

# SENATE BILL REPORT

## SSB 5705

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As Passed Senate, March 1, 2017

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

Ways & Means: 2/23/17, 2/24/17 [DPS, DNP, w/oRec].

**Floor Activity:**

Passed Senate: 3/01/17, 35-14.

### Brief Summary of First Substitute Bill

- Provides that the Department of Social and Health Services (DSHS) should not improperly reduce the number of license violations found by field inspectors to allow licensees to avoid closure and place public safety at risk.
- Prohibits settlement agreements that reduce the number of violations unless DSHS finds, based on evidence, that the licensee did not commit those violations.
- Prohibits sham transfers of behavioral health licenses to a family member of the licensee for the purpose of reducing the number of license violations.

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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; Padden and Walsh.

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*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.*

**Minority Report:** Do not pass.

Signed by Senators Darneille, Ranking Minority Member; Carlyle and Hunt.

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

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## SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 5705 be substituted therefor, and the substitute bill do pass.

Signed by Senators Braun, Chair; Brown, Vice Chair; Rossi, Vice Chair; Honeyford, Vice Chair, Capital Budget ; Bailey, Becker, Fain, Miloscia, Rivers, Schoesler, Warnick and Zeiger.

**Minority Report:** Do not pass.

Signed by Senators Ranker, Ranking Minority Member; Rolfes, Assistant Ranking Minority Member, Operating Budget; Frockt, Assistant Ranking Minority Member, Capital Budget; Billig, Darneille, Hasegawa and Keiser.

**Minority Report:** That it be referred without recommendation.

Signed by Senator Pedersen.

**Staff:** Julie Murray (786-7711)

**Background:** DSHS certifies and licenses behavioral health providers. Part of the license and certification process is the creation of rules for providers to follow related to health and safety and other legal requirements. DSHS audits compliance of its provider with agency rules. DSHS's power to enforce its regulations includes the ability to take administrative sanctions including the suspension or revocation of a license or certification. An administrative appeals process is available for providers to dispute administrative actions taken by the agency. Appeals of administrative actions are sometimes resolved by settlement agreement between DSHS and the licensee or certification holder.

**Summary of First Substitute Bill:** The state finds that DSHS should not reduce the number of license violations found by DSHS field inspectors for the purpose of allowing an agency licensee to avoid liability and allow the violating agency to stay open at the risk of public safety. Any settlement agreement entered with a licensee to resolve administrative complaints or license violations, suspensions, or revocations may not reduce the number of violations reported unless DSHS concludes, based on evidence gathered by inspectors, that the agency did not commit one or more of the violations.

Transfers of behavioral health licenses to a family member of the licensee are prohibited for the purpose of avoiding liability or to reset the number of license violations found before the transfer. Transfers of license should be made solely for the purpose of remedying license violations and achieving full compliance with the terms of the license.

**Appropriation:** None.

**Fiscal Note:** Available.

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

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

**Staff Summary of Public Testimony on Original Bill (Human Services, Mental Health & Housing):** PRO: This bill came about because of office contacts about a problem at DSHS. In some clinics, persons were allowed to pay a bribe to get out of substance use disorder treatment requirements. An owner of an agency sued after this was discovered during an inspection and DSHS settled by lowering the number of violations it found and barred the surveyor from going back to that provider again. This is one of the most egregious abuses of government I've ever seen. The safety of our families and other drivers is affected by these abuses. This bill is a start to make agencies accountable.

**Persons Testifying (Human Services, Mental Health & Housing):** PRO: Senator Randi Becker, Prime Sponsor.

**Persons Signed In To Testify But Not Testifying (Human Services, Mental Health & Housing):** No one.

**Staff Summary of Public Testimony on Original Bill (Ways & Means):** *The committee recommended a different version of the bill than what was heard.* None.

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

**Persons Signed In To Testify But Not Testifying (Ways & Means):** No one.