

# HOUSE BILL REPORT

## ESSB 5583

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### As Reported by House Committee On:

Health Care  
Appropriations

**Title:** An act relating to the implementation of recommendations of the joint legislative audit and review committee's performance audit of the public mental health system.

**Brief Description:** Implementing recommendations of the joint legislative audit and review committee's performance audit of the public mental health system.

**Sponsors:** By Senate Committee on Human Services & Corrections (originally sponsored by Senators Long, Hargrove, Stevens, Costa, Carlson, Hewitt, Kohl-Welles, Franklin, Kastama, Winsley and Regala).

### Brief History:

#### Committee Activity:

Health Care: 3/23/01, 3/29/01 [DPA];

Appropriations: 3/31/01, 4/2/01 [DPA(APP w/o HC)s].

#### Brief Summary of Engrossed Substitute Bill (As Amended by House Committee)

- Makes a legislative declaration of support for most of the Joint Legislative Audit and Review Committee mental health recommendations.

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### HOUSE COMMITTEE ON HEALTH CARE

**Majority Report:** Do pass as amended. Signed by 14 members: Representatives Campbell, Republican Co-Chair; Cody, Democratic Co-Chair; Schual-Berke, Democratic Vice Chair; Skinner, Republican Vice Chair; Alexander, Ballasiotes, Conway, Darneille, Edmonds, Edwards, Marine, McMorris, Pennington and Ruderman.

**Staff:** Dave Knutson (786-7146).

### Background:

The Joint Legislative Audit and Review Committee (JLARC) recently conducted an audit of the community mental health delivery system. The audit found that services to mental

health clients were not well-coordinated, system accountability activities focus on processes rather than outcomes of care, data collected for accountability purposes is not consistent, geographic allocation of funding is inequitable; leading to disparities in service, and a wide range of operating practices and costs made it impossible to identify best practices across the service delivery system.

The audit recommends 14 improvements. They include: (1) Improve coordination of services for clients with multiple needs; (2) require Regional Support Networks to collaborate with allied service providers; (3) ensure timely hospital discharge and community placements; (4) the mental health division should streamline and reduce process-oriented accountability activities; (5) specify in statute that the delivery system should operate efficiently and effectively; (6) improve the consistency of fiscal data collected; (7) change fiscal accountability standard to include all system costs; (8) develop uniform definitions for reporting of client and service data; (9) the mental health division should use outcome information to manage the system; (10) the mental health division should implement an outcome-based performance system consistent with the JLARC consultant's report; (11) reduce the complexity of and disparity in rates paid to regional support networks, and allocate state hospital funding to regional support networks; (12) conduct periodic prevalence studies to ensure continued relationship between payments to regional support networks and the prevalence of mental illness; (13) limit regional support network fund balances to 10 percent of annual revenue; and (14) use outcome information to identify and reward best practices.

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### **Summary of Amended Bill:**

The statement is made that the Legislature supports recommendations 1 through 10 and 12 through 14 of the mental health report conducted by the Joint Legislative Audit and Review Committee. Recommendation 11, related to eliminating the disparity in mental health funding between regional support networks, is not specifically referenced or supported. Implementation status reports must be made by the Department of Social and Health Services to appropriate legislative committees by June 1, 2001 and each subsequent year through 2004. The department is required to conduct a longitudinal study assessing client change at two, five, and 10 year periods.

The mental health system should be operated efficiently and effectively. The department is authorized to allocate up to 2 percent of total funds for incentive payments to regional support networks. The department is authorized to establish a maximum percentage of funds to be expended on administrative costs by licensed service providers.

### **Amended Bill Compared to Engrossed Substitute Bill:**

The requirement that the Department of Social and Health Services conduct a longitudinal study is deleted. A statutory requirement that 5 percent of available mental health funds

be set aside for emergencies, technical assistance, and other purposes is repealed.

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**Appropriation:** None.

**Fiscal Note:** Not Requested.

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

**Testimony For:** The Joint Legislative Audit and Review Committee recently released their audit of the community mental health system. They developed several recommendations which the Legislature should support.

**Testimony Against:** None.

**Testified:** Senator Long, prime sponsor; Sgt. Fred Ibuki, Seattle Police Department; Shanon Dolittle, Community Action Partnership; Donald Lachman, CPI Institute; Cathy Gaylord, Washington Community Mental Health Council; Jean Wessman, Washington Association of Counties; Steven Pearce, Citizens' Commission on Human Rights; Tom Richardson, National Alliance for the Mentally Ill; and Richard Onizuka, Department of Social and Health Services.

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** Do pass as amended by Committee on Appropriations and without amendment by Committee on Health Care. Signed by 31 members: Representatives Sehlin, Republican Co-Chair; H. Sommers, Democratic Co-Chair; Barlean, Republican Vice Chair; Doumit, Democratic Vice Chair; Lisk, Republican Vice Chair; Alexander, Benson, Boldt, Buck, Clements, Cody, Cox, Dunshee, Fromhold, Grant, Kagi, Keiser, Kenney, Kessler, Lambert, Linville, Mastin, McIntire, Mulliken, Pearson, Pflug, Ruderman, D. Schmidt, Schual-Berke, Talcott and Tokuda.

**Staff:** Amy Hanson (786-7118).

### **Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Health Care:**

The Senate language was removed and replaced with the language from HB1650 as passed by the House. As amended, the bill focuses the community mental health delivery system on outcomes and provides the Department of Social and Health Services greater flexibility to achieve positive outcomes for clients.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** We support this bill. One of the findings of the JLARC study was that there are vast differences in spending on clients by the Regional Support Networks. We need outcome information to manage our system. It might be best to wait on the 2 percent reward system until outcome measures are actually in place.

**Testimony Against:** None.

**Testified:** Lonnie Johns-Brown, National Association of Social Workers; and Richard Warner, Citizens Commission on Human Rights.