

SENATE BILL REPORT

SB 5667

AS REPORTED BY COMMITTEE ON WAYS & MEANS, MARCH 11, 1991

Brief Description: Assuring access to local evaluation and treatment facilities.

SPONSORS: Senators Niemi, West, Vognild, Bailey, Stratton, Saling, McMullen, L. Smith, Skratek and Sutherland.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: That Substitute Senate Bill No. 5667 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators West, Chairman; L. Smith, Vice Chairman; Amondson, Johnson, L. Kreidler, Niemi, and Wojahn.

Staff: Don Sloma (786-7414)

Hearing Dates: February 26, 1991; March 5, 1991

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 5667 be substituted therefor, and the second substitute bill do pass.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Bailey, Bauer, Bluechel, Cantu, Gaspard, Johnson, L. Kreidler, Metcalf, Murray, Newhouse, Niemi, Rinehart, Saling, L. Smith, Talmadge, West, Williams, and Wojahn.

Staff: Judy Fitzgerald (786-7715)

Hearing Dates: March 11, 1991

BACKGROUND:

Under the 1989 mental health reform, groups of counties called regional support networks (RSNs) have entered contractual agreements with the state to assume increased responsibility for mental health services within discrete geographic areas. RSNs must make progress toward assuming responsibility for short term hospitalizations as part of their contracts with the state. On July 1, 1993, RSNs must assume responsibility for all short term hospitalizations and provide the majority of such hospitalizations (at least 85 percent) locally. Most of this hospitalization is done in the psychiatric wards of local public or private hospitals.

Because of ratable reductions applied to state funding for hospitalization programs, local hospitals which accept state funded acute care patients now receive less than 40 percent of billed charges, while they receive more than 65 percent of

billed charges for Medicaid funded patients needing the same care.

Some fear that long term in-patient care at the state hospitals will exceed physical capacity during the coming biennium. As part of their agreements with the state, RSNs may accept responsibility for the care of certain chronic patients, but there is no clear statutory mechanism to encourage this at the present time.

SUMMARY:

By November 1, 1991, RSNs must submit procedures and agreements to the state to assure local access to sufficient additional local evaluation and treatment facilities to meet existing legal requirements, while reducing short-term admissions to state hospitals. These may include commitments to construct or operate facilities or agreements with local hospitals to make needed capacity available under specified conditions.

By January 1, 1992 the Secretary of Social and Health Services must provide available funding to operate free standing evaluation and treatment facilities or waive rateable reductions on payments for hospitals that agree to provide short term, in-patient psychiatric care for RSN approved patients.

EFFECT OF PROPOSED SUBSTITUTE:

State contracts with RSNs may include agreements to provide periods of stable community living and work or other day activities for specific chronically mentally ill persons who have completed commitments at state hospitals for 90 days or 180 days or who have been residents at state hospitals for no less than 180 days within the previous year.

An appropriation of \$6.5 million is provided through RSNs for local evaluation and treatment facilities, or to remove rateable reductions in payments to hospitals as provided in the act.

An appropriation of \$9 million is provided for supplements to contracts with RSNs that agree to provide periods of stable community living for chronically mentally persons as provided in the act.

The standard for payment to local hospitals participating with RSNs is established as the rate paid under the Medicaid program for in-patient psychiatric care.

An emergency is declared and the act takes effect immediately.

EFFECT OF PROPOSED SECOND SUBSTITUTE:

The appropriation of \$15.5 million is deleted and the bill is made contingent upon funding in the budget.

Appropriation: none

Revenue: none

Fiscal Note: available

Effective Date: The bill contains an emergency clause and takes effect immediately.

TESTIMONY FOR (Health & Long-Term Care):

Higher payment rates for local hospitals who sign agreements with RSNs or for the development of alternative local in-patient care should reduce the loss of local in-patient bed capacity. This will increase the likelihood that RSNs will meet their statutory goal of providing 85 percent of all short term in-patient care locally by 1993.

The ability of the state to begin agreements with RSNs to accept certain long-term care patients from state hospitals should help relieve overcrowding that may result from unrealistic case load projections for the state hospitals reflected in the Governor's proposed budget.

TESTIMONY AGAINST (Health & Long-Term Care): None

TESTIFIED (Health & Long-Term Care): PRO: Patricia DeBoer, AMI; Kay Day, NSRSN Advisory Board; Ross Kane, NSRSN; Nancy Caldwell, Greater Columbia RSN; Jeff Moro, WSHA

TESTIMONY FOR (Ways & Means):

The bill is necessary to help maintain the mental health system reform started by SB 5400. These services are needed to keep people in the community and out of the state hospitals.

TESTIMONY AGAINST (Ways & Means): None

TESTIFIED (Ways & Means): PRO: Doug Stevenson; Steve Norsen; Jack Bilsborough