

# HOUSE BILL REPORT

## HB 2139

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### As Reported by House Committee On: Ways & Means

**Title:** An act relating to the establishment of new regional support network boundaries.

**Brief Description:** Concerning the establishment of new regional support network boundaries.

**Sponsors:** Representatives Cody and Hunter; by request of Department of Social and Health Services.

**Brief History:**

**Committee Activity:**

Ways & Means: 12/6/11, 3/7/12 [DPS].

**Brief Summary of Substitute Bill**

- Expands the Department of Social and Health Services' authority to change Regional Support Network (RSN) boundaries to include situations in which two or more RSNs reconfigure themselves for purposes of consolidation.
- Reduces the minimum number of RSNs from eight to six.

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### HOUSE COMMITTEE ON WAYS & MEANS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 27 members: Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Carlyle, Chandler, Cody, Dickerson, Haigh, Haler, Hinkle, Hudgins, Hunt, Kagi, Kenney, Ormsby, Parker, Pettigrew, Ross, Schmick, Seaquist, Springer, Sullivan and Wilcox.

**Staff:** Andy Toulon (786-7178) and Chris Blake (786-7392).

**Background:**

The Department of Social and Health Services (DSHS) is the designated state mental health authority. The DSHS contracts with Regional Support Networks (RSNs) to oversee the

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delivery of mental health services for adults and children who suffer from mental illness or severe emotional disturbance. Entities that are selected to operate as the RSN for a designated geographic area must meet regulatory and contractual standards. In cases in which a RSN fails to meet state minimum standards or refuses to exercise its statutory and contractual obligations, the DSHS must assume those responsibilities.

A RSN must be either a county authority or group of county authorities except in circumstances in which an existing RSN chooses not to respond to a request for qualifications, is unable to substantially meet the requirements of a request for qualifications, or notifies the DSHS that it will no longer serve as a RSN. Under these circumstances, the DSHS is required to utilize a procurement process in which other entities recognized by the secretary may bid to serve as the RSN. The DSHS has authority to establish new boundaries in cases where a RSN fails to respond to or meet standards of a request for qualifications or subsequent reprocurement.

There are currently 13 RSNs in Washington. Twelve of these entities are either single or multi-county authorities and there is one private entity operating as a RSN in Pierce County. Regional Support Networks subcontract with an array of community mental health agencies to provide required services.

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#### **Summary of Substitute Bill:**

The DSHS is authorized to establish RSN boundaries in cases in which two or more RSNs propose to reconfigure themselves in a consolidation. In these situations, the RSNs are exempt from specific procurement procedures.

The minimum number of RSNs is reduced from eight to six.

#### **Substitute Bill Compared to Original Bill:**

The substitute bill eliminates the DSHS' authority to establish new RSN boundaries in situations in which the RSN is not able to meet its legal or contractual obligations, change is necessary to meet new legal requirements, or a boundary change would be more efficient or effective. The substitute bill restores the DSHS's existing authority to establish new RSN boundaries in cases in which RSNs choose not to respond to a request for qualifications or a RSN is subject to reprocurement.

The substitute bill authorizes the DSHS to establish new RSN boundaries in situations in which two or more RSNs propose to reconfigure themselves in consolidation and exempts them from certain procurement requirements in these cases of consolidation.

The substitute bill increases the maximum number of RSNs from six to 14 and reduces the minimum number of RSNs that the DSHS may establish from eight to six.

The substitute bill updates citation references.

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**Appropriation:** None.

**Fiscal Note:** Requested on March 7, 2012.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) When the RSNs were originally created, the plan was to have about 100,000 people enrolled in each RSN, but now there are only about 40,000 people. Regional Support Networks need to be larger for administrative efficiencies. This proposal is one of the cost saving measures in the Governor's proposed budget. Administrative streamlining helps to avoid deeper cuts to services. Streamlining is needed to maintain client services and local accountability. Any changes will be pursued in collaboration with the local RSNs. Larger risk pools lead to more efficiencies and is the direction that most states are moving. There are several local efforts to consolidate that are currently underway. The goal is to achieve a more consistent utilization management practice throughout the state to get the right consumers the right services. The DSHS hopes to get more consistent reporting of service encounters to plan and measure outcomes. There are efficiencies that can be found in the community mental health system and there are too many RSNs. There should be an emergency clause so that this can be implemented earlier.

(Opposed) There are local initiatives already going on where RSNs are coming together and merging for purposes of health reform preparation. The counties are coming together to make sure that those with the most intense needs are being served well. Counties are already having conversations about working together for efficiency. The public RSNs already have low administrative costs and cannot have more cuts to administration.

**Persons Testifying:** (In support) Ron Jemelka, Washington State Department of Social and Health Services; and Dave Knutson, OptumHealth Pierce Regional Support Network.

(Opposed) Rashi Gupta, Washington Association of Counties.

**Persons Signed In To Testify But Not Testifying:** None.