

HOUSE BILL REPORT

ESSB 6656

As of Second Reading

Title: An act relating to the reform of practices at state hospitals.

Brief Description: Concerning state hospital practices.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Hill, Hargrove, Ranker, Darneille, Parlette, Becker, Braun, Fain and Bailey).

Brief History:

Committee Activity:

None.

Brief Summary of Engrossed Substitute Bill

- Establishes the Select Committee on Quality Improvement in State Hospitals (Select Committee), which receives updates, monitors, and makes recommendations regarding the state hospitals.
- Requires the Department of Social and Health Services (DSHS) and the Office of Financial Management (OFM) to contract for the services of external consultants in specified focus areas related to the state hospitals, who must make recommendations to the Legislature, the Governor, and the Select Committee.
- Creates the Governor's Behavioral Health Innovation Fund, with funds dedicated to improving quality of care, patient outcomes, patient and staff safety, and the efficiency of operations at the state hospitals, and allows disbursements from the fund to the DSHS upon the approval of the OFM and input by the Select Committee.
- Requires the DSHS to assure that the state hospitals have adopted certain policies related to staffing models, utilization of state hospital beds, staff safety training, and the discharge process.
- Provides that the DSHS must submit quarterly implementation and progress reports to the Select Committee and the OFM regarding completion of key activities, performance data, and the adoption and implementation of required policies.

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.

- Requires development of a transition plan for changing the current financing structure and financial incentives for state hospital civil bed utilization through provision of funds to behavioral health organizations (BHOs) and full integration entities in place of providing state hospital bed allocations.
- Provides that the DSHS must identify and discharge enough patients with long-term care needs from Western State Hospital to alternative placements to reduce the need for 30 beds.
- Requires increases in the utilization of psychiatric advanced registered nurse practitioners and physician assistants at the state hospitals.
- Provides that a BHO or other entity responsible for resource management services for a person who is ready for discharge from a state hospital must arrange for transition to the community within 21 days, rather than 14 days, effective July 1, 2018.

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Background:

State Psychiatric Hospitals.

The Department of Social and Health Services (DSHS) operates two state-owned psychiatric hospitals for the care of adults with mental illnesses: Western State Hospital, located in Lakewood, and Eastern State Hospital, located in Medical Lake. Western State Hospital provides services to individuals in western Washington counties and has over 800 beds. Eastern State Hospital is a 287-bed facility serving counties in eastern Washington. Funding was provided for additional inpatient capacity at Western State Hospital and Eastern State Hospital in the 2015-17 budget.

The state hospitals provide inpatient mental health treatment to persons involuntarily committed under varying circumstances. A person may be committed to a state hospital through a civil process under the Involuntary Treatment Act if, due to a mental disorder, he or she poses a likelihood of serious harm or is gravely disabled. The state hospitals also provide services to persons involuntarily committed through the forensic system. A forensic commitment may be for the purpose of competency to stand trial evaluation or restoration services, or may be the result of an insanity acquittal. Due to recent litigation regarding the timeliness of competency to stand trial services, the DSHS is currently under the observation of a court-appointed monitor with respect to its provision of competency-related services.

State Hospital Bed Allocations and Related Matters.

Civil beds at Western State Hospital and Eastern State Hospital are distributed by providing bed allocations to each of the state's 11 regional support networks (RSNs). An RSN is a county, a group of counties, or other entity recognized in contract to administer a treatment network that provides publicly funded community mental health treatment to persons with a specific geographic area. State hospital bed allocations are determined by agreement or by a formula that weighs estimated incidence of mental illness within the geographic area and historical state hospital utilization patterns. An RSN is not charged for its use of the state

hospital unless it exceeds its bed allocation. If the RSN's average daily census at the state hospital exceeds its bed allocation, the RSN is charged for the excess days of patient care. Half of the charge is retained to fund operations of the state hospital, and half is paid by the DSHS as an incentive to RSNs who are below their bed allocation.

Starting April 1, 2016, the role of RSNs will be expanded to include community substance abuse treatment services and the RSNs will be referred to as behavioral health organizations (BHOs). Two counties in southwest Washington will become an early adopter region, which means that publicly funded community health services will be administered by managed care organizations that combine oversight of primary health care and behavioral health care.

Effective July 1, 2018, a BHO responsible for the resource management services of a state hospital patient must develop an individualized discharge plan and arrange for the transition to the community within 21 days of a determination that inpatient, active psychiatric treatment is no longer needed.

Mental Health Treatment Professionals.

Advanced registered nurse practitioners (ARNPs) are registered nurses with additional formal specialized training, who function more independently than registered nurses and assume primary responsibility and accountability for care of their patients. An ARNP may examine patients and establish medical diagnoses, admit patients, order and interpret lab tests, implement a plan of care for patients, prescribe medications, and refer clients to other health care practitioners or facilities. The Nursing Care Quality Assurance Commission recognizes a specialty designation for psychiatric ARNPs and clinical specialists in psychiatric-mental health nursing.

A physician assistant is a person who is licensed by the Medical Quality Assurance Commission to practice medicine to a limited extent under the supervision of a physician and who is academically and clinically prepared to provide health care services and perform diagnostic, therapeutic, preventative, and health maintenance services. Physician assistants may assist a licensed physician to examine and evaluate persons involuntarily committed for mental health treatment.

Summary of Bill:

The Select Committee on Quality Improvement in State Hospitals (Select Committee) is established, consisting of eight legislative members and a representative of the Office of Financial Management (OFM), as well as two nonvoting members: the Secretary of the Department of Social and Health Services (DSHS) or a designee and the Director of the Department of Labor and Industries or a designee. The Select Committee must elect co-chairs from among the committee membership. The Select Committee must meet, at a minimum, on a quarterly basis beginning in April 2016. Meetings must be open to the public and provide an opportunity for public comment.

The Select Committee must receive updates, monitor, and make recommendations to the Governor, the OFM, and the Legislature regarding the state hospitals in specified areas, including:

- planning related to the appropriate role of the state hospitals in the state's mental health system, as well as state hospital structure, financing, staff composition, and workforce development needs to improve the overall function of the state hospitals;
- recommendations for the use of funds from the Governor's Behavioral Health Innovation Fund (Innovation Fund) that is created in the bill;
- monitoring process and outcome measures regarding the implementation of policies and appropriations passed by the Legislature; and
- reviewing findings by the Department of Health regarding its survey of the state hospitals and the Department of Labor and Industries concerning the safety of the state hospitals and compliance with follow-up recommendations.

The Select Committee's recommendations regarding the state hospitals must be informed by external consultants in two focus areas, who must report recommendations to the Governor, the Legislature, and the Select Committee by October 1, 2016:

- the DSHS must contract for the services of an academic or independent state hospitals clinical care model consultant to examine the clinical role of staffing at the state hospitals, and issues related to improving state hospital performance; and
- the OFM must contract for the services of a consultant to examine the current configuration and financing of the state hospital system, and work with the state hospitals, local governments, community providers, and BHOs to identify options and make recommendations in specified areas related to admissions, discharge, and interactions between the state hospital system and community provider systems, among other matters.

The Innovation Fund is created, with funds dedicated solely to improving quality of care, patient outcomes, patient and staff safety, and the efficiency of operations at the state hospitals. The DSHS may receive disbursements from the Innovation Fund upon the approval of the OFM following an application and input from the Select Committee. The application must include proposals to increase the overall function of the state hospital system in one or more specified categories. Application proposals must be based on the use of evidenced-based or promising practices, or approaches that otherwise demonstrate quantifiable, positive results. Moneys from the Innovation Fund cannot be used to increase compensation within the state hospitals.

Subject to the availability of appropriated funding, the DSHS must ensure that the state hospitals adopt and implement certain policies, including:

- a standardized, acuity-based staffing model that incorporates all credentialed health care providers practicing to the maximum extent of their credential in interdisciplinary teams, and recognizes a role for advanced registered nurse practitioners (ARNPs) and physician assistants utilizing the full scope of their practice;
- a strategy for reducing unnecessary utilization of state hospital beds and minimizing readmissions;
- a program of appropriate safety training for state hospital staff;

- a plan to fully use appropriated funding for enhanced service facilities and other specialized community resources for placement of state hospital patients with dementia, traumatic brain injuries, or complex medical needs; and
- a process for appeal to the Secretary of the DSHS when a BHO or other entity responsible for community care and the state hospital treatment team are unable to agree on a discharge plan for a patient either party believes is ready for discharge.

The DSHS must submit quarterly implementation progress reports to the Select Committee and the OFM. Reports must include, at a minimum, the status of completing key activities, strategies to overcome identified barriers, and the most recent quarterly data on all performance measures and outcomes for which data is currently being collected, as well as any additional data requested by the Select Committee. The DSHS must also report on the status of the adoption and implementation of required policies at the state hospitals.

The Legislature intends to explore the option of changing current financing structure and financial incentives for state hospital civil bed allocation by charging BHOs and equivalent entities in full integration regions for each day of care provided at the state hospital, within state funds provided for this purpose, instead of providing state hospital bed allocations. The DSHS must develop a transition plan meeting specified criteria in collaboration with its actuarial consultant and the external consultant acquired to examine the configuration and financing of the state hospital system, and with regular input from BHOs, and full integration regions and other stakeholders. A preliminary transition plan must be submitted to the Legislature by November 15, 2016, for review by the Select Committee and external stakeholders. A final transition plan must be submitted by December 30, 2016.

The DSHS must identify discharge and diversion opportunities to alternative placements for Western State Hospital patients needing long-term care to reduce the demand for 30 beds currently being used for this population. A 20-bed reduction must be accomplished by July 1, 2016, and the remaining 10-bed reduction must be met by January 1, 2017. The DSHS must provide progress reports to the Governor and the Legislature on December 1, 2016, and August 1, 2017.

The OFM must create a job class series for psychiatric advanced registered nurse practitioners and for physician assistants that allows these professionals to practice at the top of their respective scopes of practice at the state hospitals. The state hospitals must increase the employment of psychiatric ARNPs and physician assistants in a manner that reduces reliance on currently unfillable psychiatrist positions. The state hospitals must consider the role of these professionals in supervising or directing the work of other treatment team members.

All above provisions of the bill, aside from the provisions related to creation of a transition plan for changing the financing structure and incentives for state hospital civil bed allocation, expire July 1, 2019.

The timeline under which, effective July 1, 2018, a BHO or other entity that is responsible for resource management services for a person who is ready for discharge from a state hospital must arrange for transition to the community within 21 days is changed to 14 days. Full integration entities and agencies providing oversight of long-term care or developmental

disability services are included in the list of resource management services that may be responsible for working with the hospital to facilitate discharge.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed, except for: (1) sections 3 through 8 and section 10, relating to the Select Committee, Innovation Fund, contracted consultants, and the Department of Social and Health Services reporting requirements, which contain an emergency clause and take effect immediately; (2) section 9, relating to required policies at the state hospitals, which takes effect July 1, 2016; and (3) section 15, relating to changing the timeline for transitioning a person who is ready for discharge from the state hospital, which takes effect July 1, 2018.

Staff Summary of Public Testimony:

(In support) None.

(Opposed) None.

Persons Testifying: None.

Persons Signed In To Testify But Not Testifying: None.