HOUSE BILL REPORT
SHB 1879

As Amended by the Senate

Title: An act relating to directing the health care authority to issue a request for proposals for integrated managed health and behavioral health services for foster children.

Brief Description: Directing the health care authority to issue a request for proposals for integrated managed health and behavioral health services for foster children.

Sponsors: House Committee on Health Care & Wellness (originally sponsored by Representatives Kagi, Walsh, Cody, Harris, Orwall, Tarleton and Ormsby).

Brief History:

Committee Activity:

Health Care & Wellness: 2/13/15, 2/18/15 [DPS];

Appropriations: 2/27/15 [DPS(HCW)].

Floor Activity:

Passed House: 3/5/15, 92-6.

Senate Amended.

Passed Senate: 4/14/15, 44-3.

Brief Summary of Substitute Bill

- Directs the Health Care Authority to seek proposals to establish an integrated managed health and behavioral health plan for foster children enrolled in Medicaid.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives Cody, Chair; Riccelli, Vice Chair; Schmick, Ranking Minority Member; Harris, Assistant Ranking Minority Member; Caldier, Clibborn, DeBolt, Jinkins, Johnson, Moeller, Robinson, Rodne, Short, Tharinger and Van De Wege.

Staff: Chris Blake (786-7392).

HOUSE COMMITTEE ON APPROPRIATIONS

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 by Committee on Health Care & Wellness be substituted therefor and the substitute bill do pass. Signed by 31 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Chandler, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Carlyle, Cody, Condotta, Dent, Dunshee, Fagan, Haler, Hansen, Hudgins, S. Hunt, Jinkins, Kagi, Lytton, MacEwen, Magendanz, Pettigrew, Sawyer, Schmick, Senn, Springer, Stokesbary, Sullivan, Tharinger, Van Werven and Walkinshaw.

Minority Report: Do not pass. Signed by 2 members: Representatives G. Hunt and Taylor.

Staff: Erik Cornellier (786-7116).

Background:

The Health Care Authority administers the Medicaid program which is a state-federal program that pays for health care for low-income state residents who meet certain eligibility criteria. Persons under 19 years old who are in foster care and are under the legal responsibility of the state or a tribe located within the state are eligible for Medicaid. Persons under 21 years old who are either in foster care or eligible for continued foster care services may also enroll in Medicaid. In addition, persons between 19 and 26 years old may receive Medicaid if they either were in foster care and enrolled in Medicaid on their eighteenth birthday or were older than 18 when their foster care assistance ended.

In 2014 the Legislature directed the Health Care Authority and the Department of Social and Health Services to develop a plan to provide integrated managed health and mental health care for foster children on Medicaid. The plan had to address the development of a service delivery system, benefit design, reimbursement mechanisms, and standards for contracting with health plans. The plan had to include a timeline and funding estimate for full integration. In addition, the plan had to be designed so that the requirement for providing mental health services to children under the *T.R. v. Dreyfus and Porter* settlement (*T.R. settlement*) is met.

The plan was recently submitted to the Legislature. The report identifies a timeline for integration of services with January 2018 as the date for executing an integrated contract. The report noted that the primary challenge of full integration would be moving foster children affected by the *T.R. settlement* to a managed care organization while maintaining continuity and quality of care.

Summary of Substitute Bill:

The Health Care Authority must seek proposals to provide integrated managed health care and behavioral health care to foster children enrolled in Medicaid. The proposals must address the development of a service delivery system, benefit design, reimbursement mechanisms, and standards for contracting with health plans. In addition, the plan must meet the requirements for mental health services as established under the *T.R. settlement*.

The integrated managed care plan must begin providing services on December 1, 2016. If the Health Care Authority determines that integrating those mental health services required

by the *T.R. settlement* into the health plan is not feasible by December 1, 2016, then the Health Care Authority may purchase those services as supplemental services. The services, however, must be fully integrated into the health plan by January 1, 2018.

EFFECT OF SENATE AMENDMENT(S):

The Senate amendments require that fully-integrated managed health care plans, including medical care and behavioral health services, for foster youth begin by October 1, 2018, rather than January 1, 2018. By October 1, 2016, the integrated managed care plan must begin providing services through a plan that incorporates or coordinates services currently provided by the regional support networks and mental health services required by the *T.R. v. Dreyfus and Porter* settlement.

The Health Care Authority must require a second opinion review from a psychiatric expert before approving a prescription for more than a 30-day supply of an antipsychotic medication for a person under 18 years old who is in foster care.

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) There are too many stories of foster youth who are unable to access mental health services until it is too late. Many are referred to regional support networks for services, but they do not meet access to care standards, so the child does not get served and escalates into a higher level of need. Washington has a huge disconnect between mild to moderate and severe cases of mental illness.

This will fully integrate care into whole-person care for foster children. This will reduce health care costs and reduce the number of times that children change foster home placement. The current system of care does not allow for the integration of behavioral health services and creates significant fragmentation in service and delivery coordination. There needs to be continued movement toward integration of physical and behavioral health care which can improve care and reduce costs, even for very vulnerable populations. Integration should be done at the appropriate pace and with the appropriate care. Primary care will need to play a lead role in an integrated system.

Other states like Texas and Georgia provide a full scope of services to foster youth. In other states where this integration has happened there have been improvements in health and functional outcomes as well as supported placements, such as decreasing psychotropic medication use and increasing preventative screenings.

(Opposed) The *T.R. settlement* agreement defines an evidence-based, accountable model of care for children with severe mental illness. There needs to be enough time to build a solid

model and the care delivery system. There should not be two systems for serving children under the *T.R. settlement*: one for child welfare children and one for non-child welfare children.

(Other) The current level of coordination between the regional support networks and the Department of Social and Health Services needs to be maintained. There needs to be clarity about how crisis services will be delivered. This adds another system for a carved out population that will need to be merged into full integration by 2020 and it functionally complicates the merger of these systems. The state needs to ensure that the mental health needs of most children are adequately met. There are concerns about the lack of providers through the Healthy Options plans' provider networks because reimbursement rates have been historically low. For now the state needs to make sure there is a system where children's needs are coordinated as the children's needs increase. This concept of coordination is a very good idea, however, there needs to be bill language to require that the *T.R. settlement* and the funding requirements would need to be met.

Staff Summary of Public Testimony (Appropriations):

(In support) It saves money to manage behavioral and medical health care for foster kids in one health plan. By having one plan that is responsible for coordinating care for the youth and working with parents to make sure kids are receiving services, the state will end up saving money and getting kids the services they need.

The current system does not serve foster youth well. Kids often do not meet access to care standards, so they get bounced around. There are three separate functions in separate agencies, so it is time to integrate them and put accountability in the system to make sure the youth get the services they need.

This bill is in alignment with Medicaid integration efforts that started with Senate Bill 6312 last year.

There has been successful implementation of managed care for foster kids that integrated medical and behavioral services in other states. This was clearly demonstrated in Texas and Georgia.

The contracted health plans are prepared to move forward with implementation. The fiscal impact is indeterminate due to the transfer of resources from the Department of Social and Health Services to the Health Care Authority, but the impact is neutral to the overall budget. There is little if any fiscal impact, and possibly some savings.

(Opposed) None.

Persons Testifying (Health Care & Wellness): (In support) Representative Kagi, prime sponsor; Katie Rogers, Coordinated Care; and Jonathan Sieb, Molina Health Care.

(Opposed) Jane Beyer, Department of Social and Health Services.

(Other) Brian Enslow, Washington State Association of Counties; Laurie Lippold, Partners for Our Children; and David Lord, Disability Rights Washington.

Persons Testifying (Appropriations): Representative Kagi, prime sponsor; Dennis Martin, Health Care Authority; and Laurie Lippold, Partners for Our Children.

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

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