

# SENATE BILL REPORT

## ESHB 1519

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As of March 25, 2013

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

**Brief Description:** Establishing accountability measures for certain health care coordination services.

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

**Brief History:** Passed House: 3/11/13, 93-4.

**Committee Activity:** Health Care: 3/25/13.

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### SENATE COMMITTEE ON HEALTH CARE

**Staff:** Mich'l Needham (786-7442)

**Background:** The Health Care Authority (HCA) and the Department of Social and Health Services (DSHS) 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. DSHS 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 DSHS to carry out programs and services for senior citizens.

Medicaid-Managed Care Organizations. HCA contracts with private managed care plans, as 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,

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children under age 19, pregnant women, and certain blind or disabled individuals a complete medical benefits package.

County Substance Abuse Programs. DSHS contracts with counties to provide outpatient substance abuse treatment services, either directly or by subcontracting with certified providers.

**Summary of 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, HCA and DSHS must include outcomes and performance measures in their contracts with service contracting entities. The outcomes include the following:

- improvements in client health status and wellness;
- 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.

HCA and DSHS must establish workgroups of stakeholders specific to areas of outcomes and performance measures to develop those expected outcomes and performance measures. The agencies may contract with clinical research evaluation organizations to provide advice, consultation services, and expertise to the workgroups.

By December 1, 2014, HCA and DSHS must jointly 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.

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.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: This bill is moving in tandem with a related bill focused on mental health outcome measures. Both bills moved through the House Health Committee but the other bill has gone to the Human Services Committee in the Senate. With the implementation of mental health parity and integration with medical care, it is important to develop outcomes across programs that are the same or similar so this bill creates a process for the agencies to jointly develop outcome measures.

**Persons Testifying:** PRO: Representative Cody, prime sponsor.