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## Health Care & Wellness Committee

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### HB 1394

**Brief Description:** Concerning community facilities needed to ensure a continuum of care for behavioral health patients.

**Sponsors:** Representatives Schmick, Cody, Jinkins, Kilduff, Davis, Griffey, Riccelli, Macri, Harris, Robinson, Goodman, Sullivan, Appleton, Bergquist, Thai, Tharinger, Slatter, Doglio, Pollet, Callan, Leavitt and Ormsby; by request of Office of the Governor.

#### Brief Summary of Bill

- Establishes intensive behavioral health treatment facilities and mental health drop-in centers as facilities and programs credentialed by the Department of Health.
- Directs the Health Care Authority to assess the capacity of hospitals and evaluation and treatment facilities to become credentialed to provide long-term mental health placements and to contract with those hospitals and evaluation and treatment facilities that choose to provide such services.
- Suspends certificate of need requirements for certain hospitals that are either adding new psychiatric beds, changing the use of current beds to psychiatric uses, or constructing new psychiatric hospitals.

**Hearing Date:** 1/29/19

**Staff:** Chris Blake (786-7392).

#### **Background:**

##### Long-Term Mental Health Placement Facilities.

Except in regional service areas with fully-integrated medical care, behavioral health organizations are responsible for the administration of community-based commitments and services under the Involuntary Treatment Act. The Involuntary Treatment Act governs the commitment of persons for involuntary mental health treatment if they pose a likelihood of serious harm or are gravely disabled due to a mental disorder. Inpatient commitments for 90 or

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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.*

180 days of treatment take place at one of two state hospitals operated by the Department of Social and Health Services. Long-term inpatient care beds at the state hospitals are divided among all of the regional service areas with a specific allocation to each based on patient days of care.

### Certificate of Need.

The certificate of need process evaluates proposals by certain health care providers to expand health care activities and reviews the potential impact of the expansion on a community's need for the service. A certificate of need from the Department of Health (Department) is required prior to the construction, renovation, or sale of a health care facility; changes in bed capacity; an increase in the number of dialysis stations at a kidney disease treatment center; or the addition of specialized health services. Under the program, the Department reviews the project using specific criteria related to community need, quality of services, financial feasibility, and the impact on health care costs in the community. A facility or service that is subject to the certificate of need program must be approved prior to beginning operations.

Until June 30, 2019, certificate of need requirements have been suspended for hospitals that change the use of licensed beds to increase the number of beds used to provide psychiatric services. For acute care hospitals, the exemption applies to hospitals that are changing the use of licensed beds to psychiatric beds as well as adding new psychiatric beds. For psychiatric hospitals, the exemption applies to the addition of up to 30 new psychiatric beds. The exemption also applies to the construction of a new psychiatric facility that has no more than 16 beds, a portion of which are to be used for treating adults on 90- or 180-day involuntary commitment orders. The Department of Commerce administers grants to hospitals to add new psychiatric beds to their facilities. The certificate of need requirements were suspended in fiscal years 2016 and 2017 for hospitals adding beds through the grant program.

### **Summary of Bill:**

The Department of Health (Department) is authorized to license or certify intensive behavioral health treatment facilities. An "intensive behavioral health treatment facility" is defined as a community-based residential treatment facility for behavioral health patients whose impairment or behaviors require care that cannot be met in other settings. The Department must work with the Health Care Authority (Authority) and the Department of Social and Health Services (DSHS) to create credentialing standards for intensive behavioral health treatment facilities. The Department must adopt rules to require 24-hour supervision of residents, require staffing levels that meet the acuity of the residents, define the ability to use limited egress, and limit the age of residents to persons who are at least 18 years old.

The Department is authorized to license or certify mental health drop-in centers. A "mental health drop-in center" is defined as a peer-run program to serve individuals in need of voluntary, short-term, non-crisis services that focus on an individual's recovery and wellness. The Department must work with the Authority and the DSHS to create credentialing standards for mental health drop-in centers. The Department must adopt rules related to physical plant and service requirements to provide mental health drop-in center services, requirements that agencies partner with the local crisis system, staffing standards, the limitation of services to seven days, limitations on serving persons in psychiatric distress who do not meet involuntary commitment

standards, and limitations of the age of persons receiving services to those who are at least 18 years old.

The Authority and behavioral health organizations must assess the capacity of community hospitals and evaluation and treatment facilities to become certified to provide long-term mental health placements. In addition, the Authority and behavioral health organizations must enter into contracts with those hospitals and evaluation and treatment facilities that choose to provide such services. Community hospitals and evaluation and treatment facilities are not required to become certified to provide long-term mental health placements.

The suspension of certificate of need requirements is extended from June 30, 2019, to June 30, 2021, for:

- acute care hospitals that are changing the use of licensed beds to increase the number of beds to provide psychiatric services;
- acute care hospitals that add new psychiatric beds;
- psychiatric hospitals that add up to 30 new psychiatric beds; and
- entities that construct a new psychiatric hospital that has no more than 16 beds and dedicate a portion of the beds to providing treatment to persons on a 90- or 180-day involuntary commitment order.

The suspension of certificate of need requirements for hospitals receiving grants from the Department of Commerce to add new psychiatric beds is continued for grants received in calendar years 2018 and 2019.

The DSHS is authorized to provide an enhanced adult residential rate to nursing homes that convert their bed use to provide assisted living or adult residential care. Nursing homes that permanently convert a portion of capacity to assisted living or adult residential care, including serving persons with behavioral health treatment needs may receive a supplemental add-on residential care rate. The authority for DSHS to provide a supplemental assisted living services rate to nursing homes that permanently convert beds from nursing home use to assisted living is eliminated.

By November 15, 2019, the Authority must confer with the Department and hospitals to review laws and regulations and identify changes that may be necessary to address health care delivery and cost-effective treatment for adults on 90- or 180-day commitment orders. The Authority must report its findings to the Governor and the appropriate committees of the Legislature by December 15, 2019.

By December 1, 2019, the Secretary of the Department must provide recommendations to the Governor's Office and the appropriate committees of the Legislature on youth short-term residential intensive behavioral health and developmental disabilities services. The recommendations must address staffing requirements and developmental disability-related services to support youth and their families in preparation for discharge. The Department must develop the report in consultation with DSHS, the Department of Children, Family, and Youth, and the Authority.

Legislative findings are made regarding the need for additional bed capacity and services for individuals with behavioral health needs, the benefits of receiving treatment in the community,

the struggles of the state hospitals to meet the rising demand for services, and the challenge of finding appropriate facilities for individuals with complex behavioral health needs. Legislative intent is stated as providing more options for behavioral health clients by creating new facility types and expanding the capacity of current provider types in the community.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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