

# FINAL BILL REPORT

## ESSB 5583

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### PARTIAL VETO

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Synopsis as Enacted

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

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

**Senate Committee on Human Services & Corrections**

**House Committee on Health Care**

**House Committee on Appropriations**

**Background:** The Legislature required the Joint Legislative Audit and Review Committee (JLARC) to conduct a study of the Mental Health Division (MHD) of the Department of Social and Health Services (DSHS). The study was to include an analysis of the respective roles and responsibilities of the MHD, the Regional Support Networks (RSN), and the community mental health providers; an analysis of RSN funding through MHD contracts; an analysis of service levels, outcomes, and costs for the RSNs; and recommendations for modifying the basis on which RSNs and community mental health providers are funded.

JLARC presented its proposed final report on December 13, 2000. It contained seven major findings and 14 recommendations. The report also included a plan for implementing performance measures.

**Summary:** The Legislature supports recommendations 1 through 10 and 12 through 14 of the JLARC report. In addition to any follow-up requirements prescribed by JLARC, DSHS must submit reports on the status of its implementation of these recommendations to the Legislature by June 1, 2001 and each year thereafter through 2004. The first report must cover recommendations 1 through 8, which are due to be implemented by June 2001, and a plan for implementing the remaining recommendations covered by this legislation. The initial report must also discuss what actions DSHS has taken and will take in response to recommendation 11.

MHD programs must provide for accountability of efficient and effective services through statewide standards for monitoring and reporting of client and system outcome information.

Beginning July 1, 2003, DSHS may allocate up to 2 percent of total funds distributed to the RSNs for incentive payments, which may be allocated separately from other sources. Incentives are paid for achievement of superior or significantly improved services as measured by a statewide outcome performance measurement system consistent with the JLARC recommendations. DSHS must report to the Legislature annually on its criteria and distribution incentives.

DSHS must develop a plan to reduce total administrative costs in the public mental health system (including the Mental Health Division) to no more than 10 percent of available funds, and report to the Legislature no later than December 15, 2001. The plan must identify and prioritize key administrative functions that must be continued to comply with federal and state laws and regulations, and shall assume an implementation date of July 1, 2003.

If funding is appropriated for the purpose, the Washington State Institute for Public Policy will do a study tracking long-term client outcomes as a result of services after two, five, and ten years, and report to the Legislature.

**Votes on Final Passage:**

Senate	48	0	
House	92	0	(House amended)
Senate			(Senate refused to concur)
House	95	0	(House amended)
Senate	42	0	(Senate concurred)

**Effective:** May 15, 2001

**Partial Veto Summary:** Section 8 of the bill was vetoed by the Governor. This section required the Department of Social and Health Services to develop a plan to reduce administrative expenses in the community mental health system to a maximum of 10 percent of available funds, identify and prioritize core functions and submit its plan to the appropriate legislative committees by December 15, 2001, with implementation by July 1, 2003. The Governor has directed instead, that DSHS complete the plan, and make recommendations to his office and the Legislature by October 1, 2002.