

SENATE BILL REPORT

SB 6547

AS REPORTED BY COMMITTEE ON HEALTH & HUMAN SERVICES,  
FEBRUARY 3, 1994

**Brief Description:** Providing for auditing of mental health systems.

**SPONSORS:** Senators Sheldon, Niemi, Prentice and Anderson

**SENATE COMMITTEE ON HEALTH & HUMAN SERVICES**

**Majority Report:** That Substitute Senate Bill No. 6547 be substituted therefor, and the substitute bill do pass.

Signed by Senators Talmadge, Chairman; Wojahn, Vice Chairman; Deccio, Erwin, Franklin, Fraser, Hargrove, McAuliffe, McDonald, Moyer, Niemi, Prentice, Quigley, L. Smith and Winsley.

**Staff:** Don Sloma (786-7319)

**Hearing Dates:** February 3, 1994

**BACKGROUND:**

The 1989 reform of the state's mental health system (SB 5400) had as one of its goals "... reduced administrative layering, duplication, and reduced administrative costs..." (RCW 71.24.015).

Evaluation reports by the Legislative Budget Committee, the University of Washington and others have documented that this aim of the legislation may not have been achieved. In addition, mental health service providers, county personnel and state personnel continue to voice concern about duplicative auditing procedures, paperwork and other accountability measures. Some claim that as much as half of the funding now provided to mental health programs is consumed in administrative oversight activities, making these funds unavailable to support direct patient care.

**SUMMARY:**

By January 1, 1995, the Secretary of Social and Health Services must implement single auditing and licensing procedures for regional support networks and providers, which minimize paperwork, assure quality and increase productivity.

A regional support network or licensed service provider may submit to the appropriate committees of the Legislature a list of rules and procedures that do not result in improvement of client outcomes by November 1, 1994. The department may coordinate the submission of these lists and submit relevant comments.

**EFFECT OF PROPOSED SUBSTITUTE:**

The original bill is replaced with the following:

The Department of Social and Health Services must establish a project to streamline accountability systems for mental health programs by identifying rules, monitoring functions and other requirements that lead to inefficiencies and eliminating them, developing a single accountability system for all state appropriated funds for mental health services, replacing process regulations and reporting requirements with a set of outcome objectives, based on mental health statutes, and evaluating the feasibility of including financial incentives for achieving outcomes in contracts with mental health service providers and regional support networks.

The project must be implemented in at least six regional support networks by July 1995, with full implementation statewide by July 1997. The department must report to the Legislature annually. The department, regional support networks and mental health service providers must also report on the need to change state or federal statutes, rules, policies or procedures to ensure the purposes of the act are implemented.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** requested

**TESTIMONY FOR:**

The act is needed to reduce paperwork and improve accountability for outcomes. The result should be more efficient use of public funds.

**TESTIMONY AGAINST:** None

**TESTIFIED:** PRO: Marvin Porter, Mike Morris, Harborview Hospital; Diedrich Meinken, WA Community Mental Health Council; Ann Brand, Washington Community Mental Health Council; David Hanig, DSHS