

SSB 6656 - S AMD 771  
By Senator Hill

ADOPTED 03/29/2016

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 71.24  
4 RCW to read as follows:

5 The legislature finds that the growing demand for state hospital  
6 beds has strained the state's capacity to meet the demand while  
7 providing for a sufficient workforce to operate the state hospitals  
8 safely. It is the intent of the legislature that the executive and  
9 legislative branches work collaboratively to maximize access to,  
10 safety of, and the therapeutic role of the state hospitals to best  
11 serve patients while ensuring the safety of patients and employees.

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 71.24  
13 RCW to read as follows:

14 (1) The legislature intends to explore the option of changing the  
15 current financing structure and financial incentives for state  
16 hospital civil bed utilization by providing behavioral health  
17 organizations and full integration entities under RCW 71.24.380 with  
18 the state funds necessary to purchase a number of days of care at a  
19 state hospital equivalent to the current allocation model, instead of  
20 providing state hospital bed allocations under RCW 71.24.310. Such  
21 funds would be available to purchase state hospital beds or for  
22 alternative uses such as to purchase beds in other locations, to  
23 invest in community services, and to invest in diversion from  
24 inpatient care. Behavioral health organizations and equivalent  
25 entities in full integration regions would be placed at risk for  
26 state hospital civil utilization for patients within their catchment  
27 areas, while receiving the means and opportunity to apply any savings  
28 resulting from reduced state hospital utilization directly to the  
29 service of clients in the community. This policy option is intended  
30 to incentivize behavioral health organizations and entities in full  
31 integration regions to increase their utilization management efforts,

1 develop additional capacity for hospital diversion, and increase  
2 their capacity to safely serve complex clients in the community.

3 (2) To further these ends, the department must develop a detailed  
4 transition plan in collaboration with its actuarial consultant and  
5 the external consultant to examine the current configuration and  
6 financing of state hospitals under section 5 of this act and with the  
7 regular input of behavioral health organizations, full integration  
8 regions, and other stakeholders. The transition plan shall include  
9 but not be limited to consideration of the following:

10 (a) A methodology for division of the current state hospital beds  
11 between each of the behavioral health organizations and full  
12 integration regions. The methodology must consider two options: (i) A  
13 method which allocates the resources supporting state hospital bed  
14 utilization solely among behavioral health organizations and full  
15 integration regions; and (ii) a method which allocates a portion of  
16 the resources supporting state hospital bed utilization among  
17 behavioral health organizations and full integration regions, and the  
18 remainder to the state long-term care and developmental disabilities  
19 systems. The portion allocated to the state long-term care and  
20 developmental disability systems must correspond to state hospital  
21 bed utilization by patients whose primary community care needs after  
22 discharge will be funded by the state long-term care or developmental  
23 disability system, based on client history or a functional needs  
24 assessment, and include payment responsibility for the state hospital  
25 utilization by these patients;

26 (b) Development of payment rates for state hospital utilization  
27 that reflect financing, safety, and accreditation needs under the new  
28 system and ensure that necessary access to state hospital beds is  
29 maintained for behavioral health organizations and full integration  
30 regions;

31 (c) Maximizing federal participation for treatment and preserving  
32 access to funds through the disproportionate share hospital program  
33 under either methodology described under (a) of this subsection;

34 (d) Billing and reimbursement mechanisms;

35 (e) Discharge planning procedures that must be adapted to account  
36 for functional needs assessments upon admission;

37 (f) Identification of regional differences and challenges for  
38 implementation in different regional service areas;

39 (g) A means of tracking expenditures related to successful  
40 reductions of state hospital utilization by regional service areas

1 and means to assure that the funds necessary to safely maintain gains  
2 in utilization reduction are protected;

3 (h) Recommendations for the timing of implementation including  
4 exploration of options for transition to full implementation through  
5 the use of smaller-scale pilots allowing for the creation of  
6 alternative placements outside the state hospitals such as step-down  
7 or transitional placements;

8 (i) The potential for adverse impacts on safety and a description  
9 of available methods to mitigate any risks for patients, behavioral  
10 health organizations, full integration regions, and the community;  
11 and

12 (j) An explanation of the benefits and disadvantages associated  
13 with the alternative methodologies described in (a) of this  
14 subsection.

15 (3) A preliminary draft of the transition plan must be submitted  
16 to the relevant committees of the legislature by November 15, 2016,  
17 for review by the select committee on quality improvement in state  
18 hospitals. The department shall consider the input of the committee  
19 and external stakeholders before submitting a final transition plan  
20 by December 30, 2016.

21 NEW SECTION. **Sec. 3.** (1) A select committee on quality  
22 improvement in state hospitals is established, composed of the  
23 following members:

24 (a) Four members of the senate, appointed by the president of the  
25 senate, consisting of the chairs and ranking members of the committee  
26 on health care and the committee on human services, mental health and  
27 housing, or their successor committees;

28 (b) Four members of the house of representatives, appointed by  
29 the speaker of the house of representatives, consisting of the chair  
30 and ranking members of the committee on health care and wellness and  
31 the committee on judiciary, or their successor committees;

32 (c) One member, appointed by the governor, representing the  
33 office of financial management; and

34 (d) Two nonvoting members, appointed by the governor, consisting  
35 of the secretary of the department of social and health services or a  
36 designee and the director of the department of labor and industries  
37 or a designee.

38 (2) The committee shall have two cochairs elected by the  
39 membership of the committee.

1 (3) The governor or a designee shall convene the initial meeting  
2 of the committee.

3 (4) Meetings of the committee shall be open to the public and  
4 shall provide an opportunity for public comment.

5 (5) Primary staff support for the committee must be provided by  
6 the office of financial management. Additional staff support may be  
7 provided by the office of program research and senate committee  
8 services.

9 (6) The committee shall meet, at a minimum, on a quarterly basis  
10 beginning April 2016, or as determined necessary by the committee  
11 cochairs.

12 (7) State agency representatives shall respond in a timely manner  
13 to data requests from the cochairs relating to the work of the  
14 committee.

15 (8) Legislative members of the committee must be reimbursed for  
16 travel expenses in accordance with RCW 44.04.120. Nonlegislative  
17 members are not entitled to be reimbursed for travel expenses if they  
18 are elected officials or are participating on behalf of an employer,  
19 governmental entity, or other organization. Any reimbursement for  
20 other nonlegislative members is subject to chapter 43.03 RCW.

21 (9) The expenses of the committee must be paid jointly by the  
22 senate and the house of representatives. Committee expenditures are  
23 subject to approval by the senate facilities and operations committee  
24 and the house of representatives executive rules committee, or their  
25 successor committees.

26 NEW SECTION. **Sec. 4.** The committee shall receive updates,  
27 monitor, and make recommendations to the governor, the office of  
28 financial management, and the legislature in the following areas,  
29 with respect to the state hospitals:

30 (1) Planning related to the appropriate role of the state  
31 hospitals in the state's mental health system, as well as state  
32 hospital structure, financing, staff composition, and workforce  
33 development needs to improve the quality of care, patient outcomes,  
34 safety, and operations of the state hospitals;

35 (2) Recommendations for the use of funds from the governor's  
36 behavioral health innovation fund created in section 6 of this act,  
37 taking into consideration the information and recommendations  
38 provided by the consultants identified in section 5 of this act and

1 the quarterly implementation progress reports provided in section 8  
2 of this act;

3 (3) Monitoring of process and outcome measures regarding the  
4 implementation of policies and appropriations passed by the  
5 legislature; and

6 (4) Reviewing findings by the department of health regarding the  
7 results of its survey of the state hospitals and the department of  
8 labor and industries concerning the safety of the state hospitals and  
9 compliance with follow-up recommendations for corrective action.  
10 These agencies shall report to the committee quarterly or as  
11 requested by the committee.

12 NEW SECTION. **Sec. 5.** (1) Long-term planning for the state  
13 hospitals and recommendations for the use of funds from the  
14 governor's behavioral health innovation fund created in section 6 of  
15 this act must be informed by the use of consultants who shall make  
16 recommendations to the governor, the legislature, and the committee  
17 by October 1, 2016. The committee shall review the selection of  
18 consultants and provide input into the prioritization of tasks.

19 (2) The office of financial management must contract for the  
20 services of an external consultant who will examine the current  
21 configuration and financing of the state hospital system. This  
22 consultant shall:

23 (a) Work with the department of social and health services to  
24 produce the detailed transition plan described in section 2 of this  
25 act;

26 (b) Work with the state hospitals, local governments, community  
27 hospitals, mental health providers, substance use disorder treatment  
28 providers, other providers, and behavioral health organizations to  
29 identify options and make recommendations related to:

30 (i) Identification of which populations are appropriately served  
31 at the state hospitals;

32 (ii) Identification of barriers to timely admission to the state  
33 hospitals of individuals who have been court ordered to ninety or one  
34 hundred eighty days of treatment under RCW 71.05.320;

35 (iii) Utilization of interventions to prevent or reduce  
36 psychiatric hospitalization;

37 (iv) Benefits and costs of developing and implementing step-down  
38 and transitional placements for state hospital patients;

1 (v) Whether discharges of patients take into consideration  
2 whether it is appropriate for the patient to return to the patient's  
3 original community considering the location of family and other  
4 natural supports, the availability of appropriate services, and the  
5 desires of the patients. The consultant must report whether the lack  
6 of resources in a patient's home community is a significant factor  
7 that causes barriers to discharge or frequently results in relocation  
8 of patients outside their home communities for posthospital care;

9 (vi) Optimization of continuity of care with community providers,  
10 including but not limited to coordination with any community  
11 behavioral health provider or evaluation and treatment facility that  
12 has treated the patient immediately prior to state hospital  
13 admission, and any provider that will serve the patient upon  
14 discharge from the state hospital;

15 (vii) Reduction of barriers to discharge, including options to:

16 (A) Ensure discharge planning begins at admission;

17 (B) Offer co-occurring substance use disorder treatment services  
18 at the state hospitals;

19 (C) Clarify and hold accountable state hospitals and behavioral  
20 health organizations for their respective roles in the discharge  
21 planning process, including development of community diversion and  
22 transition options;

23 (D) Include contract performance measures related to timely  
24 discharge planning in behavioral health organization contracts;

25 (E) Improve state monitoring and oversight of behavioral health  
26 organizations in their contracted responsibilities for developing an  
27 adequate network to meet the needs of their communities;

28 (F) Incentivize the use of community resources when clinically  
29 appropriate; and

30 (G) Expedite discharge for individuals who are the responsibility  
31 of the long-term care or developmental disability systems, or who are  
32 not covered by medicaid, and assure financial responsibility to  
33 appropriate systems, including the potential necessity of other  
34 state-run facilities;

35 (viii) Planning for the long-term integration of physical and  
36 behavioral health services, including strategies for assessing risk  
37 for the utilization of state hospital beds to health plans contracted  
38 to provide the full range of physical and behavioral health services;  
39 and

1 (ix) Identification of the potential costs, benefits, and impacts  
2 associated with dividing one or both of the state hospitals into  
3 discrete hospitals to serve civil and forensic patients in separate  
4 facilities.

5 (3) The department of social and health services shall contract  
6 for the services of an academic or independent state hospitals  
7 psychiatric clinical care model consultant to examine the clinical  
8 role of staffing at the state hospitals.

9 (a) The consultant's analysis must include an examination of:

10 (i) The clinical models of care;

11 (ii) Current staffing models and recommended updates to the  
12 staffing model created under section 9(1) of this act;

13 (iii) Barriers to recruitment and retention of staff;

14 (iv) Creating a sustainable culture of wellness and recovery;

15 (v) Increasing responsiveness to patient needs;

16 (vi) Reducing wards to an appropriate size;

17 (vii) The use of interdisciplinary health care teams;

18 (viii) The appropriate staffing model and staffing mix to achieve  
19 optimal treatment outcomes considering patient acuity; and

20 (ix) Recommended practices to increase safety for staff and  
21 patients.

22 (b) To the extent that funding is appropriated for this purpose  
23 and necessary modification to labor practices are completed, the  
24 consultant shall assist the department of social and health services  
25 with implementation of recommended changes.

26 (4) The consultant services in this section shall be acquired  
27 with funds appropriated for this purpose and the contracts are exempt  
28 from the competitive solicitation requirements in RCW 39.26.125.

29 NEW SECTION. **Sec. 6.** The governor's behavioral health  
30 innovation fund is hereby created in the state treasury. Moneys in  
31 the fund may be spent only after appropriation. Only the director of  
32 financial management or the director's designee may authorize  
33 expenditures from the fund. Moneys in the fund are provided solely to  
34 improve quality of care, patient outcomes, patient and staff safety,  
35 and the efficiency of operations at the state hospitals.

36 NEW SECTION. **Sec. 7.** (1) The department of social and health  
37 services may apply to the office of financial management to receive  
38 funds from the governor's behavioral health innovation fund.

1 (2) The application must include proposals to increase the  
2 overall function of the state hospital system in one or more of the  
3 following categories:

4 (a) Instituting fund-shift pilot initiatives through contracts  
5 with behavioral health organizations or long-term care providers  
6 providing enhanced behavioral supports to move certain state hospital  
7 patients to alternative placements outside of the state hospital,  
8 contingent on federal funding. Proposals must include quality outcome  
9 measures and acuity-based staffing models of interdisciplinary teams  
10 designed for optimal treatment outcomes;

11 (b) Developing and utilizing step-down and transitional  
12 placements for state hospital patients;

13 (c) Improving staff retention and recruiting;

14 (d) Increasing capacity and instituting other measures to reduce  
15 backlogs and wait lists in both the civil and forensic systems;

16 (e) Increasing stability and predictability in the state  
17 hospitals' operating costs and budgets;

18 (f) Making necessary practice and staffing changes, subject to  
19 collective bargaining;

20 (g) Improving safety for patients and staff;

21 (h) Increasing staff training;

22 (i) Improving the therapeutic environment; and

23 (j) Improving the provision of forensic mental health services.

24 (3) Application proposals must be based on the use of evidence-  
25 based practices, promising practices, or approaches that otherwise  
26 demonstrate quantifiable, positive results.

27 (4) Moneys from the governor's behavioral health innovation fund  
28 may not be used for compensation increases within the state  
29 hospitals.

30 (5) The office of financial management must consider input from  
31 the committee when awarding funding.

32 NEW SECTION. **Sec. 8.** The department of social and health  
33 services must provide quarterly implementation progress reports to  
34 the committee and the office of financial management that include at  
35 a minimum:

36 (1) The status of completing key activities, critical milestones,  
37 and deliverables over the prior period;



1 (2) Identification of specific barriers to completion of key  
2 activities, critical milestones, and deliverables and strategies that  
3 will be used for addressing these challenges;

4 (3) The most recent quarterly data on all performance measures  
5 and outcomes for which data is currently being collected, as well as  
6 any additional data requested by the committee; and

7 (4) The status of the adoption and implementation of the policies  
8 identified in section 9 of this act.

9 NEW SECTION. **Sec. 9.** The department of social and health  
10 services must assure that the state hospitals adopt and implement the  
11 following policies, subject to the availability of appropriated  
12 funding, and shall include information regarding the status of the  
13 adoption and implementation of these policies in its quarterly  
14 reports required under section 8 of this act:

15 (1) A standardized acuity-based staffing model employed at both  
16 facilities that recognizes the staffing level required based upon the  
17 type of patients served, the differences and constraints of the  
18 physical plant across hospitals and wards, and the full scope of  
19 practice of all credentialed health care providers, and that  
20 identifies the incorporation of these health care providers  
21 practicing to the maximum extent of their credential in  
22 interdisciplinary teams. The model shall recognize a role for  
23 advanced registered nurse practitioners and physician assistants to  
24 utilize the full scope of their practice as provided under section 12  
25 of this act;

26 (2) A strategy with measurable, articulated steps for reducing  
27 the unnecessary utilization of state hospital beds and minimizing  
28 readmissions to evaluation and treatment facilities for state  
29 hospital patients;

30 (3) A program of appropriate safety training for state hospital  
31 staff;

32 (4) A plan to fully use appropriated funding for enhanced service  
33 facilities and other specialized community resources for placement of  
34 state hospital patients with conditions such as dementia, traumatic  
35 brain injury, or complex medical and physical needs requiring  
36 placement in a facility which offers significant assistance with  
37 activities of daily living; and

38 (5) A process for appeal to the secretary of the department of  
39 social and health services or the secretary's designee within

1 fourteen days in cases where a behavioral health organization, other  
2 entities under RCW 71.24.380, or the state agency division  
3 responsible for the community care needs of the patient and the state  
4 hospital treatment team are unable to reach a mutually agreed upon  
5 discharge plan for patients who are considered by either party to be  
6 ready for discharge. This process shall ensure consideration of risk  
7 factors for readmission.

8 NEW SECTION. **Sec. 10.** For purposes of this chapter:

9 (1) "Behavioral health organization" has the same meaning as in  
10 RCW 71.24.025 and includes any managed care organization that has  
11 contracted with the state to provide fully integrated behavioral  
12 health and physical health services for medicaid clients.

13 (2) "Committee" means the select committee on quality improvement  
14 in state hospitals created in section 3 of this act.

15 (3) "State hospitals" include western state hospital and eastern  
16 state hospital as designated in RCW 72.23.020.

17 NEW SECTION. **Sec. 11.** (1) The legislature finds that there are  
18 currently patients with long-term care needs at western state  
19 hospital who are ready for discharge and could safely be served in  
20 community settings if alternative placements are made available.

21 (2) The department of social and health services must identify  
22 discharge and diversion opportunities for patients needing long-term  
23 care to reduce the demand for thirty beds currently being used for  
24 this population. A twenty bed reduction must be realized by July 1,  
25 2016, with a utilization reduction of ten additional beds by January  
26 1, 2017. The resources being used to serve these beds must be  
27 reinvested within the state hospital budget in order to achieve  
28 patient and staff safety improvement goals.

29 (3) The department of social and health services must provide a  
30 progress report to the governor and relevant committees of the  
31 legislature by December 1, 2016, and a final report by August 1,  
32 2017, describing outcomes for these patients through June 30, 2017.

33 NEW SECTION. **Sec. 12.** (1) The legislature finds that the  
34 potential uses of psychiatric advanced registered nurse practitioners  
35 and physician assistants in institutional settings at the top of  
36 their scope of practice are currently being underutilized by the  
37 state hospitals.

1 (2) The office of financial management must create a job class  
2 series for psychiatric advanced registered nurse practitioners and a  
3 job class series for physician assistants that allows these  
4 professionals to practice at the top of their scope of practice at  
5 state hospitals. In conjunction and conformance with the staffing  
6 analysis described in section 9(1) of this act, the state hospitals  
7 shall increase the employment of professionals operating under these  
8 new classifications in a manner that allows the state hospitals to  
9 reduce their reliance on psychiatrist positions, which the state  
10 hospitals are currently unable to fill. The state hospitals must  
11 consider the role of these professionals in supervising or directing  
12 the work of other treatment team members.

13 (3) Nothing in this section should be construed to require the  
14 state to violate any collective bargaining agreements in place prior  
15 to the effective date of this section. Agreements negotiated or  
16 renegotiated after the effective date of this section must be  
17 consistent with the expanded use of advanced registered nurse  
18 practitioners and physician assistants required by this section.

19 NEW SECTION. **Sec. 13.** To the extent that any of the timelines  
20 in this act are not achievable due to conflicts with other hospital  
21 improvement timelines set by federal or state regulatory bodies, the  
22 department of social and health services may seek a reasonable  
23 extension from the select committee.

24 NEW SECTION. **Sec. 14.** This chapter expires July 1, 2019.

25 **Sec. 15.** RCW 71.05.365 and 2014 c 225 s 85 are each amended to  
26 read as follows:

27 When a person has been involuntarily committed for treatment to a  
28 hospital for a period of ninety or one hundred eighty days, and the  
29 superintendent or professional person in charge of the hospital  
30 determines that the person no longer requires active psychiatric  
31 treatment at an inpatient level of care, the behavioral health  
32 organization, full integration entity under RCW 71.24.380, or agency  
33 providing oversight of long-term care or developmental disability  
34 services that is responsible for resource management services for the  
35 person must work with the hospital to develop an individualized  
36 discharge plan and arrange for a transition to the community in

1 accordance with the person's individualized discharge plan within  
2 ((~~twenty-one~~)) fourteen days of the determination.

3 NEW SECTION. **Sec. 16.** Section 15 of this act takes effect July  
4 1, 2018.

5 NEW SECTION. **Sec. 17.** Sections 3 through 14 of this act  
6 constitute a new chapter in Title 72 RCW.

7 NEW SECTION. **Sec. 18.** (1) Sections 3 through 8 and 10 of this  
8 act are necessary for the immediate preservation of the public peace,  
9 health, or safety, or support of the state government and its  
10 existing public institutions, and take effect immediately.

11 (2) Section 9 of this act takes effect July 1, 2016."

**SSB 6656** - S AMD **771**  
By Senator Hill

**ADOPTED 03/29/2016**

12 On page 1, line 1 of the title, after "hospitals;" strike the  
13 remainder of the title and insert "amending RCW 71.05.365; adding new  
14 sections to chapter 71.24 RCW; adding a new chapter to Title 72 RCW;  
15 providing effective dates; providing an expiration date; and  
16 declaring an emergency."

--- END ---