
HOUSE BILL 1609

State of Washington 52nd Legislature 1991 Regular Session

By Representatives Leonard, Winsley, Riley, Brekke, R. King, Anderson, Phillips, Dellwo, Spanel, Haugen, Hine, Jones, Pruitt, Basich, R. Johnson, Van Luven, Wang, Valle, Inslee, Belcher, Sheldon and O'Brien.

Read first time February 4, 1991. Referred to Committee on Human Services/Appropriations.

1 AN ACT Relating to mental health services for children; amending
2 RCW 74.09.700, 71.24.049, and 71.24.300; reenacting and amending RCW
3 74.09.520; adding a new chapter to Title 71 RCW; creating a new
4 section; making an appropriation; and declaring an emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that because
7 of limited service capacity and the lack of collaboration among child-
8 serving systems and the focus on acute and chronic mental illness in
9 providing mental health services in Washington state, mental health
10 services for children must be expanded and reoriented to better meet
11 each child's unique needs. The legislature further finds that because
12 children with emotional disturbances come into contact with multiple
13 child-serving systems, such as schools, child welfare programs, and
14 mental health providers, a distinct collaborative system must be
15 established to adequately meet their needs.

1 (2) It is the policy of the state of Washington to provide mental
2 health services to children in a manner that recognizes and meets each
3 child's unique needs and involves all of the child-serving systems that
4 each child has contact with. The legislature intends to encourage the
5 development of community-based interagency collaborative efforts to
6 plan for and provide mental health services to children. The
7 legislature further intends that children's mental health services be
8 provided in a manner that meets each child's needs, is sensitive to the
9 unique cultural circumstances of children of color, eliminates
10 duplicative case management, maximizes federal funding of children's
11 mental health services, and to the greatest extent possible, blends
12 categorical funding to offer more service options to each child.

13 NEW SECTION. **Sec. 2.** Unless the context clearly requires
14 otherwise, the definitions in this section apply throughout this
15 chapter.

16 (1) "Agency" means a state or local governmental entity or a
17 private not-for-profit organization.

18 (2) "Child" means a person under twenty-one years of age.

19 (3) "County authority" means the board of county commissioners,
20 county council, or county executive.

21 (4) "Department" means the department of social and health
22 services.

23 (5) "Regional support network" means a county authority or group of
24 county authorities that have entered into contracts with the secretary
25 pursuant to chapter 71.24 RCW.

26 (6) "Secretary" means the secretary of social and health services.

27 PART I

28 MENTAL HEALTH SERVICES TO CHILDREN UNDER

1 THE MEDICAL ASSISTANCE PROGRAM AND THE LIMITED
2 CASUALTY PROGRAM FOR THE MEDICALLY NEEDY

3 **Sec. 3.** RCW 74.09.520 and 1990 c 33 s 594 and 1990 c 25 s 1 are
4 each reenacted and amended to read as follows:

5 (1) The term "medical assistance" may include the following care
6 and services: (a) Inpatient hospital services; (b) outpatient hospital
7 services; (c) other laboratory and x-ray services; (d) skilled nursing
8 home services; (e) physicians' services, which shall include prescribed
9 medication and instruction on birth control devices; (f) medical care,
10 or any other type of remedial care as may be established by the
11 secretary; (g) early periodic screening, diagnosis, and treatment
12 services for children under age twenty-one, which shall be culturally
13 relevant and accessible to children of color and which shall include
14 case management and mental health services provided as a rehabilitation
15 service, as defined in federal medical assistance regulations, for
16 maximum reduction of a child's mental disability; (h) home health care
17 services; ~~((h))~~ (i) private duty nursing services; ~~((i))~~ (j) dental
18 services; ~~((j))~~ (k) physical therapy and related services; ~~((k))~~
19 (l) prescribed drugs, dentures, and prosthetic devices; and eyeglasses
20 prescribed by a physician skilled in diseases of the eye or by an
21 optometrist, whichever the individual may select; ~~((l))~~ (m) personal
22 care services, as provided in this section; ~~((m))~~ (n) hospice
23 services; ~~((n))~~ (o) other diagnostic, screening, preventive, and
24 rehabilitative services; and ~~((o))~~ (p) like services when furnished
25 to a handicapped child by a school district as part of an
26 individualized education program established pursuant to RCW
27 28A.155.010 through 28A.155.100. For the purposes of this section, the
28 department may not cut off any prescription medications, oxygen

1 supplies, respiratory services, or other life- sustaining medical
2 services or supplies.

3 "Medical assistance," notwithstanding any other provision of law,
4 shall not include routine foot care, or dental services delivered by
5 any health care provider, that are not mandated by Title XIX of the
6 social security act unless there is a specific appropriation for these
7 services. Services included in an individualized education program for
8 a handicapped child under RCW 28A.155.010 through 28A.155.100 shall not
9 qualify as medical assistance prior to the implementation of the
10 funding process developed under RCW 74.09.524.

11 (2) The department shall amend the state plan for medical
12 assistance under Title XIX of the federal social security act to
13 include personal care services, as defined in 42 C.F.R. 440.170(f), in
14 the categorically needy program.

15 (3) The department shall adopt, amend, or rescind such
16 administrative rules as are necessary to ensure that Title XIX personal
17 care services are provided to eligible persons in conformance with
18 federal regulations.

19 (a) These administrative rules shall include financial eligibility
20 indexed according to the requirements of the social security act
21 providing for medicaid eligibility.

22 (b) The rules shall require clients be assessed as having a medical
23 condition requiring assistance with personal care tasks. Plans of care
24 must be approved by a physician and reviewed by a nurse every ninety
25 days.

26 (4) The department shall design and implement a means to assess the
27 level of functional disability of persons eligible for personal care
28 services under this section. The personal care services benefit shall
29 be provided to the extent funding is available according to the
30 assessed level of functional disability. Any reductions in services

1 made necessary for funding reasons should be accomplished in a manner
2 that assures that priority for maintaining services is given to persons
3 with the greatest need as determined by the assessment of functional
4 disability.

5 (5) The department shall report to the appropriate fiscal
6 committees of the legislature on the utilization and associated costs
7 of the personal care option under Title XIX of the federal social
8 security act, as defined in 42 C.F.R. 440.170(f), in the categorically
9 needy program. This report shall be submitted by January 1, 1990, and
10 submitted on a yearly basis thereafter.

11 (6) Effective July 1, 1989, the department shall offer hospice
12 services in accordance with available funds. The department shall
13 provide a complete accounting of the costs of providing hospice
14 services under this section by December 20, 1990. The report shall
15 include an assessment of cost savings which may result by providing
16 hospice to persons who otherwise would use hospitals, nursing homes, or
17 more expensive care. The hospice benefit under this section shall
18 terminate on June 30, 1991, unless extended by the legislature.

19 **Sec. 4.** RCW 74.09.700 and 1989 c 87 s 3 are each amended to read
20 as follows:

21 (1) To the extent of available funds, medical care may be provided
22 under the limited casualty program to persons not otherwise eligible
23 for medical assistance or medical care services who are medically needy
24 as defined in the social security Title XIX state plan and medical
25 indigents in accordance with medical eligibility requirements
26 established by the department. This includes residents of skilled
27 nursing homes, intermediate care facilities, and intermediate care
28 facilities for the mentally retarded who are aged, blind, or disabled
29 as defined in Title XVI of the federal social security act and whose

1 income exceeds three hundred percent of the federal supplement security
2 income benefit level.

3 (2) Determination of the amount, scope, and duration of medical
4 coverage under the limited casualty program shall be the responsibility
5 of the department, subject to the following:

6 (a) Only inpatient hospital services; outpatient hospital and rural
7 health clinic services; physicians' and clinic services; prescribed
8 drugs, dentures, prosthetic devices, and eyeglasses; skilled nursing
9 home services, intermediate care facility services, and intermediate
10 care facility services for the mentally retarded; home health services;
11 other laboratory and x-ray services; rehabilitative services; medically
12 necessary transportation; and other services for which funds are
13 specifically provided in the omnibus appropriations act shall be
14 covered;

15 (b) Early periodic screening, diagnosis, and treatment services
16 shall be provided to children under age twenty-one who are medically
17 needy as defined in the social security Title XIX state plan. Such
18 services shall be culturally relevant and accessible to children of
19 color and shall include case management and mental health services
20 provided as a rehabilitation service, as defined in federal medical
21 assistance regulations, for maximum reduction of a child's mental
22 disability;

23 (c) Persons who are medically indigent and are not eligible for a
24 federal aid program shall satisfy a deductible of not less than one
25 hundred dollars nor more than five hundred dollars in any twelve-month
26 period;

27 ((+e)) (d) Medical care services provided to the medically
28 indigent and received no more than seven days prior to the date of
29 application shall be retroactively certified and approved for payment
30 on behalf of a person who was otherwise eligible at the time the

1 medical services were furnished: PROVIDED, That eligible persons who
2 fail to apply within the seven-day time period for medical reasons or
3 other good cause may be retroactively certified and approved for
4 payment.

5 (3) The department shall establish standards of assistance and
6 resource and income exemptions. All nonexempt income and resources of
7 limited casualty program recipients shall be applied against the cost
8 of their medical care services.

9 PART II

10 INVENTORY OF CHILDREN'S MENTAL HEALTH SERVICES

11 NEW SECTION. **Sec. 5.** The office of financial management shall
12 provide the following information to the appropriate committees of the
13 legislature on or before December 1, 1991, and update such information
14 biennially thereafter:

15 (1) An inventory of state and federally funded programs providing
16 mental health services to children in Washington state. For purposes
17 of the inventory, "children's mental health services" shall be broadly
18 construed to include services related to children's mental health
19 provided through education, children and family services, juvenile
20 justice, mental health, health care, and developmental disabilities
21 programs, such as: The primary intervention program; treatment foster
22 care; the fair start program; therapeutic child care and day treatment
23 for children in the child protective services system, as provided in
24 RCW 74.14B.040; family reconciliation services counseling, as provided
25 in chapter 13.32A RCW; the community mental health services act, as
26 provided in chapter 71.24 RCW; mental health services for minors, as
27 provided in chapter 71.34 RCW; the medical assistance program, limited
28 casualty program for the medically needy and children's health program,

1 as provided in chapter 74.09 RCW; counseling for delinquent children,
2 as provided in RCW 72.05.170; child welfare services, as provided in
3 chapter 74.13 RCW; and services to emotionally disturbed and mentally
4 ill children, as provided in chapter 74.14A RCW.

5 (2) For each program or service inventoried pursuant to subsection
6 (1) of this section:

7 (a) Statutory authority;

8 (b) Level and source of funding;

9 (c) Agency administering the service and description of how
10 services are delivered;

11 (d) Programmatic or financial eligibility criteria;

12 (e) Characteristics of, and number of children served;

13 (f) Amount of program or service funding distributed to each county
14 or school district in the state during the biennium ending June 30,
15 1991, to the extent such information is available; and

16 (g) Statutory changes necessary to remove categorical restrictions
17 in the program or service, including federal statutory or regulatory
18 changes.

19 (3) Options to maximize federal matching funds for mental health
20 services provided to low-income children. As a corollary to this
21 effort, identify methods to reduce the administrative burden associated
22 with reimbursement for providers, through mechanisms such as electronic
23 billing.

24 PART III

25 CHILDREN'S MENTAL HEALTH SERVICES DELIVERY SYSTEMS

26 NEW SECTION. **Sec. 6.** (1) On or before January 1, 1992, each
27 regional support network, or county authority in counties that have not

1 established a regional support network, shall initiate a local planning
2 effort to develop a children's mental health services delivery system.

3 (2) Representatives of the following agencies or organizations and
4 the following individuals shall participate in the local planning
5 effort:

6 (a) Representatives of the department of social and health services
7 in the following program areas: Children and family services, medical
8 care, mental health, juvenile rehabilitation, and developmental
9 disabilities;

10 (b) The juvenile courts;

11 (c) The public health department or health district;

12 (d) The school districts;

13 (e) The educational service district serving schools in the county;

14 (f) Parents of children in need of mental health services;

15 (g) Children's services providers; and

16 (h) Parents of children of color.

17 (3) The following information shall be developed through the local
18 planning effort and submitted to the secretary as provided in section
19 8 of this act:

20 (a) A supplement to the county's January 1, 1991, children's mental
21 health services report prepared pursuant to RCW 71.24.049 to include
22 the following data:

23 (i) The number of children in need of mental health services in the
24 county or counties covered by the local planning effort, including
25 children in school and children receiving services through the
26 department of social and health services division of children and
27 family services, division of developmental disabilities, and division
28 of juvenile rehabilitation, grouped by severity of their mental
29 illness;

30 (ii) The number of such children that are underserved or unserved;

1 (iii) The continuum of nonresidential and residential services
2 needed to meet the mental health needs of children in the county or
3 counties covered by the local planning effort and the extent to which
4 those services are currently provided; and

5 (iv) The supply of children's mental health specialists in the
6 county or counties covered by the local planning effort.

7 (b) A children's mental health services delivery plan that includes
8 a description of the following:

9 (i) The lead agency that has been designated to have primary
10 responsibility for implementation of the plan and administration of the
11 pooled fund established in section 9 of this act;

12 (ii) Children that will be served, giving consideration to children
13 who are at significant risk of experiencing mental illness, as well as
14 those already experiencing mental illness;

15 (iii) Services that will be provided, including prevention and
16 identification services;

17 (iv) How a lead case manager for each child will be identified;

18 (v) How funding for existing services will be coordinated to create
19 more flexibility in meeting children's needs. Such funding shall
20 include the services and programs inventoried pursuant to section 5(1)
21 of this act;

22 (vi) How the children's mental health delivery system will
23 coordinate with the regional support network information system
24 developed pursuant to RCW 71.24.035(5)(g).

25 (4) In developing the children's mental health services delivery
26 plan, every effort shall be made to reduce duplication in service
27 delivery and promote complementary services among all entities that
28 provide children's services related to mental health.

29 (5) The children's mental health services delivery plan shall
30 assure that the needs of children of color are met through at least the

1 following mechanisms: Designing services to meet the unique needs of
2 children of color, ensuring that majority providers have the goal of
3 providing culturally relevant services, and encouraging the
4 participation of minority mental health providers in the children's
5 mental health delivery system.

6 NEW SECTION. **Sec. 7.** All counties wishing to implement their
7 children's mental health services delivery plan as provided in section
8 6 of the act on January 1, 1992, shall submit their plan to the
9 department on or before September 1, 1991. Counties wishing to
10 implement their children's mental health services delivery plan as
11 provided in section 6 of this act on August 1, 1992, shall submit their
12 plan to the department on or before March 1, 1992. Counties wishing to
13 implement their children's mental health services delivery plan as
14 provided in section 6 of this act on August 1, 1993, shall submit their
15 plan to the department on or before March 1, 1993.

16 NEW SECTION. **Sec. 8.** The secretary shall have the following
17 powers and duties related to the development and implementation of
18 children's mental health delivery systems:

19 (1) To review each children's mental health services delivery plan
20 submitted for review pursuant to section 7 of this act. The review
21 shall determine the extent to which the plan reflects the intent and
22 standards provided in sections 1 and 6 of this act;

23 (2) To provide, either directly or by contract, technical
24 assistance to regional support networks and county authorities to
25 develop children's mental health services delivery plans; and

26 (3) To be designated as the county authority if a regional support
27 network, or county authority in a county that has not established a

1 regional support network, fails to submit a children's mental health
2 services delivery plan under sections 6 and 7 of this act.

3 NEW SECTION. **Sec. 9.** (1) Each agency participating in a
4 children's mental health delivery system shall contribute five percent
5 of their state general fund budget attributable to those programs and
6 services inventoried pursuant to section 5(1) of this act to a pooled
7 account of flexible funds to meet the needs of children that cannot be
8 met through categorical programs. An agency contribution shall be in
9 cash or a fixed level of treatment or counseling services equivalent in
10 value to their contribution obligation. Children's mental health
11 services provided through the medical assistance program or the limited
12 casualty program for the medically needy shall be exempt from the
13 contribution requirement in order to maximize the availability of
14 federal matching funds for children's mental health services. For
15 counties implementing their system on January 1, 1992, five percent
16 shall be computed based upon the state general fund appropriation to
17 that agency for the period of July 1, 1991, through June 30, 1993. For
18 counties implementing their system on August 1, 1992, five percent
19 shall be computed based upon the state general fund appropriation to
20 that agency for the period of July 1, 1992, through June 30, 1993.
21 For counties implementing their system on August 1, 1993, five percent
22 shall be computed based upon the state general fund appropriation to
23 that agency for the period of July 1, 1993, through June 30, 1995.

24 (2) The pooled account shall be used only after a determination has
25 been made that the particular service needed by an individual child
26 cannot be provided through existing categorical programs or other
27 community services. Funds contributed to the pooled account shall be
28 exempt from existing statutory or regulatory restrictions on their use.

1 (3) The children's mental health services delivery plan submitted
2 to the secretary as provided in this chapter shall designate the agency
3 responsible for administration of the pooled account.

4 **Sec. 10.** RCW 71.24.049 and 1986 c 274 s 6 are each amended to read
5 as follows:

6 (1) By January 1, 1987, and each odd-numbered year thereafter, the
7 county authority shall identify: (1) The number of children in each
8 priority group, as defined by this chapter, who are receiving mental
9 health services funded in part or in whole under this chapter, (2) the
10 amount of funds under this chapter used for children's mental health
11 services, (3) an estimate of the number of unserved children in each
12 priority group, and (4) the estimated cost of serving these additional
13 children and their families.

14 (2) Each county authority in counties that have not established a
15 regional support network, shall determine the percentage of persons in
16 need of mental health services that children represent in the county.
17 Each county authority in counties that have not established a regional
18 support network shall provide assurances in its children's mental
19 health services delivery plan that a percentage of its funding received
20 through this chapter, equivalent to the percentage of persons in need
21 of mental health services who are children in the county shall be
22 allocated to children's mental health services.

23 **Sec. 11.** RCW 71.24.300 and 1989 c 205 s 5 are each amended to read
24 as follows:

25 A county authority or a group of county authorities whose combined
26 population is no less than forty thousand may enter into a joint
27 operating agreement to form a regional support network. The roles and
28 responsibilities of county authorities shall be determined by the terms

1 of that agreement and the provisions of law. The state mental health
2 authority may not determine the roles and responsibilities of county
3 authorities as to each other under regional support networks by rule,
4 except to assure that all duties required of regional support networks
5 are assigned and that a single authority has final responsibility for
6 all available resources and performance under the regional support
7 network's contract with the secretary.

8 (1) Regional support networks shall within three months of
9 recognition submit an overall six-year operating and capital plan,
10 timeline, and budget and submit progress reports and an updated two-
11 year plan biennially thereafter, to assume within available resources
12 all of the following duties by July 1, 1995, instead of those presently
13 assigned to counties under RCW 71.24.045(1):

14 (a) Administer and provide for the availability of all resource
15 management services, residential services, and community support
16 services.

17 (b) Administer and provide for the availability of all
18 investigation, transportation, court-related, and other services
19 provided by the state or counties pursuant to chapter 71.05 RCW.

20 (c) By July 1, 1993, provide within the boundaries of each regional
21 support network evaluation and treatment services for at least eighty-
22 five percent of persons detained or committed for periods up to
23 seventeen days according to chapter 71.05 RCW. Regional support
24 networks with populations of less than one hundred fifty thousand may
25 contract to purchase evaluation and treatment services from other
26 networks. For regional support networks that are created after June
27 30, 1991, the requirements of (c) of this subsection must be met by
28 July 1, 1995.

29 (d) By July 1, 1993, administer a portion of funds appropriated by
30 the legislature to house mentally ill persons in state institutions

1 from counties within the boundaries of any regional support network,
2 with the exception of mentally ill offenders, and provide for the care
3 of all persons needing evaluation and treatment services for periods up
4 to seventeen days according to chapter 71.05 RCW in appropriate
5 residential services, which may include state institutions. The
6 regional support networks shall reimburse the state for use of state
7 institutions at a rate equal to that assumed by the legislature when
8 appropriating funds for such care at state institutions during the
9 biennium when reimbursement occurs. The duty of a state hospital to
10 accept persons for evaluation and treatment under chapter 71.05 RCW is
11 limited by the responsibilities assigned to regional support networks
12 under this section. For regional support networks that are created
13 after June 30, 1991, the requirements of (d) of this subsection must be
14 met by July 1, 1995.

15 (e) Administer and provide for the availability of all other mental
16 health services, which shall include patient counseling, day treatment,
17 consultation, education services, and mental health services to
18 children as provided in this chapter.

19 (f) Establish standards and procedures for reviewing individual
20 service plans and determining when that person may be discharged from
21 resource management services.

22 (2) Regional support networks shall assume all duties assigned to
23 county authorities by this chapter and chapter 71.05 RCW.

24 (3) A regional support network may request that any state-owned
25 land, building, facility, or other capital asset which was ever
26 purchased, deeded, given, or placed in trust for the care of the
27 mentally ill and which is within the boundaries of a regional support
28 network be made available to support the operations of the regional
29 support network. State agencies managing such capital assets shall
30 give first priority to requests for their use pursuant to this chapter.

1 (4) Each regional support network shall appoint a mental health
2 advisory board which shall review and provide comments on plans and
3 policies developed under this chapter. The composition of the board
4 shall be broadly representative of the demographic character of the
5 region and the mentally ill persons served therein. Length of terms of
6 board members shall be determined by the regional support network.

7 (5) Regional support networks shall assume all duties specified in
8 their plans and joint operating agreements through biennial contractual
9 agreements with the secretary.

10 (6) Counties or groups of counties participating in a regional
11 support network are not subject to RCW 71.24.045(7). The office of
12 financial management shall consider information gathered in studies
13 required in this chapter and information about the experience of other
14 states to propose a mental health services administrative cost lid to
15 the 1991 legislature which shall include administrative costs of
16 licensed service providers, the state psychiatric hospitals and the
17 department.

18 (7) The first regional support network contract may include a pilot
19 project to: Establish standards and procedures for (a) making
20 referrals for comprehensive medical examinations and treatment programs
21 for those whose mental illness is caused or exacerbated by organic
22 disease, and (b) training staff in recognizing the relationship between
23 mental illness and organic disease.

24 (8) Each regional support network shall determine the percentage of
25 persons in need of mental health services that children represent in
26 the county or counties served by the regional support network. Each
27 regional support network shall provide assurances in its children's
28 mental health services delivery plan that a percentage of its funding
29 received through this chapter equivalent to the percentage of persons
30 in need of mental health services who are children in the county or

1 counties served by the regional support network shall be allocated to
2 children's mental health services.

3 NEW SECTION. Sec. 12. The sum of two million dollars, or as
4 much thereof as may be necessary, is appropriated for the biennium
5 ending June 30, 1993, from the general fund to the department of social
6 and health services, solely for case management and mental health
7 services through the early periodic screening, diagnosis, and treatment
8 component of the medical assistance program and limited casualty
9 program for the medically needy.

10 NEW SECTION. Sec. 13. Part headings as used in this act do not
11 constitute any part of the law.

12 NEW SECTION. Sec. 14. Sections 1, 2, and 5 through 9 of this
13 act shall constitute a new chapter in Title 71 RCW.

14 NEW SECTION. Sec. 15. If any provision of this act or its
15 application to any person or circumstance is held invalid, the
16 remainder of the act or the application of the provision to other
17 persons or circumstances is not affected.

18 NEW SECTION. Sec. 16. This act is necessary for the immediate
19 preservation of the public peace, health, or safety, or support of the
20 state government and its existing public institutions, and shall take
21 effect immediately.