

# HOUSE BILL REPORT

## SB 5779

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**As Reported by House Committee On:**  
Health Care & Wellness  
Appropriations

**Title:** An act relating to reducing penalties applied to regional support networks and behavioral health organizations.

**Brief Description:** Reducing penalties applied to regional support networks and behavioral health organizations.

**Sponsors:** Senators Parlette and Darneille.

**Brief History:**

**Committee Activity:**

Health Care & Wellness: 3/18/15, 3/26/15 [DPA];

Appropriations: 4/6/15, 4/7/15 [DPA(HCW)].

**Brief Summary of Bill**  
**(As Amended by Committee)**

- Establishes a temporary reduction in the reimbursements that a regional support network must pay the Department of Social and Health Services when the regional support network exceeds its allocation of inpatient days of care at a state hospital.
- Directs the Adult Behavioral Health Systems Task Force to identify options to promote the most appropriate use of long-term inpatient treatment capacity at state hospitals.

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### HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

**Majority Report:** Do pass as amended. Signed by 14 members: Representatives Cody, Chair; Riccelli, Vice Chair; Schmick, Ranking Minority Member; Harris, Assistant Ranking Minority Member; Caldier, Clibborn, Jinkins, Johnson, Moeller, Robinson, Rodne, Short, Tharinger and Van De Wege.

**Staff:** Chris Blake (786-7392).

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*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.*

**Background:***Regional Support Networks and State Hospital Bed Allocations.*

The Department of Social and Health Services (Department) 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. A regional support network may be a county, group of counties, or a nonprofit or for-profit entity. Currently, 10 of the 11 regional support networks are county-based, and one is operated by a private entity. In April 2016, regional support networks will be renamed "behavioral health organizations" which will include both mental health and chemical dependency services.

Regional support networks are paid by the state on a capitation basis and funding is adjusted based on caseload. 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.

Regional support networks also are responsible for the administration of the Involuntary Treatment Act which governs the commitment of persons for involuntary mental health treatment if they pose a likelihood of serious harm or are gravely ill due to a mental disorder. Inpatient commitments for 90 or 180 days of treatment take place at one of two state hospitals operated by the Department. Long-term inpatient care beds at the state hospitals are divided among all of the regional support networks with a specific allocation to each regional support network based on patient days of care. If a regional support network exceeds its allocation of patient days of care at state hospitals, it must reimburse the Department for the excess days. The rate of reimbursement is calculated as the state hospital's budget for long-term inpatient care divided by the total patient days of care assumed in calculating that budget. Half of the reimbursements received are for the Department to use to support the cost of operating the state hospital. The other half is distributed to regional support networks that have used less than their allocated bed days.

*Adult Behavioral Health Systems Task Force.*

The Adult Behavioral Health Systems Task Force (Task Force) is comprised of 11 members from the Legislative Branch, the Executive Branch, county government, and a representative of a tribal government. The Task Force has 13 topics that it must consider relating to the creation of common regional service areas for medical and behavioral health purchasing, the integration of chemical dependency purchasing with managed care contracts, the full integration of behavioral health and medical services, performance measures for client outcomes, public safety practices for persons with behavioral health disorders and forensic involvement, the creation of a statewide behavioral health ombuds, and the crisis mental health system.

The Task Force met during the 2014 interim and issued a preliminary report in December 2014. It will continue to meet in the 2015 interim with a final report due in December 2015.

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**Summary of Amended Bill:**

Until April 1, 2016, the amount that a regional support network must reimburse the Department of Social and Health Services (Department) if it uses more than its allocation of inpatient days of care at state hospitals is reduced from the full cost of the care to half of the cost of care. The reimbursements continue to be distributed to those regional support networks that use less than their allocated bed days, however, the reimbursement to the Department for operating the state hospitals is discontinued. After April 1, 2016, the reimbursement rate is restored to the full amount.

In addition to the current topics of study for the Adult Behavioral Health Systems Task Force, it must identify options to promote the most appropriate use of long-term inpatient treatment capacity at state hospitals, including options to promote the effective use of state hospitals and encourage appropriate cooperation among behavioral health organizations.

**Amended Bill Compared to Original Bill:**

The amended bill eliminates the reduction in the reimbursement rate that regional support networks must pay when they use more than their allotment of patient days of care at a state hospital as of April 1, 2016, when the full reimbursement rate is restored.

The amended bill directs the Adult Behavioral Health Systems Task Force to identify options to promote the most appropriate use of long-term inpatient treatment capacity at state hospitals, including options to promote the effective use of state hospitals and encourage appropriate cooperation among behavioral health organizations.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Amended Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) If the state wants regional support networks to work together and try not to overutilize beds at the state hospitals, there needs to be a system where they can work with other regional support networks in the area. The cost to the state is a small amount. This bill will create better working relationships with all of the regional support networks to better serve the needs of those in need of mental health care. The goal should be to encourage collaboration and not to collect penalties.

(Opposed) None.

**Persons Testifying:** Senator Parlette, prime sponsor; and Rick Weaver, Comprehensive Mental Health Services.

**Persons Signed In To Testify But Not Testifying:** None.

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** Do pass as amended by Committee on Health Care & Wellness. Signed by 32 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, G. Hunt, S. Hunt, Jinkins, Kagi, Lytton, MacEwen, Magendanz, Pettigrew, Sawyer, Senn, Springer, Stokesbary, Sullivan, Taylor, Tharinger, Van Werven and Walkinshaw.

**Staff:** Andy Toulon (786-7178).

**Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Health Care & Wellness:**

No new changes were recommended.

**Appropriation:** None.

**Fiscal Note:** Available. New fiscal note requested on April 2, 2015.

**Effective Date of Amended Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) None.

(Opposed) None.

**Persons Testifying:** None.

**Persons Signed In To Testify But Not Testifying:** None.