# HOUSE BILL REPORT
# ESHB 1519

**As Passed House:**
March 11, 2013

**Title**: An act relating to establishing accountability measures for service coordination organizations.

**Brief Description**: Establishing accountability measures for service coordination organizations.

**Sponsors**: House Committee on Appropriations (originally sponsored by Representatives Cody, Green, Jinkins, Ryu and Pollet).

**Brief History:**
**Committee Activity:**
Health Care & Wellness: 2/14/13, 2/15/13 [DP];
Appropriations: 2/28/13 [DPS].
**Floor Activity:**
Passed House: 3/11/13, 93-4.

**Brief Summary of Engrossed Substitute Bill**

- Requires the Health Care Authority and the Department of Social and Health Services to develop performance measures and outcomes to incorporate into their contracts with service coordination organizations.

## HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

**Majority Report**: Do pass. Signed by 13 members: Representatives Cody, Chair; Jinkins, Vice Chair; Schmick, Ranking Minority Member; Hope, Assistant Ranking Minority Member; Clibborn, Green, Harris, Manweller, Morrell, Riccelli, Ross, Tharinger and Van De Wege.

**Minority Report**: Do not pass. Signed by 2 members: Representatives Angel and Short.

**Staff**: Chris Blake (786-7392).

## HOUSE COMMITTEE ON APPROPRIATIONS

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Majority Report**: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 31 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Alexander, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Carlyle, Cody, Dahlquist, Dunshee, Fagan, Green, Haigh, Haler, Harris, Hudgins, Hunt, Jinkins, Kagi, Maxwell, Morrell, Parker, Pedersen, Pettigrew, Pike, Ross, Schmick, Seaquist, Springer, Sullivan and Taylor.

**Staff**: Erik Cornellier (786-7116).

**Background**:

The Health Care Authority and the Department of Social and Health Services (Department) purchase medical care services, mental health services, long-term care case management services, and substance abuse program services from several types of entities that coordinate with providers to deliver the services to clients.

- Regional Support Networks: The Department contracts with regional support networks to oversee the delivery of mental health services for adults and children who suffer from mental illness or severe emotional disturbance. The regional support networks contract with local providers to provide an array of mental health services, monitor the activities of local providers, and oversee the distribution of funds under the state managed care plan.
- Area Agencies on Aging: The federal government established area agencies on aging through the Older Americans Act in 1965. The state currently has 13 area agencies on aging that are approved by the Department to carry out programs and services for senior citizens.
- Medicaid Managed Care Organizations: Managed care is a prepaid, comprehensive system of medical and health care delivery, including preventive, primary, specialty, and ancillary health services. Healthy Options is the Medicaid managed care program for low-income people in Washington. Healthy Options offers eligible families, children under age 19, pregnant women, and certain blind or disabled individuals a complete medical benefits package.
- County Substance Abuse Programs: The Department contracts with counties to provide outpatient substance abuse treatment services, either directly or by subcontracting with certified providers.

**Summary of Engrossed Substitute Bill**:

The terms "service coordination organizations" and "service contracting entities" are defined as entities that arrange for a comprehensive system of medical, behavioral, or social support services. The term specifically includes regional support networks, managed care organizations that provide medical services to medical assistance clients, counties that provide chemical dependency services, and area agencies on aging that provide case management services.

By July 1, 2015, the Health Care Authority (Authority) and the Department of Social and Health Services (Department) must include outcomes and performance measures in their contracts with service contracting entities. The outcomes include:

- improvements in client health status;

- increases in client participation in meaningful activities;
- reductions in client involvement with the criminal justice system;
- reductions in avoidable costs in hospitals, emergency rooms, crisis services, and jails and prisons;
- increases in stable housing;
- improvements in client satisfaction with quality of life; and
- reductions in population-level health disparities.

The performance measures must demonstrate how several principles are achieved within the outcomes. These principles relate to the maximization and prioritization of evidence-based practices, research-based practices, and promising practices; the maximization of client independence, recovery, and employment; the maximization of client participation in treatment decisions; and the collaboration between consumer-based support programs in providing services to the client. The agencies must develop strategies to identify programs that are effective with ethnically-diverse clients. Reporting of outcome and performance data must be phased in and allow for comparisons between geographic regions.

The Authority and the Department must establish work groups of stakeholders specific to areas of outcomes and performance measures to develop those expected outcomes and performance measures. The Authority and the Department may contract with clinical research evaluation organizations to provide advice, consultation services, and expertise to the work groups.

Outcomes and performance measures created for service contracting entities may not be used as a standard of care in civil legal actions brought by a recipient of services. The failure of a service contracting entity to meet outcomes and performance measures does not create civil legal liability in a claim brought by a recipient of services.

By December 1, 2014, the Authority and the Department must report to the Legislature about the expected outcomes and the performance measures. The report must identify each program's outcomes and performance measures, the relationship between the performance measures and the expected improvements in client outcomes, the mechanisms for reporting outcomes and measuring performance, and options for applying the performance measure and outcome process to other health and social service programs.

**Appropriation**: None.

**Fiscal Note**: Available.

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

**Staff Summary of Public Testimony** (Health Care & Wellness):

(In support) This bill establishes uniformity in outcome measures so that all service providers are held to the same standards. There are 68,000 clients in the Medicaid program who are high-cost, high-risk clients and most of them need long-term care services and have a mental illness or chemical dependency or developmental disability. There is work in progress on

health homes for the high-cost, high-risk Medicaid population which is intended to get systems to work together and this bill can align all of those systems to work toward common goals. This bill acknowledges the collective need for health care provider communities to partner and collaborate to improve the health and well-being of Washington residents. Agencies are partnering to improve care for complex clients through a new health home program and the outcome measures described in the bill will be used to measure the program's success. It is good that the bill establishes standards that pertain to outcomes that are meaningful to clients and the community. A report card requirement would be helpful so that the plans can be measured publicly in their performance.

(Opposed) None.

**Staff Summary of Public Testimony** (Appropriations):

(In support) When the state moved Medicaid to the Health Care Authority (Authority) there was concern about keeping mental health coordinated with the medical side, especially as the state moves towards managed care and mental health parity. Mental health benefits will be provided on both fronts and the outcome measures should be the same between the two areas.

This legislation expands on the policy direction articulated in House Bill 1522 by establishing clear outcomes for the adult behavioral health system. These bills are intended to acknowledge that clients have complex needs that cross delivery systems. This bill holds all systems responsible for outcomes that are consistent with implementing health home services for high risk individuals with complex needs.

This bill supports work that the Authority and the Department of Social and Health Services are already doing by supporting the cross-system collaboration that is already in place.

(Opposed) None.

**Persons Testifying** (Health Care & Wellness): Representative Cody, prime sponsor; Jane Beyer, Department of Social and Health Services; Barbara Lantz, Health Care Authority; and Rick Weaver, Central Washington Comprehensive Mental Health.

**Persons Testifying** (Appropriations): Jane Beyer, Health Care Authority; and MaryAnne Lindeblad, Department of Social and Health Services.

**Persons Signed In To Testify But Not Testifying** (Health Care & Wellness): None.

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