

HOUSE BILL REPORT

HB 2664

As Reported By House Committee On:
Health Care

Title: An act relating to administrative costs of mental health services.

Brief Description: Changing auditing procedures relating to administrative costs of mental health services.

Sponsors: Representatives Alexander, Cody, Parlette, Huff, Reardon, Benson, Boldt, Pflug and Mulliken.

Brief History:

Committee Activity:

Health Care: 2/1/00, 2/2/00 [DPS].

Brief Summary of Substitute Bill

- Sets an administrative cap of 20 percent for contracted mental health services.
- Requires a single audit methodology for counties, Regional Support Networks, and licensed service providers.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Cody, Democratic Co-Chair; Parlette, Republican Co-Chair; Pflug, Republican Vice Chair; Schual-Berke, Democratic Vice Chair; Alexander; Campbell; Conway; Edmonds; Edwards; Mulliken; Pennington and Ruderman.

Staff: David Knutson (786-7146).

Background:

The Mental Health Division within the Department of Social and Health Services is the state entity responsible for providing and contracting for the provision of mental health services in Washington. The department's mental health duties include

establishing a standardized auditing procedure which minimizes paperwork requirements on counties and licensed service providers. There is currently no specific statutory definition of administrative expenditures and no upper limit on the amount of total contracted mental health expenditures that can be spent on administrative expenditures.

Summary of Substitute Bill:

The Department of Social and Health Services is required to establish by contract, a definition of administrative expenses applicable to the counties and regional support networks. Administrative expenses for contracted mental health services through counties and regional support networks cannot exceed 20 percent of total contracted mental health expenditures. The single audit methodology used by the department will apply to counties, regional support networks, and licensed service providers.

Substitute Bill Compared to Original Bill: Administrative expenses of the Department of Social and Health Services are included in the 20 percent administration cap.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: Uncoordinated, multiple audits of mental health agencies and providers wastes money and time. Administrative expenses for contracted mental health services should be defined and limited.

Testimony Against: Funding for this proposal is not included in the Governor's budget.

Testified: (In support) Andrea Stephenson, The Empower Alliance; and Tom Richardson, National Association of Mentally Ill Washington.

(Support with concerns) Jean Wessman, Washington State Association of Counties.

(Oppose-not in Governor's Budget) Richard Onizuka, Mental Health Division, Department of Social and Health Services.