

HOUSE BILL REPORT

SSB 5705

As Reported by House Committee On: Health Care & Wellness

Title: An act relating to inspection and review of state contracted behavioral health and recovery agencies.

Brief Description: Concerning inspection and review of state contracted behavioral health and recovery agencies.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Becker, O'Ban, Rivers, Bailey, Miloscia, Schoesler, Warnick, Brown, Zeiger and Honeyford).

Brief History:

Committee Activity:

Health Care & Wellness: 3/21/17, 3/22/17 [DPA].

Brief Summary of Substitute Bill (As Amended by Committee)

- Prohibits the Department of Social and Health Services from reducing the number of violations that it reports against a licensed behavioral health service provider unless it is found that the service provider did not commit the violations.
- Prohibits the transfer or sale of a licensed behavioral health service provider to a family member if the service provider is in violation of licensing requirements and the transfer or sale is for the purpose of avoiding liability or resetting the number of licensing violations and only allows such a transfer or sale to remedy license violations and achieve full compliance with licensing requirements.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: Do pass as amended. Signed by 16 members: Representatives Cody, Chair; Macri, Vice Chair; Schmick, Ranking Minority Member; Graves, Assistant Ranking Minority Member; Caldier, Clibborn, DeBolt, Harris, Jinkins, MacEwen, Maycumber, Riccelli, Robinson, Slatter, Stonier and Tharinger.

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.

Staff: Chris Blake (786-7392).

Background:

The Department of Social and Health Services (Department) licenses service providers that offer mental health and substance use disorder services. These service providers include evaluation and treatment facilities, substance use disorder treatment providers, crisis stabilization units, outpatient mental health service providers, and triage facilities. They must meet minimum licensing standards including qualifications for staff, procedures for the admission and care of clients, notification of client rights, and quality management policies. To become licensed, a service provider must successfully complete an annual on-site review. For many service providers, if there is a change in ownership, the new owner must complete the new license application process.

The Department may restrict, suspend, or revoke the license of a behavioral health service provider if it fails to comply with regulations and minimum standards. A behavioral health service provider may contest the Department's decision through an adjudicative proceeding held under the Administrative Procedures Act.

Summary of Amended Bill:

Settlement agreements between the Department of Social and Health Services (Department) and licensed behavioral health service providers on disciplinary matters may not reduce the number of violations reported by the Department unless it is found that the behavioral health service provider did not commit the violations.

The transfer or sale of a licensed behavioral health service provider to a family member is prohibited if the service provider is in violation of licensing requirements and the transfer or sale is for the purpose of avoiding liability or resetting the number of licensing violations against the licensed behavioral health service provider. The transfer or sale may only be made for the purpose of remedying license violations and achieving full compliance with licensing requirements. If the Department finds that the transfer or sale, or intended transfer or sale, of the behavioral health service provider to a family member is solely for the purpose of resetting the number of violations, the Department may not issue a new or renewal license to the behavioral health service provider.

Findings are made that the Department should not reduce the number of license violations found by inspectors if it is for the purpose of allowing a licensed behavioral health service provider to avoid liability in a manner that allows them to provide care at the risk of public safety. It is recognized that fraudulent transfers of licenses from a licensed behavioral health service provider that is in violation of licensing standards to a family member must be prohibited.

Amended Bill Compared to Substitute Bill:

The amended bill changes the codification of the disciplinary provisions from a section related to the Department of Social and Health Services' (Department) duties regarding behavioral health organization contracting to a section related to the Department's authority to credential behavioral health service providers.

The amended bill prohibits the transfer or sale of a behavioral health service provider to a family member for the purpose of avoiding liability or resetting the number of violations, rather than stating that these activities "should" be prohibited. It is specified that transfers and sales of behavioral health service providers to family members may only be made for the purpose of remedying license violations and achieving full compliance with licensing standards, rather than stating that these purposes "should" be allowed. The limitations on transfers of licenses applies to transfers or sales of behavioral health service providers. The Department is prohibited from renewing or issuing a license to a behavioral health service provider if the Department finds that the sale or transfer was to a family member and made solely with the intent of resetting the number of violations against the behavioral health service provider.

The amended bill creates a findings section that includes several statements from the underlying bill regarding not reducing the number of violations identified during a Department inspection and not allowing fraudulent transfers of licenses to family members.

The amended bill modifies terminology for consistency. The null and void clause is removed.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) There have been cases of people receiving court ordered drug and alcohol treatment who have bribed their substance use disorder providers to tell the courts that the people are compliant with their treatment. Surveyors from the Department of Social and Health Services (Department) have found violations in these clinics, but when faced with a lawsuit from the clinic, the number of violations were reduced and the clinic was allowed to continue to operate. It is offensive that the Department has ignored the bribery and that people are not getting the treatment that has been arranged for them. When people do not get the treatment they need, it can lead to multiple instances of driving under the influence.

(Opposed) None.

Persons Testifying: Senator Becker, prime sponsor.

Persons Signed In To Testify But Not Testifying: None.