

2 **ESSB 5583** - H AMD **ADOPTED 4/17/01**

3 By Representatives Cody and Alexander

4

5 Strike everything after the enacting clause and insert the
6 following:

7 NEW SECTION. **Sec. 1.** The legislature affirms its support for
8 those recommendations of the performance audit of the public mental
9 health system conducted by the joint legislative audit and review
10 committee relating to: Improving the coordination of services for
11 clients with multiple needs; improving the consistency of client,
12 service, and fiscal data collected by the mental health division;
13 replacing process-oriented accountability activities with a uniform
14 statewide outcome measurement system; and using outcome information to
15 identify and provide incentives for best practices in the provision of
16 public mental health services.

17 NEW SECTION. **Sec. 2.** The legislature supports recommendations 1
18 through 10 and 12 through 14 of the mental health system performance
19 audit conducted by the joint legislative audit and review committee.
20 The legislature expects the department of social and health services to
21 work diligently within available funds to implement these
22 recommendations.

23 NEW SECTION. **Sec. 3.** In addition to any follow-up requirements
24 prescribed by the joint legislative audit and review committee, the
25 department of social and health services shall submit reports to the
26 legislature on the status of the implementation of recommendations 1
27 through 10 and 12 through 14 of the performance audit report. The
28 implementation status reports must be submitted to appropriate policy
29 and fiscal committees of the legislature by June 1, 2001, and each year
30 thereafter through 2004.

31 NEW SECTION. **Sec. 4.** The initial implementation status reports
32 must discuss the status of implementing recommendations 1 through 8,
33 which are due to be implemented by June 2001, and must also include a

1 plan for implementing recommendations 9, 10, and 12 through 14, which
2 are due to be implemented subsequent to June 2001. The initial
3 implementation status report must also discuss what actions the
4 department of social and health services has taken and will take in the
5 future in response to recommendation 11 of the performance audit
6 report.

7 NEW SECTION. **Sec. 5.** The Washington institute for public policy
8 shall conduct a longitudinal study of long-term client outcomes to
9 assess any changes in client status at two, five, and ten years. The
10 measures tracked shall include client change as a result of services,
11 employment and/or education, housing stability, criminal justice
12 involvement, and level of services needed. The institute shall report
13 these long-term outcomes to the appropriate policy and fiscal committee
14 of the legislature annually beginning not later than December 31, 2005.

15 **Sec. 6.** RCW 71.24.015 and 1999 c 214 s 7 are each amended to read
16 as follows:

17 It is the intent of the legislature to establish a community mental
18 health program which shall help people experiencing mental illness to
19 retain a respected and productive position in the community. This will
20 be accomplished through programs which provide for:

21 (1) Access to mental health services for adults of the state who
22 are acutely mentally ill, chronically mentally ill, or seriously
23 disturbed and children of the state who are acutely mentally ill,
24 severely emotionally disturbed, or seriously disturbed, which services
25 recognize the special needs of underserved populations, including
26 minorities, children, the elderly, disabled, and low-income persons.
27 Access to mental health services shall not be limited by a person's
28 history of confinement in a state, federal, or local correctional
29 facility. It is also the purpose of this chapter to promote the early
30 identification of mentally ill children and to ensure that they receive
31 the mental health care and treatment which is appropriate to their
32 developmental level. This care should improve home, school, and
33 community functioning, maintain children in a safe and nurturing home
34 environment, and should enable treatment decisions to be made in
35 response to clinical needs in accordance with sound professional
36 judgment while also recognizing parents' rights to participate in
37 treatment decisions for their children;

1 (2) Accountability of efficient and effective services through
2 statewide standards for monitoring and reporting of client and system
3 outcome information;

4 (3) Minimum service delivery standards;

5 (4) Priorities for the use of available resources for the care of
6 the mentally ill;

7 (5) Coordination of services within the department, including those
8 divisions within the department that provide services to children,
9 between the department and the office of the superintendent of public
10 instruction, and among state mental hospitals, county authorities,
11 community mental health services, and other support services, which
12 shall to the maximum extent feasible also include the families of the
13 mentally ill, and other service providers; and

14 (6) Coordination of services aimed at reducing duplication in
15 service delivery and promoting complementary services among all
16 entities that provide mental health services to adults and children.

17 It is the policy of the state to encourage the provision of a full
18 range of treatment and rehabilitation services in the state for mental
19 disorders. The legislature intends to encourage the development of
20 county-based and county-managed mental health services with adequate
21 local flexibility to assure eligible people in need of care access to
22 the least-restrictive treatment alternative appropriate to their needs,
23 and the availability of treatment components to assure continuity of
24 care. To this end, counties are encouraged to enter into joint
25 operating agreements with other counties to form regional systems of
26 care which integrate planning, administration, and service delivery
27 duties assigned to counties under chapters 71.05 and 71.24 RCW to
28 consolidate administration, reduce administrative layering, and reduce
29 administrative costs.

30 It is further the intent of the legislature to integrate the
31 provision of services to provide continuity of care through all phases
32 of treatment. To this end the legislature intends to promote active
33 engagement with mentally ill persons and collaboration between families
34 and service providers.

35 **Sec. 7.** RCW 71.24.035 and 1999 c 10 s 4 are each amended to read
36 as follows:

37 (1) The department is designated as the state mental health
38 authority.

1 (2) The secretary may provide for public, client, and licensed
2 service provider participation in developing the state mental health
3 program.

4 (3) The secretary shall provide for participation in developing the
5 state mental health program for children and other underserved
6 populations, by including representatives on any committee established
7 to provide oversight to the state mental health program.

8 (4) The secretary shall be designated as the county authority if a
9 county fails to meet state minimum standards or refuses to exercise
10 responsibilities under RCW 71.24.045.

11 (5) The secretary shall:

12 (a) Develop a biennial state mental health program that
13 incorporates county biennial needs assessments and county mental health
14 service plans and state services for mentally ill adults and children.
15 The secretary may also develop a six-year state mental health plan;

16 (b) Assure that any county community mental health program provides
17 access to treatment for the county's residents in the following order
18 of priority: (i) The acutely mentally ill; (ii) chronically mentally
19 ill adults and severely emotionally disturbed children; and (iii) the
20 seriously disturbed. Such programs shall provide:

21 (A) Outpatient services;

22 (B) Emergency care services for twenty-four hours per day;

23 (C) Day treatment for mentally ill persons which includes training
24 in basic living and social skills, supported work, vocational
25 rehabilitation, and day activities. Such services may include
26 therapeutic treatment. In the case of a child, day treatment includes
27 age-appropriate basic living and social skills, educational and
28 prevocational services, day activities, and therapeutic treatment;

29 (D) Screening for patients being considered for admission to state
30 mental health facilities to determine the appropriateness of admission;

31 (E) Employment services, which may include supported employment,
32 transitional work, placement in competitive employment, and other work-
33 related services, that result in mentally ill persons becoming engaged
34 in meaningful and gainful full or part-time work. Other sources of
35 funding such as the division of vocational rehabilitation may be
36 utilized by the secretary to maximize federal funding and provide for
37 integration of services;

38 (F) Consultation and education services; and

39 (G) Community support services;

1 (c) Develop and adopt rules establishing state minimum standards
2 for the delivery of mental health services pursuant to RCW 71.24.037
3 including, but not limited to:

- 4 (i) Licensed service providers;
- 5 (ii) Regional support networks; and
- 6 (iii) Residential and inpatient services, evaluation and treatment
7 services and facilities under chapter 71.05 RCW, resource management
8 services, and community support services;

9 (d) Assure that the special needs of minorities, the elderly,
10 disabled, children, and low-income persons are met within the
11 priorities established in this section;

12 (e) Establish a standard contract or contracts, consistent with
13 state minimum standards, which shall be used by the counties;

14 (f) Establish, to the extent possible, a standardized auditing
15 procedure which minimizes paperwork requirements of county authorities
16 and licensed service providers;

17 (g) Develop and maintain an information system to be used by the
18 state, counties, and regional support networks that includes a tracking
19 method which allows the department and regional support networks to
20 identify mental health clients' participation in any mental health
21 service or public program on an immediate basis. The information
22 system shall not include individual patient's case history files.
23 Confidentiality of client information and records shall be maintained
24 as provided in this chapter and in RCW 71.05.390, 71.05.400, 71.05.410,
25 71.05.420, 71.05.430, and 71.05.440;

26 (h) License service providers who meet state minimum standards;

27 (i) Certify regional support networks that meet state minimum
28 standards;

29 (j) Periodically inspect certified regional support networks and
30 licensed service providers at reasonable times and in a reasonable
31 manner;

32 (k) Fix fees to be paid by evaluation and treatment centers to the
33 secretary for the required inspections;

34 (l) Monitor and audit counties, regional support networks, and
35 licensed service providers as needed to assure compliance with
36 contractual agreements authorized by this chapter; and

37 (m) Adopt such rules as are necessary to implement the department's
38 responsibilities under this chapter.

1 (6) The secretary shall use available resources only for regional
2 support networks.

3 (7) Each certified regional support network and licensed service
4 provider shall file with the secretary, on request, such data,
5 statistics, schedules, and information as the secretary reasonably
6 requires. A certified regional support network or licensed service
7 provider which, without good cause, fails to furnish any data,
8 statistics, schedules, or information as requested, or files fraudulent
9 reports thereof, may have its certification or license revoked or
10 suspended.

11 (8) The secretary may suspend, revoke, limit, or restrict a
12 certification or license, or refuse to grant a certification or license
13 for failure to conform to: (a) The law; (b) applicable rules and
14 regulations; (c) applicable standards; or (d) state minimum standards.

15 (9) The superior court may restrain any regional support network or
16 service provider from operating without certification or a license or
17 any other violation of this section. The court may also review,
18 pursuant to procedures contained in chapter 34.05 RCW, any denial,
19 suspension, limitation, restriction, or revocation of certification or
20 license, and grant other relief required to enforce the provisions of
21 this chapter.

22 (10) Upon petition by the secretary, and after hearing held upon
23 reasonable notice to the facility, the superior court may issue a
24 warrant to an officer or employee of the secretary authorizing him or
25 her to enter at reasonable times, and examine the records, books, and
26 accounts of any regional support network or service provider refusing
27 to consent to inspection or examination by the authority.

28 (11) Notwithstanding the existence or pursuit of any other remedy,
29 the secretary may file an action for an injunction or other process
30 against any person or governmental unit to restrain or prevent the
31 establishment, conduct, or operation of a regional support network or
32 service provider without certification or a license under this chapter.

33 (12) The standards for certification of evaluation and treatment
34 facilities shall include standards relating to maintenance of good
35 physical and mental health and other services to be afforded persons
36 pursuant to this chapter and chapters 71.05 and 71.34 RCW, and shall
37 otherwise assure the effectuation of the purposes of these chapters.

38 (13)(a) The department, in consultation with affected parties,
39 shall establish a distribution formula that reflects county needs

1 assessments based on the number of persons who are acutely mentally
2 ill, chronically mentally ill, severely emotionally disturbed children,
3 and seriously disturbed. The formula shall take into consideration the
4 impact on counties of demographic factors in counties which result in
5 concentrations of priority populations as set forth in subsection
6 (5)(b) of this section. These factors shall include the population
7 concentrations resulting from commitments under chapters 71.05 and
8 71.34 RCW to state psychiatric hospitals, as well as concentration in
9 urban areas, at border crossings at state boundaries, and other
10 significant demographic and workload factors.

11 (b) The formula shall also include a projection of the funding
12 allocations that will result for each county, which specifies
13 allocations according to priority populations, including the allocation
14 for services to children and other underserved populations.

15 (c) After July 1, 2003, the department may allocate up to two
16 percent of total funds to be distributed to the regional support
17 networks for incentive payments to reward the achievement of superior
18 outcomes, or significantly improved outcomes, as measured by a
19 statewide performance measurement system consistent with the framework
20 recommended in the joint legislative audit and review committee's
21 performance audit of the mental health system. The department shall
22 annually report to the legislature on its criteria and allocation of
23 the incentives provided under this subsection.

24 (14) The secretary shall assume all duties assigned to the
25 nonparticipating counties under chapters 71.05, 71.34, and 71.24 RCW.
26 Such responsibilities shall include those which would have been
27 assigned to the nonparticipating counties under regional support
28 networks.

29 The regional support networks, or the secretary's assumption of all
30 responsibilities under chapters 71.05, 71.34, and 71.24 RCW, shall be
31 included in all state and federal plans affecting the state mental
32 health program including at least those required by this chapter, the
33 medicaid program, and P.L. 99-660. Nothing in these plans shall be
34 inconsistent with the intent and requirements of this chapter.

35 (15) The secretary shall:

36 (a) Disburse funds for the regional support networks within sixty
37 days of approval of the biennial contract. The department must either
38 approve or reject the biennial contract within sixty days of receipt.

1 (b) Enter into biennial contracts with regional support networks.
2 The contracts shall be consistent with available resources. No
3 contract shall be approved that does not include progress toward
4 meeting the goals of this chapter by taking responsibility for: (i)
5 Short-term commitments; (ii) residential care; and (iii) emergency
6 response systems.

7 (c) Allocate one hundred percent of available resources to the
8 regional support networks in accordance with subsection (13) of this
9 section. Incentive payments authorized under subsection (13) of this
10 section may be allocated separately from other available resources.

11 (d) Notify regional support networks of their allocation of
12 available resources at least sixty days prior to the start of a new
13 biennial contract period.

14 (e) Deny funding allocations to regional support networks based
15 solely upon formal findings of noncompliance with the terms of the
16 regional support network's contract with the department. Written
17 notice and at least thirty days for corrective action must precede any
18 such action. In such cases, regional support networks shall have full
19 rights to appeal under chapter 34.05 RCW.

20 (f) Identify in its departmental biennial operating and capital
21 budget requests the funds requested by regional support networks to
22 implement their responsibilities under this chapter.

23 (16) The department, in cooperation with the state congressional
24 delegation, shall actively seek waivers of federal requirements and
25 such modifications of federal regulations as are necessary to allow
26 federal medicaid reimbursement for services provided by free-standing
27 evaluation and treatment facilities certified under chapter 71.05 RCW.
28 The department shall periodically report its efforts to the health care
29 and corrections committee of the senate and the human services
30 committee of the house of representatives.

31 (17) The secretary shall establish a task force to examine the
32 recruitment, training, and compensation of qualified mental health
33 professionals in the community, which shall include the advantages and
34 disadvantages of establishing a training academy, loan forgiveness
35 program, or educational stipends offered in exchange for commitments of
36 employment in mental health.

37 NEW SECTION. **Sec. 8.** The legislature finds that an excessive
38 amount of public funds are spent on administrative activities in the

1 community mental health system. The department of social and health
2 services shall develop a plan to reduce administrative expenses in the
3 community mental health system, including the mental health division,
4 to no more than ten percent of available funds. The plan shall
5 identify and prioritize core administrative functions that must be
6 continued to comply with federal or state statutes. The department
7 shall submit their plan to the appropriate committees of the senate and
8 house of representatives no later than December 15, 2001. The plan
9 shall assume an implementation date of July 1, 2003.

10 NEW SECTION. **Sec. 9.** If specific funding for the purposes of
11 section 5 of this act, referencing section 5 of this act by bill or
12 chapter and section number, is not provided by June 30, 2001, in the
13 omnibus appropriations act, section 5 of this act is null and void.

14 NEW SECTION. **Sec. 10.** This act is necessary for the immediate
15 preservation of the public peace, health, or safety, or support of the
16 state government and its existing public institutions, and takes effect
17 immediately."

18 Correct the title.

EFFECT: Deletes the previous striking amendment. Restores the
text of ESSB 5583, which implements most of the JLARC recommendations
1-10, and 12-14 within available funds. The following changes are made
to ESSB 5583 from the version that passed the Senate:

(1) The Washington Institute of Public Policy will do the
longitudinal study, instead of DSHS. If no funds are appropriated for
the study, the requirement for it is null and void.

(2) The provisions related to maximum administrative rates for
providers are deleted.

(3) A new section is added that requires DSHS to submit a plan by
December 2001 on reducing administrative costs to 10% or less of total
Mental Health Division, RSN, and provider funds.

(4) The ability for DSHS to allocate incentive payments to RSNs is
delayed until July 1, 2003.

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