

# SENATE BILL REPORT

## E2SHB 2453

---

---

As of March 8, 2016

**Title:** An act relating to improving oversight of the state hospitals.

**Brief Description:** Improving oversight of the state hospitals.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Jinkins, Rodne, Cody, Schmick, Chandler, Dunshee, Muri, Kilduff and Ormsby).

**Brief History:** Passed House: 3/03/16, 96-0.

**Committee Activity:** Ways & Means:

---

### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Travis Sugarman (786-7446)

**Background:** 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, serves persons in Western Washington counties and has over 800 beds. Eastern State Hospital, located in Medical Lake, serves persons in Eastern Washington counties and has 287 beds. DSHS also operates the Child Study and Treatment Center in Lakewood, a 47-bed facility that provides psychiatric services for children 5-18 years old throughout the state.

The state hospitals provide inpatient mental health treatment to persons who are involuntarily committed under a variety of circumstances. Patients may be committed civilly under the Involuntary Treatment Act if, due to a mental disorder, they pose a likelihood of serious harm or are gravely disabled. Forensic patients may be committed for purposes related to competency to stand trial for criminal insanity. In April 2015, a permanent injunction was entered by federal court placing state hospital forensic services under the supervision of a court monitor, based on a finding that waiting times for state-hospital based forensic services are in violation of constitutional rights to substantive due process.

In November 2015, the Centers for Medicare & Medicaid Services (CMS) inspected Western State Hospital and cited the hospital with six notices of immediate jeopardy, citing staffing shortages, lack of active treatment hours, lack of appropriate infection controls, and an insufficient culture of safety. An immediate jeopardy notice places federal funding for the operations of a facility at risk, based on an immediate and serious threat to patient safety.

---

*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.*

DSHS responded in part by stopping or indefinitely postponing the opening of two funded treatment wards at Western State Hospital, citing insufficient availability of staff to assure patient safety. The immediate jeopardy notices were subsequently abated with the submission of a corrective action plan. A portion of the planned expansion of state hospital capacity has been diverted to an offsite facility which is projected to begin operations in April 2016. A seventh immediate jeopardy notice concerning Western State Hospital was issued by CMS in February 2016 and subsequently abated.

**Summary of Bill:** A Select Committee on Quality Improvement in State Hospitals (Committee) is established, with membership consisting of:

- four members of the Senate, consisting of the chairs and ranking members of the Health Care Committee and Human Services, Mental Health & Housing Committee;
- four members of the House of Representatives, consisting of the chairs and ranking members of the Health Care and Wellness Committee and Judiciary Committee;
- the Secretary or Director of the Department of Social and Health Services (DSHS), Department of Health, Department of Labor and Industries, and Washington State Health Care Authority or their designees; and
- representatives of the Office of Financial Management (OFM) and Governor's Office.

The Committee must meet at least quarterly, starting in April 2016. Primary staff support must come from the Office of Financial Management (OFM). The Committee must be cochaired by an executive branch member designated by the Governor and a Legislative member elected by the Committee.

The Governor's Behavioral Health Innovation Fund (Fund) is created in the state Treasury as an appropriated account under control of the Director of OFM. DSHS may apply to OFM for the use of monies in the Fund for proposals to improve the functioning of the state hospital system. Proposals must be based on evidence-based practices, promising practices, or approaches that demonstrate quantifiable, positive results.

The Committee must monitor the state hospitals, receive updates, and make recommendations concerning:

- long-term planning related to the state hospitals' role, structure, financing, staff composition, and workforce development needs;
- recommendations for the use of moneys from the Fund; and
- monitoring of process and outcomes regarding policies and appropriations passed by the Legislature.

The state must engage three external consultants to make recommendations to the Governor, Legislature, and Committee concerning use of funds from the Governor's Behavioral Health Innovation Fund. These shall consist of a psychiatric hospital performance consultant, a consultant to examine the current configuration and financing of the state hospital system, and an academic or independent psychiatric clinical care model consultant. These consultants must consider topics such as:

- creating a sustainable culture of wellness and recovery;
- reducing state hospital wards to an appropriate size;
- establishing a quality improvement infrastructure;
- use of interventions to prevent or reduce psychiatric hospitalizations;

- costs and benefits of developing step-down and transitional placements;
- improving coordination with community care providers;
- reducing barriers to discharge including implementation of co-occurring disorder treatment and implementation of performance contract measures;
- expediting discharge of patients who are the responsibility of the long-term care or developmental disability systems;
- examining the costs and benefits of subdividing state hospitals;
- development of alternative financing options including shifting payment for days of care to behavioral health organizations while maximizing federal financial participation; and
- appropriate staffing models and appropriate staffing mix with consideration of patient acuity.

DSHS must adopt the following best practice policies, subject to funding:

- a standardized, acuity-based variable staffing model for the state hospitals which considers maximizing the scope of practice for all credentialed health care providers, including a role for advanced registered nurse practitioners to utilize the full scope of their practice;
- a measureable strategy for reducing the 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 enhances service facilities and other specialized community resources for placement of patients with long-term care needs;
- an appeals process to the Secretary of DSHS when a dispute arises over the readiness of a patient for discharge.

Western State Hospital must discharge or divert a sufficient number of long-term care patients by July 1, 2016, to free up 30 beds. The resources serving these beds must be reinvested within the state hospital system.

DSHS must report quarterly to OFM and the Committee concerning the most recent quarterly data on all performance measures and outcomes for which data is currently being collected and the status of other activities.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** Yes.

**Effective Date:** The bill takes effect immediately.