

SENATE BILL REPORT

SB 5259

As Reported by Senate Committee On:
Health Care, February 16, 2017

Title: An act relating to changing the designation of the state behavioral health authority from the department of social and health services to the health care authority and transferring the related powers, functions, and duties to the health care authority and the department of health.

Brief Description: Changing the designation of the state behavioral health authority from the department of social and health services to the health care authority and transferring the related powers, functions, and duties to the health care authority and the department of health.

Sponsors: Senators Rivers, Cleveland, Darneille, Fain and Keiser; by request of Governor Inslee.

Brief History:

Committee Activity: Health Care: 1/31/17, 2/16/17 [DPS-WM, w/oRec].

Brief Summary of Substitute Bill

- Transfers responsibility for community behavioral health care from the Department of Social and Health Services (DSHS) to the Health Care Authority.
- Transfers responsibility for licensing and certification of behavioral health service agencies and professionals from DSHS to the Department of Health.

SENATE COMMITTEE ON HEALTH CARE

Majority Report: That Substitute Senate Bill No. 5259 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Rivers, Chair; Cleveland, Ranking Minority Member; Bailey, Conway, Fain, Miloscia, Mullet and Walsh.

Minority Report: That it be referred without recommendation.

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.

Signed by Senators Becker, Vice Chair; Kuderer, Assistant Ranking Minority Member; Keiser and O'Ban.

Staff: Mich'l Needham (786-7442)

Background: The Washington State Health Care Authority (HCA) is designated as the single state agency responsible for Medicaid for state health care purchasing. The responsibility for purchasing and management of community behavioral health care is currently split between the HCA and DSHS. Similarly, the responsibility for licensing and certification of behavioral health providers and facilities is split between DSHS and the Department of Health (DOH).

Legislation passed in 2014 directed the state to transform the delivery of Medicaid-covered behavioral health care by integrating the financing and delivery of behavioral health—formerly mental health and substance use—and physical health care. The mandate calls for full integration of physical and behavioral health in all regions of the state for Medicaid by April 2020 with opportunities for some regions to adopt an integrated model sooner.

To support the full integration, the Governor has requested legislation to align the functions of the three state agencies to reflect the integration of services and streamline administration. The Governor's budget proposal to the Legislature includes the transfer of funding for the services and administration.

Summary of Bill (First Substitute): The state purchasing of community behavioral health care services is transferred from DSHS to HCA, including programs and staff, effective January 1, 2018. References throughout the statute to DSHS or the Secretary of DSHS are changed to HCA or the Director of HCA. HCA is designated as the state behavioral authority, including for the administration of the Involuntary Treatment Act. The substance use prevention services are transferred from DSHS to HCA. DSHS continues to administer the state mental health hospitals, Western State Hospital and Eastern State Hospital.

The behavioral health licensing and certification programs and staff are transferred from DSHS to DOH, including licensing behavioral health agencies and the certification of mental health, substance use disorder, and problem gambling services offered by behavioral health agencies. The responsibilities and staff are transferred effective January 1, 2018. References throughout the statute to DSHS or the Secretary of DSHS are changed to DOH or the Secretary of DOH, or further clarified when the reference continues to refer to the Secretary of DSHS.

The bill includes various other technical changes, many at the request of the Code Reviser, such as correcting citations that have been revised over time and removing erroneous citations.

HCA must create a workgroup to explore options for behavioral health services, including the option of contracting separately with a county administrative service organization for crisis services and non-Medicaid services, and exploring the option for a county organization to function as a coordinating entity. The workgroup includes HCA, DSHS, behavioral health organizations, managed care organizations, counties, behavioral health providers, and

legislators from each caucus of the House of Representatives and the Senate. A workgroup report is due December 1, 2017, including alternative delivery and financing options that must be made available to regional service areas and allow counties to select the structure for the regional service area.

EFFECT OF CHANGES MADE BY HEALTH CARE COMMITTEE (First Substitute):

- Makes additional corrections to the references to Department of Social and Health Services.
- Removes a section referring to coordination of benefits since Medicaid managed care plans already engage in coordination of benefits.
- Creates a workgroup to explore options for behavioral health services and the option for a county organization to function as a coordinating entity. The workgroup includes legislators, agency representatives, behavioral health organizations, managed care organizations, providers and counties. A workgroup report is due December 1, 2017.

Appropriation: None.

Fiscal Note: Requested on January 19, 2017.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains several effective dates. Please refer to the bill.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: The Legislature passed a bipartisan mandate to integrate behavioral health and substance abuse services with physical health services, to treat the whole person. This proposal from the Governor moves the administrative pieces to support the work to achieve integration by 2020. There are no substantive policy changes in the bill, just strike outs of one agency name for another. The move does not impact the state hospitals. This alignment will provide the single accountability to assist with success with integration. The policy framework makes sense to bring the behavioral health administration over to HCA and ensure the expertise brings the special focus on the unique issues. We have some concerns about leaving the state hospitals out of the transition since it may create more fragmentation. We support the licensing move the DOH and would recommend an advisory committee to assist DOH with the transition. The largest Medicaid managed care plan supports these efforts to integrate behavioral health and physical health. The integration is important to allow us to treat the whole person. We have introduced a proposal four times to move the licensing and certification to DOH and believe this makes sense to streamline the process.

OTHER: The osteopaths would like a small technical correction in Section 5 to include the osteopathic providers in the list of psychiatric providers. We have over 1000 practicing now and it is just an oversight in the statute. We have one suggestion to split off the criminal justice portion with the drug court system that allows diversion from jails. The program could be transferred to the criminal justice system directly, if it can fit within the title. The

county behavioral health organizations fully support integration and treating the whole person but it may be prudent with the pending federal changes to pause until those changes are clear and delay dismantling the current system. Preserve what is good in the current system.

Persons Testifying: PRO: Senator Ann Rivers, Prime Sponsor; Scott Munson, Sundown M Ranch Exec Dir/ AAP; Seth Dawson, National Alliance on Mental Illness, NAMI Washington; Jason McGill, Governor's office; Ann Christian, citizen; Patty Seib, Molina.

OTHER: Bob Cooper, WA State Assn. of Drug Court Professionals; Joe Valentine, North Sound Behavioral Health Organization, Director; David Knutson, WA Osteopathic Medical Assn.

Persons Signed In To Testify But Not Testifying: No one.