
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) "Consensus-based" has the same meaning as in RCW 71.24.025.

10 (3) "Department" means the department of social and health
11 services.

12 (4) "Evidence-based" has the same meaning as in RCW 71.24.025.

13 (5) "Research-based" has the same meaning as in RCW 71.24.025.

14 (6) "Service coordination organization" means an entity that
15 arranges for a comprehensive delivery system of medical, behavioral, or
16 social support services, including entities such as regional support
17 networks as defined in RCW 71.24.025, managed care organizations that
18 provide medical services to clients under chapter 74.09 RCW, counties

1 providing chemical dependency services under chapter 74.50 RCW, and
2 area agencies on aging providing case management services under chapter
3 74.39A RCW.

4 NEW SECTION. **Sec. 2.** (1) The authority and the department shall
5 base contract performance measures developed under section 3 of this
6 act on the following outcomes when contracting with service
7 coordination organizations: Improvements in client health status and
8 wellness; increases in client participation in meaningful activities;
9 reductions in client involvement with criminal justice systems;
10 reductions in avoidable costs in hospitals, emergency rooms, crisis
11 services, and jails and prisons; increases in stable housing in the
12 community; improvements in client satisfaction with quality of life;
13 and reductions in population-level health disparities.

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

17 (a) The maximization of evidence-based practices in programs in
18 which such practices exist. In programs in which evidence-based
19 practices do not exist, the use of research-based practices must be
20 maximized, including the adaptation of evidence-based practices to new
21 situations. In programs in which neither evidence-based practices nor
22 research-based practices exist, the use of consensus-based practices
23 must be maximized;

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

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

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

30 (3) In developing performance measures under section 3 of this act,
31 the authority and the department shall consider expected outcomes
32 relevant to the general populations that each agency serves. The
33 authority and the department may adapt the outcomes to account for the
34 unique needs and characteristics of discrete subcategories of
35 populations receiving services.

36 (4) The authority and the department shall coordinate the
37 establishment of the expected outcomes and the performance measures

1 between each agency as well as each program to identify expected
2 outcomes and performance measures that are common to the clients
3 enrolled in multiple programs and to eliminate conflicting standards
4 among the agencies and programs.

5 (5) The authority and the department shall establish timelines and
6 mechanisms for service coordination organizations to report data
7 supporting each of the performance measures.

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

9 (1) The authority shall adopt performance measures to determine
10 whether service coordination organizations are achieving the outcomes
11 described in section 2 of this act for clients enrolled in medical
12 managed care programs operated according to Title XIX or XXI of the
13 federal social security act.

14 (2) The department shall adopt performance measures to determine
15 whether service coordination organizations are achieving the outcomes
16 described in section 2 of this act for clients receiving mental health,
17 long-term care, or chemical dependency services.

18 NEW SECTION. **Sec. 4.** (1) The authority and the department shall
19 develop work groups of stakeholders particular to each program's
20 efforts to develop expected outcomes and performance measures. The
21 work groups shall provide support in the form of assistance and
22 consultation in the development of the initial outcomes and performance
23 measures. Each work group must include participants with expertise in
24 evidence-based practices related to the program that the particular
25 work group is supporting.

26 (2) The authority and the department may contract with the
27 Washington state institute for public policy and other entities that
28 evaluate the evidence from clinical research studies, such as the
29 Pacific Northwest evidence-based practice center, to provide advice,
30 consultation services, and expertise to the work groups. Such services
31 must include assistance developing performance measures and identifying
32 evidence-based practices.

33 NEW SECTION. **Sec. 5.** By July 1, 2015, the authority and the
34 department shall require that contracts with service coordination
35 organizations include provisions requiring the adoption of the outcomes

1 and performance measures developed under this chapter and mechanisms
2 for reporting data to support each of the outcomes and performance
3 measures.

4 NEW SECTION. **Sec. 6.** (1) By December 1, 2014, the department and
5 the authority shall report jointly to the legislature on the expected
6 outcomes and the performance measures. The report must identify the
7 performance measures and the expected outcomes established for each
8 program, the relationship between the performance measures and expected
9 improvements in client outcomes, mechanisms for reporting outcomes and
10 measuring performance, and options for applying the performance
11 measures and expected outcomes development process to other health and
12 social service programs.

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

17 NEW SECTION. **Sec. 7.** The outcomes and performance measures
18 established pursuant to this chapter do not establish a standard of
19 care in any civil action brought by a recipient of services. The
20 failure of a service coordination organization to meet the outcomes and
21 performance measures established pursuant to this chapter does not
22 create civil liability on the part of the service coordination
23 organization in a claim brought by a recipient of services.

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

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

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

33 (1) A county legislative authority, or two or more counties acting

1 jointly, may establish an alcoholism and other drug addiction program.
2 If two or more counties jointly establish the program, they shall
3 designate one county to provide administrative and financial services.

4 (2) To be eligible for funds from the department for the support of
5 the county alcoholism and other drug addiction program, the county
6 legislative authority shall establish a county alcoholism and other
7 drug addiction board under RCW 70.96A.300 and appoint a county
8 alcoholism and other drug addiction program coordinator under RCW
9 70.96A.310.

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

- 14 (a) It shall describe the services and activities to be provided;
- 15 (b) It shall include anticipated expenditures and revenues;
- 16 (c) It shall be prepared by the county alcoholism and other drug
17 addiction program board and be adopted by the county legislative
18 authority;
- 19 (d) It shall reflect maximum effective use of existing services and
20 programs; and
- 21 (e) It shall meet other conditions that the secretary may require.

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

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

31 (6) The county may subcontract for detoxification, residential
32 treatment, or outpatient treatment with treatment programs that are
33 approved treatment programs. The county may subcontract for other
34 services with individuals or organizations approved by the department.

35 ((+6+)) (7) To continue to be eligible for financial support from
36 the department for the county alcoholism and other drug addiction
37 program, an increase in state financial support shall not be used to

1 supplant local funds from a source that was used to support the county
2 alcoholism and other drug addiction program before the effective date
3 of the increase.

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

6 (1)(a) Contracts between a regional support network and the
7 department shall include mechanisms for monitoring performance under
8 the contract and remedies for failure to substantially comply with the
9 requirements of the contract including, but not limited to, financial
10 penalties, termination of the contract, and reprourement of the
11 contract.

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

16 (2) The regional support network procurement processes shall
17 encourage the preservation of infrastructure previously purchased by
18 the community mental health service delivery system, the maintenance of
19 linkages between other services and delivery systems, and maximization
20 of the use of available funds for services versus profits. However, a
21 regional support network selected through the procurement process is
22 not required to contract for services with any county-owned or operated
23 facility. The regional support network procurement process shall
24 provide that public funds appropriated by the legislature shall not be
25 used to promote or deter, encourage, or discourage employees from
26 exercising their rights under Title 29, chapter 7, subchapter II,
27 United States Code or chapter 41.56 RCW.

28 (3) In addition to the requirements of RCW 71.24.035, contracts
29 shall:

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

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

35 (c) Require substantial implementation of department adopted
36 integrated screening and assessment process and matrix of best
37 practices;

1 (d) Maintain the decision-making independence of designated mental
2 health professionals;

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

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

9 (g) Include a provision requiring either party to provide one
10 hundred eighty days' notice of any issue that may cause either party to
11 voluntarily terminate, refuse to renew, or refuse to sign a mandatory
12 amendment to the contract to act as a regional support network. If
13 either party decides to voluntarily terminate, refuse to renew, or
14 refuse to sign a mandatory amendment to the contract to serve as a
15 regional support network they shall provide ninety days' advance notice
16 in writing to the other party.

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

19 (1) The legislature intends that any staff reassigned by the
20 department as a result of shifting of the reauthorization
21 responsibilities by contract outlined in this section shall be
22 dedicated for discharge planning and assisting with discharge planning
23 and information on existing discharge planning cases. Discharge
24 planning, as directed in this section, is intended for residents and
25 patients identified for discharge to long-term care pursuant to RCW
26 70.41.320, 74.39A.040, and 74.42.058. The purpose of discharge
27 planning is to protect residents and patients from the financial
28 incentives inherent in keeping residents or patients in a more
29 expensive higher level of care and shall focus on care options that are
30 in the best interest of the patient or resident.

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

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

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

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

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

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

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

10 (b) Provide the services directly until a qualified contractor can
11 be found.

12 (4)(a) The department shall include, in its oversight and
13 monitoring of area agency on aging performance, assessment of case
14 management roles undertaken by area agencies on aging in this section.
15 The scope of oversight and monitoring includes, but is not limited to,
16 assessing the degree and quality of the case management performed by
17 area agency on aging staff for elderly and ~~((disabled))~~ persons with
18 disabilities in the community.

19 (b) The department shall incorporate the expected outcomes and
20 criteria to measure the performance of service coordination
21 organizations into contracts with area agencies on aging as provided in
22 chapter 70.-- RCW (the new chapter created in section 12 of this act).

23 (5) Area agencies on aging shall assess the quality of the in-home
24 care services provided to consumers who are receiving services under
25 the medicaid personal care, community options programs entry system or
26 chore services program through an individual provider or home care
27 agency. Quality indicators may include, but are not limited to, home
28 care consumers satisfaction surveys, how quickly home care consumers
29 are linked with home care workers, and whether the plan of care under
30 RCW 74.39A.095 has been honored by the agency or the individual
31 provider.

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

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

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