

# SENATE BILL REPORT

## SB 5863

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As Reported by Senate Committee On:  
Human Services, Mental Health & Housing, March 28, 2017

**Title:** An act relating to requiring adoption of outcome and performance measures to evaluate substance use disorder treatment providers.

**Brief Description:** Requiring the Department of Social and Health Services to adopt outcome and performance measures to evaluate substance use disorder treatment providers.

**Sponsors:** Senator Miloscia.

**Brief History:**

**Committee Activity:** Human Services, Mental Health & Housing: 3/22/17, 3/28/17 [DP-WM, DNP].

**Brief Summary of Bill**

- Requires the Department of Social and Health Services (DSHS) to establish a performance measure for substance use disorder treatment programs which measures the elimination of disordered substance abuse.
- Requires DSHS to collect baseline performance data from substance use disorder treatment providers starting March 1, 2018.
- Requires behavioral health organizations, starting January 1, 2019, to implement contracts with substance use disorder treatment providers which tie provider payment to the achievement of goals related to elimination of disordered substance abuse.

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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.

**Minority Report:** Do not pass.  
Signed by Senators Darneille, Ranking Minority Member; Carlyle and Hunt.

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

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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.*

**Background:** DSHS contracts with behavioral health organizations (BHOs) to provide publically-funded substance use disorder treatment services under the Medicaid program in eight regions of the state. In one region located in Southwest Washington, publically-funded substance use disorder treatment services are administered through fully integrated managed care organizations under contract with the Health Care Authority (HCA).

Legislation established in 2013 created a Performance Measures Coordinating Committee (Committee) to recommend statewide performance measures of health performance. State agencies are required to use the measure set developed by the Committee to inform and determine benchmarks for purchasing decisions. A public process has been established by the Committee and HCA to evaluate and make changes in the measure set. HCA and DSHS are required by statute to incorporate over time improvement targets related to performance measures recommended by the Committee into contracts with services coordination organizations.

**Summary of Bill:** DSHS must establish contracts with BHOs that require substance use disorder treatment providers in the BHO network to be managed with the outcome goal of eliminating disordered substance use for clients. Disordered substance use is defined as any use of a substance which is prohibited by state law or which leads to clinically significant impairment or distress.

By December 1, 2017, DSHS must establish a standard means by which an approved substance use disorder treatment program must measure the presence of disordered substance use for clients with publically funded medical coverage. By March 1, 2018, DSHS must require collecting and reporting of data at specified intervals by rule relating to disordered substance use. The data collecting requirements must require measuring the status of current and former clients at intervals of six months and twelve months following initiation of treatment. Data collected through the end of 2018 must be used to establish a baseline. Starting January 1, 2019, DSHS must require BHOs to use performance-based contracts to require substance use disorder providers to achieve performance targets for the elimination of disordered substance use, structured to tie provider payment to the achievement of performance improvement goals.

Contract terms must not penalize a provider for serving high acuity clients or provide a financial incentive to withhold medically necessary care. DSHS must provide technical assistance to BHOs to develop standard contract terms. DSHS must establish an annual reporting schedule to report its progress and the performance of substance use disorder treatment providers to the Governor and the Legislature.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**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:** PRO: This is an accountability provision to make sure we get the right outcome and performance data to be able to evaluate substance abuse treatment programs. We don't have data that tells us what programs work. Anecdotal evidence says current programs are under 10 percent effective. We need to know if treatment is working if we are expected to throw more resources into these programs. We need real world data from programs in Washington, not just academic studies. Twelve months is a reliable indicator of long-term success.

OTHER: We should look to see if applicable performance measures exist today so we don't have to recreate the wheel. The current baseline is not the best measure because integration has been a bumpy ride. Not all agencies have electronic medical records. Some terms in the bill are subjective, such as clinically significant impairment or distress. We appreciate performance measures. We are concerned about tying financing to agencies that hold elimination of disordered substance use as the ultimate goal. Some programs hold different goals, such as harm reduction. These programs may become unfunded. The LEAD program in Seattle is very successful, but its treatment objectives are to reduce harm to the individual and the community. Folks who are receiving treatment pretrial may not be able to make the disclosures required by the bill.

**Persons Testifying:** PRO: Senator Mark Miloscia, Prime Sponsor.

OTHER: Daryl Rodrigues, Washington Defender Assn.; Michael Transue, Seattle Drug and Narcotic Treatment Center.

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