

# SENATE BILL REPORT

## SB 5779

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As Passed Senate, January 27, 2016

**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:** Human Services, Mental Health & Housing: 2/05/15, 2/17/15 [DP-WM].

Ways & Means: 2/26/15, 2/27/15 [DP].

Passed Senate: 3/05/15, 49-0; 1/27/16, 48-0.

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### SENATE COMMITTEE ON HUMAN SERVICES, MENTAL HEALTH & HOUSING

**Majority Report:** Do pass and be referred to Committee on Ways & Means.

Signed by Senators O'Ban, Chair; Miloscia, Vice Chair; Darneille, Ranking Minority Member; Hargrove and Padden.

**Staff:** Kevin Black (786-7747)

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Hill, Chair; Braun, Vice Chair; Dammeier, Vice Chair; Honeyford, Vice Chair, Capital Budget Chair; Hargrove, Ranking Member; Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Ranking Minority Member, Operating; Bailey, Becker, Billig, Brown, Conway, Fraser, Hasegawa, Hewitt, O'Ban, Padden, Parlette, Rolfes, Schoesler, Warnick and Hatfield.

**Staff:** Kevin Black (786-7747)

**Background:** Washington State provides treatment beds at Western State Hospital and Eastern State Hospital for the use of adults who have been civilly committed for 90 or 180 days of inpatient treatment. The state hospital civil treatment beds are divided into bed

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allocations which are assigned to each of Washington's 11 regional support networks (RSNs). An RSN is a county authority or group of county authorities which have contracted to provide a network of community mental health services in a specific region.

RSNs within a state hospital catchment area may agree on a state hospital bed allocation. If the RSNs do not agree, the Department of Social and Health Services (DSHS) must establish a bed allocation using an allocation formula. The primary factor used in this allocation formula must be the estimated number of adults with acute and chronic mental illness in each RSN, based upon population-adjusted incidence and utilization. The allocation formula must be updated at least every three years to reflect demographic changes and new information.

If an RSN uses more state hospital patient days of care than it has been allocated, the RSN must reimburse DSHS for the cost of the care. One-half of any reimbursements received by DSHS must be used to support the cost of operating the state hospital. The remaining half must be distributed among RSNs that have used less than their allocated patient days of care, proportional to the number of patient days not used.

**Summary of Bill:** The penalty paid by an RSN for using state hospital bed days in excess of its bed allocation is reduced in half, so that the RSN must reimburse DSHS for one-half the cost of the excess bed days used. DSHS must distribute all reimbursements it receives from RSNs under this statute among RSNs that have used less than their allocated patient days of care, proportional to the number of patient days not used, eliminating the portion of the reimbursement retained by DSHS to support the cost of operating the state hospitals.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony (Human Services, Mental Health & Housing):** PRO: The goal is to treat people with behavioral health issues locally, if possible, and not send them to state hospitals. RSNs used to be able to contract with each other to share bed resources, but the state has said this is illegal. We need to find a way for the RSNs to work together, and not create adversarial relationships. The state won't get its portion of the penalty, but it will instill greater cooperation and help more funds be available for local treatment.

**Persons Testifying (Human Services, Mental Health & Housing):** PRO: Senator Parlette, prime sponsor.

**Staff Summary of Public Testimony (Ways & Means):** None.

**Persons Testifying (Ways & Means):** No one.