




STATE OF WASHINGTON  
DEPARTMENT OF SOCIAL AND HEALTH SERVICES  
1115 Washington Street SE, Olympia, Washington 98504-5010

April 5, 2020

TO: DSHS Executive Cabinet  
DSHS Budget Directors

FROM: Cheryl Strange, Secretary 

RE: **SPENDING RELATED TO SECTION 6008 OF U.S.HR 6201**

Section 6008 of U.S. HR 6201, Families First Corona Virus Response Act, increases federal participation in qualifying Medicaid expenditures by 6.2%.

This emergency action by Congress results in additional funding of over \$100 million to the department in this fiscal year. Several administrations within DSHS including ALTSA, BHA and DDA will see increases in funding. Budget staff across the department are still working on calculations of the precise impact to each Administration.

The intent of this additional federal funding is to support the department's response to the COVID-19 pandemic. To date, we have made the decision to reinvest about \$64 million to increase the daily rates we pay to ALTSA contracted nursing facilities and to many DDA residential providers. These increases are intended to facilitate the movement of patients out of acute care hospitals to create capacity in those hospitals to treat people who are COVID-19 positive.

The full extent of the department's response and the financial impact of that response is yet to be seen. That is why I am postponing any decisions on further rate increases or other spending related to these funds for the remaining month of April. Current modeling suggests that we will experience the peak of the disease within two to three weeks. Because of that, we need to have funding available to respond in whatever manner is necessary to address future COVID-19 related expenditures.

David Schumacher recently reminded us that we still have to live within our annual appropriations in FY 2020, regardless of this emergency. This increased federal funding is a big part of how we will accomplish that. I want to assure you that we will revisit the question of how to invest the remaining funds later this month, and possibly beyond, when we have more information on our response and costs.

Thank you for your extraordinary efforts.

cc: David Schumacher, Director, Office of Financial Management  
Robyn Williams, Senior Budget Assistant, Office of Financial Management