
ENGROSSED SUBSTITUTE HOUSE BILL 1519

State of Washington

63rd Legislature

2013 Regular Session

By House Appropriations (originally sponsored by Representatives Cody, Green, Jinkins, Ryu, and Pollet)

READ FIRST TIME 03/01/13.

1 AN ACT Relating to establishing accountability measures for service
2 coordination organizations; amending RCW 70.96A.320, 71.24.330, and
3 74.39A.090; adding a new section to chapter 74.09 RCW; and adding a new
4 chapter to Title 70 RCW.

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

6 NEW SECTION. **Sec. 1.** The definitions in this section apply
7 throughout this chapter unless the context clearly requires otherwise.

8 (1) "Authority" means the health care authority.

9 (2) "Department" means the department of social and health
10 services.

11 (3) "Emerging best practice" or "promising practice" means a
12 program or practice that, based on statistical analyses or a well-
13 established theory of change, shows potential for meeting the evidence-
14 based or research-based criteria, which may include the use of a
15 program that is evidence-based for outcomes other than those listed in
16 this section.

17 (4) "Evidence-based" means a program or practice that has been
18 tested in heterogeneous or intended populations with multiple
19 randomized, or statistically controlled evaluations, or both; or one

1 large multiple site randomized, or statistically controlled evaluation,
2 or both, where the weight of the evidence from a systemic review
3 demonstrates sustained improvements in at least one outcome.
4 "Evidence-based" also means a program or practice that can be
5 implemented with a set of procedures to allow successful replication in
6 Washington and, when possible, is determined to be cost-beneficial.

7 (5) "Research-based" means a program or practice that has been
8 tested with a single randomized, or statistically controlled
9 evaluation, or both, demonstrating sustained desirable outcomes; or
10 where the weight of the evidence from a systemic review supports
11 sustained outcomes as described in this subsection but does not meet
12 the full criteria for evidence-based.

13 (6) "Service coordination organization" or "service contracting
14 entity" means the authority and department, or an entity that may
15 contract with the state to provide, directly or through subcontracts,
16 a comprehensive delivery system of medical, behavioral, long-term care,
17 or social support services, including entities such as regional support
18 networks as defined in RCW 71.24.025, managed care organizations that
19 provide medical services to clients under chapter 74.09 RCW, counties
20 providing chemical dependency services under chapters 74.50 and 70.96A
21 RCW, and area agencies on aging providing case management services
22 under chapter 74.39A RCW.

23 NEW SECTION. **Sec. 2.** (1) The authority and the department shall
24 base contract performance measures developed under section 3 of this
25 act on the following outcomes when contracting with service contracting
26 entities: Improvements in client health status and wellness; increases
27 in client participation in meaningful activities; reductions in client
28 involvement with criminal justice systems; reductions in avoidable
29 costs in hospitals, emergency rooms, crisis services, and jails and
30 prisons; increases in stable housing in the community; improvements in
31 client satisfaction with quality of life; and reductions in population-
32 level health disparities.

33 (2) The performance measures must demonstrate the manner in which
34 the following principles are achieved within each of the outcomes under
35 subsection (1) of this section:

36 (a) Maximization of the use of evidence-based practices will be
37 given priority over the use of research-based and promising practices,

1 and research-based practices will be given priority over the use of
2 promising practices. The agencies will develop strategies to identify
3 programs that are effective with ethnically diverse clients and to
4 consult with tribal governments, experts within ethnically diverse
5 communities and community organizations that serve diverse communities;

6 (b) The maximization of the client's independence, recovery, and
7 employment;

8 (c) The maximization of the client's participation in treatment
9 decisions; and

10 (d) The collaboration between consumer-based support programs in
11 providing services to the client.

12 (3) In developing performance measures under section 3 of this act,
13 the authority and the department shall consider expected outcomes
14 relevant to the general populations that each agency serves. The
15 authority and the department may adapt the outcomes to account for the
16 unique needs and characteristics of discrete subcategories of
17 populations receiving services, including ethnically diverse
18 communities.

19 (4) The authority and the department shall coordinate the
20 establishment of the expected outcomes and the performance measures
21 between each agency as well as each program to identify expected
22 outcomes and performance measures that are common to the clients
23 enrolled in multiple programs and to eliminate conflicting standards
24 among the agencies and programs.

25 (5) The authority and the department shall establish timelines and
26 mechanisms for service contracting entities to report data related to
27 performance measures and outcomes, including phased implementation of
28 public reporting of outcome and performance measures in a form that
29 allows for comparison of performance measures and levels of improvement
30 between geographic regions of Washington.

31 NEW SECTION. **Sec. 3.** By September 1, 2014:

32 (1) The authority shall adopt performance measures to determine
33 whether service contracting entities are achieving the outcomes
34 described in section 2 of this act for clients enrolled in medical
35 managed care programs operated according to Title XIX or XXI of the
36 federal social security act.

1 (2) The department shall adopt performance measures to determine
2 whether service contracting entities are achieving the outcomes
3 described in section 2 of this act for clients receiving mental health,
4 long-term care, or chemical dependency services.

5 NEW SECTION. **Sec. 4.** (1) The authority and the department shall
6 develop work groups of stakeholders particular to each area of outcomes
7 and performance measures. The work groups shall provide support in the
8 form of assistance and consultation in the development of the initial
9 outcomes and performance measures. Each work group must include
10 participants with expertise in evidence-based, research-based, and
11 promising practices related to the outcomes that the particular work
12 group is supporting.

13 (2) The authority and the department may contract with entities
14 that evaluate the evidence from clinical research studies, such as the
15 Pacific Northwest evidence-based practice center, to provide advice,
16 consultation services, and expertise to the work groups.

17 NEW SECTION. **Sec. 5.** By July 1, 2015, the authority and the
18 department shall require that contracts with service coordination
19 organizations include provisions requiring the adoption of the outcomes
20 and performance measures developed under this chapter and mechanisms
21 for reporting data to support each of the outcomes and performance
22 measures.

23 NEW SECTION. **Sec. 6.** (1) By December 1, 2014, the department and
24 the authority shall report jointly to the legislature on the expected
25 outcomes and the performance measures. The report must identify the
26 performance measures and the expected outcomes established for each
27 program, the relationship between the performance measures and expected
28 improvements in client outcomes, mechanisms for reporting outcomes and
29 measuring performance, and options for applying the performance
30 measures and expected outcomes development process to other health and
31 social service programs.

32 (2) By December 1, 2016, the department and the authority shall
33 report to the legislature on the incorporation of the performance
34 measures into contracts with service coordination organizations and
35 progress toward achieving the identified outcomes.

1 NEW SECTION. **Sec. 7.** The outcomes and performance measures
2 established pursuant to this chapter do not establish a standard of
3 care in any civil action brought by a recipient of services. The
4 failure of a service coordination organization to meet the outcomes and
5 performance measures established pursuant to this chapter does not
6 create civil liability on the part of the service coordination
7 organization in a claim brought by a recipient of services.

8 NEW SECTION. **Sec. 8.** A new section is added to chapter 74.09 RCW
9 to read as follows:

10 The authority shall incorporate the expected outcomes and criteria
11 to measure the performance of service coordination organizations as
12 provided in chapter 70.-- RCW (the new chapter created in section 12 of
13 this act) into contracts with managed care organizations that provide
14 services to clients under this chapter.

15 **Sec. 9.** RCW 70.96A.320 and 1990 c 151 s 9 are each amended to read
16 as follows:

17 (1) A county legislative authority, or two or more counties acting
18 jointly, may establish an alcoholism and other drug addiction program.
19 If two or more counties jointly establish the program, they shall
20 designate one county to provide administrative and financial services.

21 (2) To be eligible for funds from the department for the support of
22 the county alcoholism and other drug addiction program, the county
23 legislative authority shall establish a county alcoholism and other
24 drug addiction board under RCW 70.96A.300 and appoint a county
25 alcoholism and other drug addiction program coordinator under RCW
26 70.96A.310.

27 (3) The county legislative authority may apply to the department
28 for financial support for the county program of alcoholism and other
29 drug addiction. To receive financial support, the county legislative
30 authority shall submit a plan that meets the following conditions:

31 (a) It shall describe the services and activities to be provided;

32 (b) It shall include anticipated expenditures and revenues;

33 (c) It shall be prepared by the county alcoholism and other drug
34 addiction program board and be adopted by the county legislative
35 authority;

1 (d) It shall reflect maximum effective use of existing services and
2 programs; and

3 (e) It shall meet other conditions that the secretary may require.

4 (4) The county may accept and spend gifts, grants, and fees, from
5 public and private sources, to implement its program of alcoholism and
6 other drug addiction.

7 (5) The department shall require that any agreement to provide
8 financial support to a county that performs the activities of a service
9 coordination organization for alcoholism and other drug addiction
10 services must incorporate the expected outcomes and criteria to measure
11 the performance of service coordination organizations as provided in
12 chapter 70.-- RCW (the new chapter created in section 12 of this act).

13 (6) The county may subcontract for detoxification, residential
14 treatment, or outpatient treatment with treatment programs that are
15 approved treatment programs. The county may subcontract for other
16 services with individuals or organizations approved by the department.

17 ~~((+6+))~~ (7) To continue to be eligible for financial support from
18 the department for the county alcoholism and other drug addiction
19 program, an increase in state financial support shall not be used to
20 supplant local funds from a source that was used to support the county
21 alcoholism and other drug addiction program before the effective date
22 of the increase.

23 **Sec. 10.** RCW 71.24.330 and 2008 c 261 s 6 are each amended to read
24 as follows:

25 (1)(a) Contracts between a regional support network and the
26 department shall include mechanisms for monitoring performance under
27 the contract and remedies for failure to substantially comply with the
28 requirements of the contract including, but not limited to, financial
29 penalties, termination of the contract, and reprocurement of the
30 contract.

31 (b) The department shall incorporate the criteria to measure the
32 performance of service coordination organizations into contracts with
33 regional support networks as provided in chapter 70.-- RCW (the new
34 chapter created in section 12 of this act).

35 (2) The regional support network procurement processes shall
36 encourage the preservation of infrastructure previously purchased by
37 the community mental health service delivery system, the maintenance of

1 linkages between other services and delivery systems, and maximization
2 of the use of available funds for services versus profits. However, a
3 regional support network selected through the procurement process is
4 not required to contract for services with any county-owned or operated
5 facility. The regional support network procurement process shall
6 provide that public funds appropriated by the legislature shall not be
7 used to promote or deter, encourage, or discourage employees from
8 exercising their rights under Title 29, chapter 7, subchapter II,
9 United States Code or chapter 41.56 RCW.

10 (3) In addition to the requirements of RCW 71.24.035, contracts
11 shall:

12 (a) Define administrative costs and ensure that the regional
13 support network does not exceed an administrative cost of ten percent
14 of available funds;

15 (b) Require effective collaboration with law enforcement, criminal
16 justice agencies, and the chemical dependency treatment system;

17 (c) Require substantial implementation of department adopted
18 integrated screening and assessment process and matrix of best
19 practices;

20 (d) Maintain the decision-making independence of designated mental
21 health professionals;

22 (e) Except at the discretion of the secretary or as specified in
23 the biennial budget, require regional support networks to pay the state
24 for the costs associated with individuals who are being served on the
25 grounds of the state hospitals and who are not receiving long-term
26 inpatient care as defined in RCW 71.24.025;

27 (f) Include a negotiated alternative dispute resolution clause; and

28 (g) Include a provision requiring either party to provide one
29 hundred eighty days' notice of any issue that may cause either party to
30 voluntarily terminate, refuse to renew, or refuse to sign a mandatory
31 amendment to the contract to act as a regional support network. If
32 either party decides to voluntarily terminate, refuse to renew, or
33 refuse to sign a mandatory amendment to the contract to serve as a
34 regional support network they shall provide ninety days' advance notice
35 in writing to the other party.

36 **Sec. 11.** RCW 74.39A.090 and 2004 c 141 s 3 are each amended to
37 read as follows:

1 (1) The legislature intends that any staff reassigned by the
2 department as a result of shifting of the reauthorization
3 responsibilities by contract outlined in this section shall be
4 dedicated for discharge planning and assisting with discharge planning
5 and information on existing discharge planning cases. Discharge
6 planning, as directed in this section, is intended for residents and
7 patients identified for discharge to long-term care pursuant to RCW
8 70.41.320, 74.39A.040, and 74.42.058. The purpose of discharge
9 planning is to protect residents and patients from the financial
10 incentives inherent in keeping residents or patients in a more
11 expensive higher level of care and shall focus on care options that are
12 in the best interest of the patient or resident.

13 (2) The department shall contract with area agencies on aging:

14 (a) To provide case management services to consumers receiving home
15 and community services in their own home; and

16 (b) To reassess and reauthorize home and community services in home
17 or in other settings for consumers consistent with the intent of this
18 section:

19 (i) Who have been initially authorized by the department to receive
20 home and community services; and

21 (ii) Who, at the time of reassessment and reauthorization, are
22 receiving home and community services in their own home.

23 (3) In the event that an area agency on aging is unwilling to enter
24 into or satisfactorily fulfill a contract or an individual consumer's
25 need for case management services will be met through an alternative
26 delivery system, the department is authorized to:

27 (a) Obtain the services through competitive bid; and

28 (b) Provide the services directly until a qualified contractor can
29 be found.

30 (4)(a) The department shall include, in its oversight and
31 monitoring of area agency on aging performance, assessment of case
32 management roles undertaken by area agencies on aging in this section.
33 The scope of oversight and monitoring includes, but is not limited to,
34 assessing the degree and quality of the case management performed by
35 area agency on aging staff for elderly and (~~disabled~~) persons with
36 disabilities in the community.

37 (b) The department shall incorporate the expected outcomes and

1 criteria to measure the performance of service coordination
2 organizations into contracts with area agencies on aging as provided in
3 chapter 70.-- RCW (the new chapter created in section 12 of this act).

4 (5) Area agencies on aging shall assess the quality of the in-home
5 care services provided to consumers who are receiving services under
6 the medicaid personal care, community options programs entry system or
7 chore services program through an individual provider or home care
8 agency. Quality indicators may include, but are not limited to, home
9 care consumers satisfaction surveys, how quickly home care consumers
10 are linked with home care workers, and whether the plan of care under
11 RCW 74.39A.095 has been honored by the agency or the individual
12 provider.

13 (6) The department shall develop model language for the plan of
14 care established in RCW 74.39A.095. The plan of care shall be in clear
15 language, and written at a reading level that will ensure the ability
16 of consumers to understand the rights and responsibilities expressed in
17 the plan of care.

18 NEW SECTION. Sec. 12. Sections 1 through 7 of this act constitute
19 a new chapter in Title 70 RCW.

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