

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE SENATE BILL 5583

57th Legislature
2001 Regular Session

Passed by the Senate April 18, 2001
YEAS 42 NAYS 0

President of the Senate

Passed by the House April 17, 2001
YEAS 95 NAYS 0

**Speaker of the
House of Representatives**

**Speaker of the
House of Representatives**

Approved

Governor of the State of Washington

CERTIFICATE

I, Tony M. Cook, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5583** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 5583

AS AMENDED BY THE HOUSE

Passed Legislature - 2001 Regular Session

State of Washington

57th Legislature

2001 Regular Session

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

READ FIRST TIME 02/26/01.

1 AN ACT Relating to the implementation of recommendations of the
2 joint legislative audit and review committee's performance audit of the
3 public mental health system; amending RCW 71.24.015 and 71.24.035;
4 creating new sections; and declaring an emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

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

16 NEW SECTION. **Sec. 2.** The legislature supports recommendations 1
17 through 10 and 12 through 14 of the mental health system performance
18 audit conducted by the joint legislative audit and review committee.

1 The legislature expects the department of social and health services to
2 work diligently within available funds to implement these
3 recommendations.

4 NEW SECTION. **Sec. 3.** In addition to any follow-up requirements
5 prescribed by the joint legislative audit and review committee, the
6 department of social and health services shall submit reports to the
7 legislature on the status of the implementation of recommendations 1
8 through 10 and 12 through 14 of the performance audit report. The
9 implementation status reports must be submitted to appropriate policy
10 and fiscal committees of the legislature by June 1, 2001, and each year
11 thereafter through 2004.

12 NEW SECTION. **Sec. 4.** The initial implementation status reports
13 must discuss the status of implementing recommendations 1 through 8,
14 which are due to be implemented by June 2001, and must also include a
15 plan for implementing recommendations 9, 10, and 12 through 14, which
16 are due to be implemented subsequent to June 2001. The initial
17 implementation status report must also discuss what actions the
18 department of social and health services has taken and will take in the
19 future in response to recommendation 11 of the performance audit
20 report.

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

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

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

1 (1) Access to mental health services for adults of the state who
2 are acutely mentally ill, chronically mentally ill, or seriously
3 disturbed and children of the state who are acutely mentally ill,
4 severely emotionally disturbed, or seriously disturbed, which services
5 recognize the special needs of underserved populations, including
6 minorities, children, the elderly, disabled, and low-income persons.
7 Access to mental health services shall not be limited by a person's
8 history of confinement in a state, federal, or local correctional
9 facility. It is also the purpose of this chapter to promote the early
10 identification of mentally ill children and to ensure that they receive
11 the mental health care and treatment which is appropriate to their
12 developmental level. This care should improve home, school, and
13 community functioning, maintain children in a safe and nurturing home
14 environment, and should enable treatment decisions to be made in
15 response to clinical needs in accordance with sound professional
16 judgment while also recognizing parents' rights to participate in
17 treatment decisions for their children;

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

21 (3) Minimum service delivery standards;

22 (4) Priorities for the use of available resources for the care of
23 the mentally ill;

24 (5) Coordination of services within the department, including those
25 divisions within the department that provide services to children,
26 between the department and the office of the superintendent of public
27 instruction, and among state mental hospitals, county authorities,
28 community mental health services, and other support services, which
29 shall to the maximum extent feasible also include the families of the
30 mentally ill, and other service providers; and

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

34 It is the policy of the state to encourage the provision of a full
35 range of treatment and rehabilitation services in the state for mental
36 disorders. The legislature intends to encourage the development of
37 county-based and county-managed mental health services with adequate
38 local flexibility to assure eligible people in need of care access to
39 the least-restrictive treatment alternative appropriate to their needs,

1 and the availability of treatment components to assure continuity of
2 care. To this end, counties are encouraged to enter into joint
3 operating agreements with other counties to form regional systems of
4 care which integrate planning, administration, and service delivery
5 duties assigned to counties under chapters 71.05 and 71.24 RCW to
6 consolidate administration, reduce administrative layering, and reduce
7 administrative costs.

8 It is further the intent of the legislature to integrate the
9 provision of services to provide continuity of care through all phases
10 of treatment. To this end the legislature intends to promote active
11 engagement with mentally ill persons and collaboration between families
12 and service providers.

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

15 (1) The department is designated as the state mental health
16 authority.

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

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

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

27 (5) The secretary shall:

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

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

37 (A) Outpatient services;

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

1 (C) Day treatment for mentally ill persons which includes training
2 in basic living and social skills, supported work, vocational
3 rehabilitation, and day activities. Such services may include
4 therapeutic treatment. In the case of a child, day treatment includes
5 age-appropriate basic living and social skills, educational and
6 prevocational services, day activities, and therapeutic treatment;

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

9 (E) Employment services, which may include supported employment,
10 transitional work, placement in competitive employment, and other work-
11 related services, that result in mentally ill persons becoming engaged
12 in meaningful and gainful full or part-time work. Other sources of
13 funding such as the division of vocational rehabilitation may be
14 utilized by the secretary to maximize federal funding and provide for
15 integration of services;

16 (F) Consultation and education services; and

17 (G) Community support services;

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

21 (i) Licensed service providers;

22 (ii) Regional support networks; and

23 (iii) Residential and inpatient services, evaluation and treatment
24 services and facilities under chapter 71.05 RCW, resource management
25 services, and community support services;

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

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

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

34 (g) Develop and maintain an information system to be used by the
35 state, counties, and regional support networks that includes a tracking
36 method which allows the department and regional support networks to
37 identify mental health clients' participation in any mental health
38 service or public program on an immediate basis. The information
39 system shall not include individual patient's case history files.

1 Confidentiality of client information and records shall be maintained
2 as provided in this chapter and in RCW 71.05.390, 71.05.400, 71.05.410,
3 71.05.420, 71.05.430, and 71.05.440;

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

5 (i) Certify regional support networks that meet state minimum
6 standards;

7 (j) Periodically inspect certified regional support networks and
8 licensed service providers at reasonable times and in a reasonable
9 manner;

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

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

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

17 (6) The secretary shall use available resources only for regional
18 support networks.

19 (7) Each certified regional support network and licensed service
20 provider shall file with the secretary, on request, such data,
21 statistics, schedules, and information as the secretary reasonably
22 requires. A certified regional support network or licensed service
23 provider which, without good cause, fails to furnish any data,
24 statistics, schedules, or information as requested, or files fraudulent
25 reports thereof, may have its certification or license revoked or
26 suspended.

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

31 (9) The superior court may restrain any regional support network or
32 service provider from operating without certification or a license or
33 any other violation of this section. The court may also review,
34 pursuant to procedures contained in chapter 34.05 RCW, any denial,
35 suspension, limitation, restriction, or revocation of certification or
36 license, and grant other relief required to enforce the provisions of
37 this chapter.

38 (10) Upon petition by the secretary, and after hearing held upon
39 reasonable notice to the facility, the superior court may issue a

1 warrant to an officer or employee of the secretary authorizing him or
2 her to enter at reasonable times, and examine the records, books, and
3 accounts of any regional support network or service provider refusing
4 to consent to inspection or examination by the authority.

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

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

15 (13)(a) The department, in consultation with affected parties,
16 shall establish a distribution formula that reflects county needs
17 assessments based on the number of persons who are acutely mentally
18 ill, chronically mentally ill, severely emotionally disturbed children,
19 and seriously disturbed. The formula shall take into consideration the
20 impact on counties of demographic factors in counties which result in
21 concentrations of priority populations as set forth in subsection
22 (5)(b) of this section. These factors shall include the population
23 concentrations resulting from commitments under chapters 71.05 and
24 71.34 RCW to state psychiatric hospitals, as well as concentration in
25 urban areas, at border crossings at state boundaries, and other
26 significant demographic and workload factors.

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

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

1 (14) The secretary shall assume all duties assigned to the
2 nonparticipating counties under chapters 71.05, 71.34, and 71.24 RCW.
3 Such responsibilities shall include those which would have been
4 assigned to the nonparticipating counties under regional support
5 networks.

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

12 (15) The secretary shall:

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

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

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

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

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

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

38 (16) The department, in cooperation with the state congressional
39 delegation, shall actively seek waivers of federal requirements and

1 such modifications of federal regulations as are necessary to allow
2 federal medicaid reimbursement for services provided by free-standing
3 evaluation and treatment facilities certified under chapter 71.05 RCW.
4 The department shall periodically report its efforts to the health care
5 and corrections committee of the senate and the human services
6 committee of the house of representatives.

7 (17) The secretary shall establish a task force to examine the
8 recruitment, training, and compensation of qualified mental health
9 professionals in the community, which shall include the advantages and
10 disadvantages of establishing a training academy, loan forgiveness
11 program, or educational stipends offered in exchange for commitments of
12 employment in mental health.

13 NEW SECTION. **Sec. 8.** The legislature finds that an excessive
14 amount of public funds are spent on administrative activities in the
15 community mental health system. The department of social and health
16 services shall develop a plan to reduce administrative expenses in the
17 community mental health system, including the mental health division,
18 to no more than ten percent of available funds. The plan shall
19 identify and prioritize core administrative functions that must be
20 continued to comply with federal or state statutes. The department
21 shall submit their plan to the appropriate committees of the senate and
22 house of representatives no later than December 15, 2001. The plan
23 shall assume an implementation date of July 1, 2003.

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

28 NEW SECTION. **Sec. 10.** This act is necessary for the immediate
29 preservation of the public peace, health, or safety, or support of the
30 state government and its existing public institutions, and takes effect
31 immediately.

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