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SECOND SUBSTITUTE HOUSE BILL 2453

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State of Washington

64th Legislature

2016 Regular Session

**By** House Appropriations (originally sponsored by Representatives Jinkins, Rodne, Cody, Schmick, Chandler, Dunshee, Muri, Kilduff, and Ormsby)

READ FIRST TIME 02/29/16.

1 AN ACT Relating to improving oversight of the state hospitals;  
2 adding a new chapter to Title 72 RCW; providing an effective date;  
3 providing an expiration date; and declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** It is the intent of the legislature that  
6 the executive and legislative branches work collaboratively to  
7 maximize access to, safety of, and the therapeutic role of the state  
8 hospitals to best serve patients while ensuring the safety of  
9 patients and employees.

10 The legislature is working with the executive branch to make  
11 investments in the mental health system to ensure that patients get  
12 the help they need in the most appropriate setting, to stabilize the  
13 workforce of the state hospitals, to improve outcomes, and to respond  
14 to court decisions related to single bed certifications and timelines  
15 for competency services.

16 It is important to the state that fiscal investments result in  
17 improvements in quality of care, patient outcomes, and safety and  
18 that any restructuring represents strategic, proactive decisions to  
19 improve care in our state hospitals.

1        NEW SECTION.        **Sec. 2.**        (1) A select committee on quality  
2 improvement in state hospitals is established, composed of the  
3 following members:

4        (a) Four members of the senate, appointed by the president of the  
5 senate, consisting of the chairs and ranking members of the committee  
6 on health care and the committee on human services, mental health and  
7 housing, or their successor committees;

8        (b) Four members of the house of representatives, appointed by  
9 the speaker of the house of representatives, consisting of the chair  
10 and ranking members of the committee on health care and wellness and  
11 the committee on judiciary, or their successor committees;

12        (c) Six members, appointed by the governor, representing the  
13 following:

14        (i) The secretary of the department of social and health services  
15 or a designee;

16        (ii) The secretary of the department of health or a designee;

17        (iii) The director of the department of labor and industries or a  
18 designee;

19        (iv) The director of the health care authority or a designee;

20        (v) A representative of the office of financial management; and

21        (vi) A representative of the governor's office.

22        (2) The governor or a designee shall select one executive branch  
23 committee member to serve as cochair, and the committee shall choose  
24 the other cochair from among the legislative members.

25        (3) The governor or a designee shall convene the initial meeting  
26 of the committee.

27        (4) Meetings of the committee shall be open to the public and  
28 shall provide an opportunity for public comment.

29        (5) Primary staff support for the committee must be provided by  
30 the office of financial management, with assistance from the  
31 department of social and health services, the department of health,  
32 and the department of labor and industries. Additional staff support  
33 may be provided by the office of program research and senate  
34 committee services.

35        (6) The committee shall meet, at a minimum, on a quarterly basis  
36 beginning April 2016, or as determined necessary by the committee  
37 cochairs.

38        (7) The state agency members of the committee shall respond in a  
39 timely manner to data requests from the cochairs.

1 (8) Legislative members of the committee must be reimbursed for  
2 travel expenses in accordance with RCW 44.04.120. Nonlegislative  
3 members are not entitled to be reimbursed for travel expenses if they  
4 are elected officials or are participating on behalf of an employer,  
5 governmental entity, or other organization. Any reimbursement for  
6 other nonlegislative members is subject to chapter 43.03 RCW.

7 (9) The expenses of the committee must be paid jointly by the  
8 senate and the house of representatives. Committee expenditures are  
9 subject to approval by the senate facilities and operations committee  
10 and the house of representatives executive rules committee, or their  
11 successor committees.

12 NEW SECTION. **Sec. 3.** The committee shall receive updates,  
13 monitor, and make recommendations to the governor, the office of  
14 financial management, and the legislature in the following three  
15 areas, with respect to the state hospitals:

16 (1) Long-term planning related to the appropriate role of the  
17 state hospitals in the state's mental health system, as well as state  
18 hospital structure, financing, staff composition, and workforce  
19 development needs to improve the quality of care, patient outcomes,  
20 safety, and operations of the state hospitals;

21 (2) Recommendations for the use of funds from the governor's  
22 behavioral health innovation fund created in section 5 of this act,  
23 taking into consideration the information and recommendations  
24 provided by the consultants identified in section 4 of this act and  
25 the quarterly implementation progress reports provided in section 7  
26 of this act; and

27 (3) Monitoring of process and outcome measures regarding the  
28 implementation of policies and appropriations passed by the  
29 legislature including, but not limited to, improved functioning in  
30 the areas identified in section 6 of this act.

31 NEW SECTION. **Sec. 4.** (1) Long-term planning for the state  
32 hospitals and recommendations for the use of funds from the  
33 governor's behavioral health innovation fund under section 5 of this  
34 act will be informed by the following consultants who shall make  
35 recommendations to the governor, the legislature, and the committee  
36 by October 1, 2016:

37 (a) The department of social and health services shall contract  
38 for the services of an external psychiatric hospital performance

1 consultant to improve hospital performance. The consultant must  
2 examine issues related to improving quality of care by creating a  
3 sustainable culture of wellness and recovery, increasing  
4 responsiveness to patient needs, reducing wards to an appropriate  
5 size, and establishing a quality improvement infrastructure at the  
6 state hospitals. The consultant shall assist the department of social  
7 and health services with implementation of recommended changes.

8 (b) The office of financial management must contract for the  
9 services of an external consultant who will examine the current  
10 configuration and financing of the state hospital system, and work  
11 with the state hospitals, local governments, community hospitals,  
12 mental health providers, substance use disorder treatment providers,  
13 and other providers, and behavioral health organizations to identify  
14 options and make recommendations related to:

15 (i) Identification of which populations are appropriately served  
16 at the state hospitals;

17 (ii) Identification of barriers to timely admission to the state  
18 hospitals of individuals who have been court ordered to ninety or one  
19 hundred eighty days of treatment under RCW 71.05.320;

20 (iii) Utilization of interventions to prevent or reduce  
21 psychiatric hospitalization;

22 (iv) Optimization of continuity of care with community providers,  
23 including but not limited to coordination with any community  
24 behavioral health provider or evaluation and treatment facility that  
25 has treated the patient immediately prior to state hospital  
26 admission, and any provider that will serve the patient upon  
27 discharge from the state hospital;

28 (v) Reduction of barriers to discharge, including options to:

29 (A) Ensure discharge planning begins at admission;

30 (B) Offer co-occurring substance use disorder treatment services  
31 at the state hospitals;

32 (C) Clarify and hold accountable state hospitals and behavioral  
33 health organizations for their respective roles in the discharge  
34 planning process;

35 (D) Include contract performance measures related to timely  
36 discharge planning in behavioral health organization contracts;

37 (E) Improve state monitoring and oversight of behavioral health  
38 organizations in their contracted responsibilities for developing an  
39 adequate network to meet the needs of their communities;

1 (F) Incentivize the use of community resources when clinically  
2 appropriate; and

3 (G) Expedite discharge for individuals who are the responsibility  
4 of the long-term care or developmental disability systems, or who are  
5 not covered by medicaid, and assure financial responsibility to  
6 appropriate systems, including the potential necessity of other  
7 state-run facilities;

8 (vi) Planning for the long-term integration of physical and  
9 behavioral health services, including strategies for assessing risk  
10 for the utilization of state hospital beds to health plans contracted  
11 to provide the full range of physical and behavioral health services;

12 (vii) Identification of the potential costs, benefits, and  
13 impacts associated with dividing one or both of the state hospitals  
14 into discrete hospitals to serve civil and forensic patients in  
15 separate facilities; and

16 (viii) Development of alternative financing options for state  
17 hospital services including options for shifting funding and  
18 financial responsibility for bed days at the state hospitals to  
19 behavioral health organizations or entities under RCW 71.24.380 and  
20 the long-term care and developmental disabilities programs while  
21 providing an opportunity for these entities to repurpose these funds  
22 to purchase alternative beds, diversion services, and effective  
23 community treatment. These options shall be developed to maximize  
24 federal participation for treatment and address how federal matching  
25 funds currently available through the disproportionate share hospital  
26 program can be preserved.

27 (c) The department of social and health services shall contract  
28 for the services of an academic or independent state hospitals  
29 psychiatric clinical care model consultant to examine the clinical  
30 role of staffing at the state hospitals. The consultant's analysis  
31 must include an examination of the clinical models of care, current  
32 staffing models, the use of interdisciplinary health care teams, and  
33 the appropriate staffing model and staffing mix to achieve optimal  
34 treatment outcomes considering patient acuity. To the extent that  
35 funding is appropriated for this purpose and necessary modification  
36 to labor practices are completed, the consultant shall assist the  
37 department of social and health services with implementation of  
38 recommended changes.

1 (2) The consultant services in this section shall be acquired  
2 with funds appropriated for this purpose and the contracts are exempt  
3 from the competitive solicitation requirements in RCW 39.26.125.

4 NEW SECTION. **Sec. 5.** The governor's behavioral health  
5 innovation fund is hereby created in the state treasury. Moneys in  
6 the fund may be spent only after appropriation. Only the director of  
7 financial management or the director's designee may authorize  
8 expenditures from the fund. Moneys in the fund are provided solely to  
9 improve quality of care, patient outcomes, patient and staff safety,  
10 and the efficiency of operations at the state hospitals.

11 NEW SECTION. **Sec. 6.** (1) The department of social and health  
12 services may apply to the office of financial management to receive  
13 funds from the governor's behavioral health innovation fund.

14 (2) The application must include proposals to increase the  
15 overall function of the state hospital system in one or more of the  
16 following categories:

17 (a) Instituting fund-shift pilot initiatives through contracts  
18 with behavioral health organizations or long-term care providers  
19 providing enhanced behavioral supports to move certain state hospital  
20 patients to alternative placements outside of the state hospital,  
21 contingent on federal funding. Proposals must include quality outcome  
22 measures and acuity-based staffing models of interdisciplinary teams  
23 designed for optimal treatment outcomes;

24 (b) Developing and utilizing step-down and transitional  
25 placements for state hospital patients;

26 (c) Improving staff retention and recruiting;

27 (d) Increasing capacity and instituting other measures to reduce  
28 backlogs and wait lists in both the civil and forensic systems;

29 (e) Increasing stability and predictability in the state  
30 hospitals' operating costs and budgets;

31 (f) Making necessary practice and staffing changes, subject to  
32 collective bargaining;

33 (g) Improving safety for patients and staff;

34 (h) Increasing staff training;

35 (i) Improving the therapeutic environment; and

36 (j) Improving the provision of forensic mental health services.

1 (3) Application proposals must be based on the use of evidence-  
2 based practices, promising practices, or approaches that otherwise  
3 demonstrate quantifiable, positive results.

4 (4) Moneys from the governor's behavioral health innovation fund  
5 may not be used to increase compensation within the state hospitals.

6 (5) The office of financial management must consider input from  
7 the committee when awarding funding.

8 NEW SECTION. **Sec. 7.** The department of social and health  
9 services must provide quarterly implementation progress reports to  
10 the committee and the office of financial management that include at  
11 a minimum:

12 (1) The status of completing key activities, critical milestones,  
13 and deliverables over the prior period;

14 (2) Identification of specific barriers to completion of key  
15 activities, critical milestones, and deliverables and strategies that  
16 will be used for addressing these challenges;

17 (3) The most recent quarterly data on all performance measures  
18 and outcomes for which data is currently being collected, as well as  
19 any additional data requested by the committee; and

20 (4) The status of the adoption and implementation of the best  
21 practice policies identified in section 8 of this act.

22 NEW SECTION. **Sec. 8.** The department of social and health  
23 services must assure that the state hospitals have adopted and  
24 implemented the following best practice policies, subject to the  
25 availability of appropriated funding, and shall include information  
26 regarding the status of the adoption and implementation of these  
27 policies in its quarterly reports required under section 7 of this  
28 act:

29 (1) A standardized acuity-based staffing model employed at both  
30 facilities that recognizes the staffing level required based upon the  
31 type of patients served, the differences and constraints of the  
32 physical plant across hospitals and wards, and the full scope of  
33 practice of all credentialed health care providers, and that  
34 identifies the incorporation of these health care providers  
35 practicing to the maximum extent of their credential in  
36 interdisciplinary teams. The model shall recognize that advanced  
37 registered nurse practitioners should have a role utilizing the full  
38 scope of their practice;

1 (2) A strategy with measurable, articulated steps for reducing  
2 the unnecessary utilization of state hospital beds and minimizing  
3 readmissions to evaluation and treatment facilities for state  
4 hospital patients;

5 (3) A program of appropriate safety training for state hospital  
6 staff;

7 (4) A plan to fully use appropriated funding for enhanced service  
8 facilities and other specialized community resources for placement of  
9 state hospital patients with conditions such as dementia, traumatic  
10 brain injury, or complex medical and physical needs requiring  
11 placement in a facility which offers significant assistance with  
12 activities of daily living. By July 1, 2016, the department of social  
13 and health services must transition and divert enough patients from  
14 western state hospital to reduce the demand for thirty beds currently  
15 being used for this population. The resources being used to serve  
16 these beds must be reinvested within the state hospital budget in  
17 order to achieve other state hospital patient and staff safety  
18 improvement goals identified in this chapter; and

19 (5) A process for appeal to the secretary of the department of  
20 social and health services or the secretary's designee within  
21 fourteen days in cases where a behavioral health organization, other  
22 entity under RCW 71.24.380, or state agency division responsible for  
23 the community care needs of the patient and the state hospital  
24 treatment team are unable to reach a mutually agreed upon discharge  
25 plan for patients who are considered by either party to be ready for  
26 discharge. This process shall ensure consideration of risk factors  
27 for readmission.

28 NEW SECTION. **Sec. 9.** For purposes of this chapter:

29 (1) "Behavioral health organization" has the same meaning as in  
30 RCW 71.24.025 and includes any managed care organization that has  
31 contracted with the state to provide fully integrated behavioral  
32 health and physical health services for medicaid clients.

33 (2) "Committee" means the select committee on quality improvement  
34 in state hospitals created in section 2 of this act.

35 (3) "State hospitals" include western state hospital and eastern  
36 state hospital as designated in RCW 72.23.020.

37 NEW SECTION. **Sec. 10.** This chapter expires July 1, 2019.



1        NEW SECTION.    **Sec. 11.**    Sections 1 through 10 of this act  
2        constitute a new chapter in Title 72 RCW.

3        NEW SECTION.    **Sec. 12.**    (1) Sections 1 through 7 and 9 of this  
4        act are necessary for the immediate preservation of the public peace,  
5        health, or safety, or support of the state government and its  
6        existing public institutions, and take effect immediately.

7        (2) Section 8 of this act takes effect July 1, 2016.

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