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SENATE BILL 5924

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State of Washington

64th Legislature

2015 Regular Session

By Senator Hargrove

Read first time 02/11/15. Referred to Committee on Human Services,  
Mental Health & Housing.

1 AN ACT Relating to protecting county authorities from cost  
2 increases for criminal justice, juvenile justice, and child welfare  
3 and neglect following the takeover of high intensity behavioral  
4 health service contracts by a managed health care system; and  
5 amending RCW 71.24.380.

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

7 **Sec. 1.** RCW 71.24.380 and 2014 c 225 s 5 are each amended to  
8 read as follows:

9 (1) The secretary shall purchase mental health and chemical  
10 dependency treatment services primarily through managed care  
11 contracting, but may continue to purchase behavioral health services  
12 directly from tribal clinics and other tribal providers.

13 (2)(a) The secretary shall request a detailed plan from the  
14 entities identified in (b) of this subsection that demonstrates  
15 compliance with the contractual elements of RCW 43.20A.894 and  
16 federal regulations related to medicaid managed care contracting((7))  
17 including, but not limited to: Having a sufficient network of  
18 providers to provide adequate access to mental health and chemical  
19 dependency services for residents of the regional service area that  
20 meet eligibility criteria for services, ability to maintain and  
21 manage adequate reserves, and maintenance of quality assurance

1 processes. Any responding entity that submits a detailed plan that  
2 demonstrates that it can meet the requirements of this section must  
3 be awarded the contract to serve as the behavioral health  
4 organization.

5 (b)(i) For purposes of responding to the request for a detailed  
6 plan under (a) of this subsection, the entities from which a plan  
7 will be requested are:

8 (A) A county in a single county regional service area that  
9 currently serves as the regional support network for that area;

10 (B) In the event that a county has made a decision prior to  
11 January 1, 2014, not to contract as a regional support network, any  
12 private entity that serves as the regional support network for that  
13 area;

14 (C) All counties within a regional service area that includes  
15 more than one county, which shall form a responding entity through  
16 the adoption of an interlocal agreement. The interlocal agreement  
17 must specify the terms by which the responding entity shall serve as  
18 the behavioral health organization within the regional service area.

19 (ii) In the event that a regional service area is comprised of  
20 multiple counties including one that has made a decision prior to  
21 January 1, 2014, not to contract as a regional support network the  
22 counties shall adopt an interlocal agreement and may respond to the  
23 request for a detailed plan under (a) of this subsection and the  
24 private entity may also respond to the request for a detailed plan.  
25 If both responding entities meet the requirements of this section,  
26 the responding entities shall follow the department's procurement  
27 process established in subsection (3) of this section.

28 (3) If an entity that has received a request under this section  
29 to submit a detailed plan does not respond to the request, a  
30 responding entity under subsection (1) of this section is unable to  
31 substantially meet the requirements of the request for a detailed  
32 plan, or more than one responding entity substantially meets the  
33 requirements for the request for a detailed plan, the department  
34 shall use a procurement process in which other entities recognized by  
35 the secretary may bid to serve as the behavioral health organization  
36 in that regional service area.

37 (4) Contracts for behavioral health organizations must begin on  
38 April 1, 2016.

39 (5) Upon request of all of the county authorities in a regional  
40 service area, the department and the health care authority may

1 jointly purchase behavioral health services through an integrated  
2 medical and behavioral health services contract with a behavioral  
3 health organization or a managed health care system as defined in RCW  
4 74.09.522, pursuant to standards to be developed jointly by the  
5 secretary and the health care authority. Any contract for such a  
6 purchase must comply with all federal medicaid and state law  
7 requirements related to managed health care contracting.

8 (6) As an incentive to county authorities to become early  
9 adopters of fully integrated purchasing of medical and behavioral  
10 health services, the standards adopted by the secretary and the  
11 health care authority under subsection (5) of this section shall  
12 provide for an incentive payment to counties which elect to move to  
13 full integration by January 1, 2016. Subject to federal approval, the  
14 incentive payment shall be targeted at ten percent of savings  
15 realized by the state within the regional service area in which the  
16 fully integrated purchasing takes place. Savings shall be calculated  
17 in alignment with the outcome and performance measures established in  
18 RCW 43.20A.895, 70.320.020, and 71.36.025, and incentive payments for  
19 early adopter counties shall be made available for up to a six-year  
20 period, or until full integration of medical and behavioral health  
21 services is accomplished statewide, whichever comes sooner, according  
22 to rules to be developed by the secretary and health care authority.

23 (7) If a managed health care system under RCW 74.09.522 contracts  
24 to provide integrated medical and behavioral health services in a  
25 regional service area under this section, the research and data  
26 division of the department of social and health services must  
27 determine semiannually whether costs in the regional service area  
28 related to criminal justice, juvenile justice, and child abuse and  
29 neglect have risen relative to increases experienced in other areas  
30 of the state since the managed health care system assumed the  
31 contract for services in that region. The research and data division  
32 shall estimate the magnitude of such cost increases, if any, and the  
33 managed health care system shall reimburse the affected counties for  
34 its share of these increases.

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