is possible replacement                                                                                                                                                                                                                                                                                                                                                        | 7/1/2025                     | Impacts Department of Commerce program                                                                                                                                                                                                                                                                                                                                                                                                                         |                                    |
|                               | 1             | Reduce LTCC enhanced rate (50% reduction)                                                                                                     |       | \$1,700           | \$1,700  | \$1,700  | \$1,700  |             | \$150    | \$150    | \$150    | \$150    |            |                                     |       |      |       | 50 percent reduction to enhanced rate, does not impact base LTCC rate. The current rate enhancement is \$500.                                                                                                                                                                                                                                                                                                                                                                                                                               | 7/1/2025                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                | SPA                                |
|                               | 2             | Eliminate grants for Alternative Response Teams                                                                                               |       | \$2,500           | \$2,500  | \$2,500  | \$2,500  |             | \$2,500  | \$2,500  | \$2,500  | \$2,500  |            |                                     |       |      |       | Program allows those 911 calls that can be safely diverted from first responders to be addressed with ARTs. Eliminate grant program, currently operating in 14 municipalities                                                                                                                                                                                                                                                                                                                                                               | 7/1/2025                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |
|                               | 1             | Reduce Recovery Navigator Program--50% reduction                                                                                              |       | \$6,000           | \$12,000 | \$12,000 | \$12,000 |             |          |          |          |          |            |                                     |       |      |       | Program was established as part of the state response to State v. Blake. Provides direct services and scope of program is statewide.                                                                                                                                                                                                                                                                                                                                                                                                        | 1/1/2026                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                | RCW                                |
|                               |               | Eliminate proposed expansion of Blake programs                                                                                                |       | \$11,000          | \$6,700  | \$6,700  | \$6,700  |             | \$700    | \$500    | \$500    | \$500    |            | 3.5                                 | 4     | 4    | 4     | Agency requested DP, expansion of Blake Bill programs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 7/1/2025                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                | N/A                                |
|                               | 1             | Adult Dental: Dentures: utilization frequency cap                                                                                             |       | \$223             | \$221    | \$221    | \$221    |             | \$306    | \$304    | \$304    | \$304    |            |                                     |       |      |       | Increase allowed frequency from every 5 years to every 7 for full dentures and from every three years to every 5 years for partial.                                                                                                                                                                                                                                                                                                                                                                                                         | 7/1/2025                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                | WAC                                |
|                               | 1             | Adult OT/PT/ST (FFS): 50% reduction in max allowed units                                                                                      |       | \$495             | \$995    | \$995    | \$995    |             | \$499    | \$1,000  | \$1,000  | \$1,000  |            |                                     |       |      |       | Reduce current max allowed units for PT from 24 to 12, for OT from 24 to 12, and for ST from 6 to 3                                                                                                                                                                                                                                                                                                                                                                                                                                         | 1/1/2026                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                | WAC                                |
|                               |               | Eliminate Same Day Visit program                                                                                                              |       | \$1,000           | \$1,000  | \$1,000  | \$1,000  |             |          |          |          |          |            |                                     |       |      |       | This program can be absorbed within the capacity of the reentry waiver                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 7/1/2025                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |
|                               |               | Rate cap for urinalysis                                                                                                                       | \$92  | \$356             | \$351    | \$351    | \$351    | \$339       | \$1,294  | \$1,270  | \$1,270  | \$1,270  |            |                                     |       |      |       | Policy change being implemented on April 1, 2025 for FFS. MC impact for FY 25 are very small. HCA may not implement the MC reduction until July 2025. Current cap on tests is 16 per year. This caps urinalysis tests to 12 per year for clients except for client currently receiving 17 or more tests. It is assumed those clients are receiving more than the current cap due to medical necessity and they will continue receiving their current number of tests. HCA will implement a maximum fee schedule of \$101.84.                |                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |
|                               |               | HIV antiviral prior authorization                                                                                                             |       | under development |          |          |          |             |          |          |          |          |            |                                     |       |      |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |
|                               |               | Roll back 100% adult dental rate increase that was implemented 6/1/2021.                                                                      |       | \$10,600          | \$10,600 | \$10,600 | \$10,600 |             | \$27,300 | \$27,300 | \$27,300 | \$27,300 |            |                                     |       |      |       | This option would roll back the 100% adult dental rate increase implemented in July 1, 2021.                                                                                                                                                                                                                                                                                                                                                                                                                                                | 7/1/2025                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |
|                               |               | Roll back an increase in reimbursement rate for preventive dental cleaning for children 13 and younger (D1120) that was implemented 1/1/2024. |       | \$1,935           | \$1,935  | \$1,935  | \$1,935  |             | \$2,015  | \$2,015  | \$2,015  | \$2,015  |            |                                     |       |      |       | The rate increase implemented was:<br>Beginning January 1, 2024, increase the children's dental rate for procedure code D1120 by at least 40 percent above the medical assistance fee-for-service rate in effect on January 1, 2023.                                                                                                                                                                                                                                                                                                        | 7/1/2025                     | Reducing dental rates may reduce providers willingness to participate in Medicaid creating access to care challenges for clients. This option could result in more clients receiving services in FQHCs or RHCs. Reducing dental rates would not impact FQHCs or RHCs as HCA would still be required to pay them their full encounter rate. An increase in utilization at these clinics could off-set some of the savings given they are a higher cost setting. |                                    |
|                               |               | Roll back increases in reimbursement rates for various children's dental services that were effective in 1/1/2023.                            |       | \$20,800          | \$20,800 | \$20,800 | \$20,800 |             | \$21,430 | \$21,430 | \$21,430 | \$21,430 |            |                                     |       |      |       | The rate increases implemented were:<br>*Increase Access to Baby and Child Dentistry (ABCD) rates by 40%.<br>*Increase children's (Non-ABCD) dental rates with corresponding ABCD rates to the ABCD rate, plus an additional 10%.<br>*Increase children's (Non-ABCD) dental rates without corresponding ABCD rates to 70% adult rate (if a corresponding adult rate is available), unless this results in a decrease, in which case the rate is unchanged.                                                                                  | 7/1/2025                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |
|                               |               | Roll back increases in various professional services reimbursement rates that were implemented 7/1/2024.                                      |       | \$4,680           | \$9,360  | \$9,360  | \$9,360  |             | \$11,300 | \$22,600 | \$22,600 | \$22,600 |            |                                     |       |      |       | (a) Service categories including diagnostics, intense outpatient, opioid treatment programs, emergency room, inpatient and outpatient surgery, inpatient visits, low-level behavioral health, office administered drugs, and other physician services are increased up to 50 percent of Medicare rates.<br>(b) Service categories including office and home visits and consults are increased up to 65 percent of Medicare rates.<br>(c) Service categories including maternity services are increased up to 100 percent of Medicare rates. | 1/1/2026                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                | MC contract changes                |

