

# HOUSE BILL REPORT

## HB 2358

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**As Reported By House Committee On:**  
Health Care

**Title:** An act relating to managed public mental health care.

**Brief Description:** Establishing provisions for managed mental health care.

**Sponsors:** Representatives Dyer, Cody, Cooke, Kastama, Tokuda, Linville, Carlson, Anderson, Mitchell and Mason.

**Brief History:**

**Committee Activity:**

Health Care: 1/20/98, 2/3/98 [DPS].

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### HOUSE COMMITTEE ON HEALTH CARE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives Dyer, Chairman; Backlund, Vice Chairman; Skinner, Vice Chairman; Cody, Ranking Minority Member; Murray, Assistant Ranking Minority Member; Anderson; Conway; Parlette; Wood and Zellinsky.

**Minority Report:** Do not pass. Signed by 1 member: Representative Sherstad.

**Staff:** Bill Hagens (786-7131).

**Background:** Publicly-funded mental health services are administered at the state level by the Mental Health Division of the Department of Social and Health Services (DSHS). The 1989 Mental Health Reform Act reorganized mental health services locally among 14 regional support networks (RSN's). In an effort to improve efficiency, the DSHS has moved to expand the use of managed care in delivering these services.

The proponents of this measure believe that a thorough study of the use of managed care in mental health is needed before the DSHS proceeds further.

**Summary of Substitute Bill:** Managed public mental health care principles are set forth to include: Collaboration among consumers, providers, and payers; services directed by the consumers' needs and desires, whenever possible; adequacy to meet the needs of the covered population; reasonable operating margins for service organizations; clear consumer rights and responsibilities, including a grievance procedure; emphasis on

community-based care; consistent, reliable, and valid outcome measures; adequate authority and flexibility for service organizations assuming capitated risk; and clarity of public agency roles in the service delivery system.

A task force to the Legislature on managed public mental health care is created with appointments and composition as follows: (appointed by the Governor) six members - representing providers, RSN's, managed care agencies, and the public, one member representing the Governor; and one member representing the DSHS; (appointed by the Senate President) one senator from each caucus; and (Appointed by the Speaker) one representative from each caucus. The appointed members shall select a chair of the task force.

The task force shall make recommendations relating to the design and implementation of managed public mental health care services and must review: The experiences of other states; research on the cost effectiveness of various financing models, including full and partial capitation; and issues relating to rural communities.

The task force shall report to the Legislature and Governor by December 1, 1998, and be terminated June 30, 1999.

**Substitute Bill Compared to Original Bill:** The scope of the study is clarified to include private and public roles.

**Appropriation:** The sum of \$50,000 is appropriated from the general fund to the House of Representatives for the study.

**Fiscal Note:** Not requested.

**Effective Date of Substitute Bill:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** The use of managed care in mental health is a substantial change and warrants a thorough examination.

**Testimony Against:** Much of this study is being done presently; a new study could delay needed system efficiencies.

**Testified:** (Con) Jean Wessman, Washington State Association of Counties; Jo Moore and Doug Crandall, Pierce County Regional Support Network; Jann Hoppler, Department of Social and Health Services; (Pro) Dr. Timothy Keller, Washington State Psychiatric Association; Andrea Stephensen, Washington Consumer Advocacy Coalition; Ann Brand, Washington Community Mental Health Council; Laura Groshong, Washington State Society for Clinical Social Work; Gloria Rodriguez, Washington Association of Community and Migrant Health Centers; and Chris Bodin, SEIU #1199.