

ESHB 1866 - S COMM AMD

By Committee on Health & Long Term Care

OUT OF ORDER 03/03/2022

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that:

4 (a) The epidemic of homelessness apparent in communities
5 throughout Washington is creating immense suffering. It is
6 threatening the health of homeless families and individuals, sapping
7 their human potential, eroding public confidence, and undermining the
8 shared values that have driven our state's prosperity, including
9 public safety and access to public streets, parks, and facilities;

10 (b) In seeking to identify the causes of this epidemic, a large
11 proportion of those unsheltered also suffer from serious behavioral
12 health or physical health conditions that will inevitably grow worse
13 without timely and effective health care;

14 (c) Housing is an indispensable element of effective health care.
15 Stable housing is a prerequisite to addressing behavioral health
16 needs and lack of housing is a precursor to poor health outcomes;

17 (d) A home, health care, and wellness are fundamental for
18 Washington residents;

19 (e) Reducing homelessness is a priority of the people of
20 Washington state and that reducing homelessness through policy
21 alignment and reform lessens fiscal impact to the state and improves
22 the economic vitality of our businesses;

23 (f) The impact of this epidemic is falling most heavily on those
24 communities that already suffer the most serious health disparities:
25 Black, indigenous, people of color, and historically marginalized and
26 underserved communities. It is a moral imperative to shelter
27 chronically homeless populations; and

28 (g) Washington state has many of the tools needed to address this
29 challenge, including a network of safety net health and behavioral
30 health care providers in both urban and rural areas, an effective
31 system of health care coverage through apple health, and excellent

1 public and nonprofit affordable housing providers. Yet far too many
2 homeless families and individuals are going without the housing and
3 health care resources they need because these tools have yet to be
4 combined in an effective way across the state.

5 (2) It is the intent of the legislature to treat chronic
6 homelessness as a medical condition and that the apple health and
7 homes act address the needs of chronically homeless populations by
8 pairing a health care problem with a health care solution.

9 NEW SECTION. **Sec. 2.** A new section is added to chapter 74.09
10 RCW to read as follows:

11 The definitions in this section apply throughout sections 3 and 4
12 of this act unless the context clearly requires otherwise.

13 (1) "Community support services" means active search and
14 promotion of access to, and choice of, appropriate, safe, and
15 affordable housing and ongoing supports to assure ongoing successful
16 tenancy. The term includes, but is not limited to, services to
17 medical assistance clients who are homeless or at risk of becoming
18 homeless through outreach, engagement, and coordination of services
19 with shelter and housing. The term includes benefits offered through
20 the foundational community supports program established pursuant to
21 the authority's federal waiver, entitled "medicaid transformation
22 project," as amended and reauthorized.

23 (2) "Community support services provider" means a local entity
24 that contracts with a coordinating entity to provide community
25 support services. A community support services provider may also
26 separately perform the functions of a housing provider.

27 (3) "Coordinating entity" means one or more organizations,
28 including medicaid managed care organizations, under contract with
29 the authority to coordinate community support services as required
30 under sections 3 and 4 of this act. There may only be one
31 coordinating entity per regional service area.

32 (4) "Department" means the department of commerce.

33 (5) "Homeless person" has the same meaning as in RCW 43.185C.010.

34 (6) "Housing provider" means a public or private organization
35 that supplies permanent supportive housing units consistent with RCW
36 36.70A.030 to meet the housing needs of homeless persons. A housing
37 provider may supply permanent supportive housing in a site-based or
38 scattered site arrangement using a variety of public, private,
39 philanthropic, or tenant-based sources of funds to cover operating

1 costs or rent. A housing provider may also perform the functions of a
2 community support services provider.

3 (7) "Office" means the office of apple health and homes created
4 in section 5 of this act.

5 (8) "Program" means the apple health and homes program
6 established in section 3 of this act.

7 (9) "Permanent supportive housing" has the same meaning as in RCW
8 36.70A.030.

9 NEW SECTION. **Sec. 3.** A new section is added to chapter 74.09
10 RCW to read as follows:

11 (1) Effective November 1, 2022, the apple health and homes
12 program is established to provide a permanent supportive housing
13 benefit and a community support services benefit through a network of
14 community support services providers for persons assessed with
15 specific health needs and risk factors.

16 (a) The program shall operate through the collaboration of the
17 department, the authority, the department of social and health
18 services, local governments, the coordinating entity or entities,
19 community support services providers, local housing providers, local
20 health care entities, and community-based organizations in contact
21 with potentially eligible individuals, to assure seamless integration
22 of community support services, stable housing, and health care
23 services.

24 (b) The entities operating the program shall coordinate
25 resources, technical assistance, and capacity building efforts to
26 help match eligible individuals with community support services,
27 health care, including behavioral health care and long-term care
28 services, and stable housing.

29 (2) To be eligible for community support services and permanent
30 supportive housing under subsection (3) of this section, a person
31 must:

32 (a) Be 18 years of age or older;

33 (b) (i) Be enrolled in a medical assistance program under this
34 chapter and eligible for community support services;

35 (ii) (A) Have a countable income that is at or below 133 percent
36 of the federal poverty level, adjusted for family size, and
37 determined annually by the federal department of health and human
38 services; and

1 (B) Not be eligible for categorically needy medical assistance,
2 as defined in the social security Title XIX state plan; or

3 (iii) Be assessed as likely eligible for, but not yet enrolled
4 in, a medical assistance program under this chapter due to the
5 severity of behavioral health symptom acuity level which creates
6 barriers to accessing and receiving conventional services;

7 (c) Have been assessed:

8 (i) By a licensed behavioral health agency to have a behavioral
9 health need which is defined as meeting one or both of the following
10 criteria:

11 (A) Having mental health needs, including a need for improvement,
12 stabilization, or prevention of deterioration of functioning
13 resulting from the presence of a mental illness; or

14 (B) Having substance use disorder needs indicating the need for
15 outpatient substance use disorder treatment which may be determined
16 by an assessment using the American society of addiction medicine
17 criteria or a similar assessment tool approved by the authority;

18 (ii) By the department of social and health services as needing
19 either assistance with at least three activities of daily living or
20 hands-on assistance with at least one activity of daily living and
21 have the preliminary determination confirmed by the department of
22 social and health services through an in-person assessment conducted
23 by the department of social and health services; or

24 (iii) To be a homeless person with a long-continuing or
25 indefinite physical condition requiring improvement, stabilization,
26 or prevention of deterioration of functioning, including the ability
27 to live independently without support; and

28 (d) Have at least one of the following risk factors:

29 (i) (A) Be a homeless person at the time of the eligibility
30 determination for the program and have been homeless for 12 months
31 prior to the eligibility determination; or

32 (B) Have been a homeless person on at least four separate
33 occasions in the three years prior to the eligibility determination
34 for the program, as long as the combined occasions equal at least 12
35 months;

36 (ii) Have a history of frequent or lengthy institutional contact,
37 including contact at institutional care facilities such as jails,
38 substance use disorder or mental health treatment facilities,
39 hospitals, or skilled nursing facilities;

1 (iii) Have a history of frequent stays at adult residential care
2 facilities or residential treatment facilities;

3 (iv) Have frequent turnover of in-home caregivers; or

4 (v) Have at least one chronic condition and have been determined
5 by the authority to be at risk for a second chronic condition as
6 determined by the use of a predictive risk scoring tool that
7 considers the person's age, gender, diagnosis, and medications.

8 (3) Once a coordinating entity verifies that a person has met the
9 eligibility criteria established in subsection (2) of this section,
10 it must connect the eligible person with a community support services
11 provider. The community support services provider must:

12 (a) Deliver pretenancy support services to determine the person's
13 specific housing needs and assist the person in identifying permanent
14 supportive housing options that are appropriate and safe for the
15 person;

16 (b) Fully incorporate the eligible person's available community
17 support services into the case management services provided by the
18 community support services provider; and

19 (c) Deliver ongoing tenancy-sustaining services to support the
20 person in maintaining successful tenancy.

21 (4) Housing options offered to eligible participants may vary,
22 subject to the availability of housing and funding.

23 (5) The community support services benefit must be sustained or
24 renewed in accordance with the eligibility standards in subsection
25 (2) of this section, except that the standards related to
26 homelessness shall be replaced with an assessment of the person's
27 likelihood to become homeless in the event that the community support
28 services benefit is terminated. The coordinating entity must adopt
29 procedures to conduct community support services benefit renewals,
30 according to authority standards.

31 NEW SECTION. **Sec. 4.** A new section is added to chapter 74.09
32 RCW to read as follows:

33 (1) To establish and administer section 3 of this act, the
34 authority shall:

35 (a)(i) Establish or amend a contract with a coordinating entity
36 to:

37 (A) Assure the availability of access to eligibility
38 determinations services for community support services benefits and
39 permanent supportive housing benefits;

1 (B) Verify that persons meet the eligibility standards of section
2 3(2) of this act;

3 (C) Coordinate enrollment in medical assistance programs for
4 persons who meet the eligibility standards of section 3(2) of this
5 act, except for actual enrollment in a medical assistance program
6 under this chapter; and

7 (D) Coordinate with a network of community support services
8 providers to arrange with local housing providers for the placement
9 of an eligible person in permanent supportive housing appropriate to
10 the person's needs and assure that community support services are
11 provided to the person by a community support services provider.

12 (ii) The primary role of the coordinating entity or entities is
13 administrative and operational, while the authority shall establish
14 the general policy parameters for the work of the coordinating entity
15 or entities.

16 (iii) In selecting the coordinating entity or entities, the
17 authority shall: Choose one or more organizations that are capable of
18 coordinating access to both community support services and permanent
19 supportive housing services to eligible persons under section 3 of
20 this act; and select no more than one coordinating entity per region
21 which is served by medicaid managed care organizations;

22 (b) Report to the office for the ongoing monitoring of the
23 program; and

24 (c) Adopt any rules necessary to implement the program.

25 (2) The authority shall establish a work group to provide
26 feedback to the agency on its foundational community supports program
27 as it aligns with the work of the housing benefit. The work group may
28 include representatives of state agencies, behavioral health
29 administrative services organizations, the coordinating entity or
30 entities, and contracted agencies providing foundational community
31 supports services. Topics may include, but are not limited to, best
32 practices in eligibility screening processes and case rate billing
33 for foundational community supports housing, regional cost
34 differentials, costs consistent with specialized needs, improved data
35 access and data sharing with foundational community supports
36 providers, and requirements related to the use of a common practice
37 tool among community support services providers to integrate social
38 determinants of health into service delivery. The authority shall
39 convene the work group at least once each quarter and may expand

1 upon, but not duplicate, existing work groups or advisory councils at
2 the authority or other state agencies.

3 (3) To support the goals of the program and the goals of other
4 statewide initiatives to identify and address social needs, including
5 efforts within the 1115 waiver renewal to advance health equity and
6 health-related supports, the authority shall work with the office and
7 the department of social and health services to research, identify,
8 and implement statewide universal measures to identify and consider
9 social determinants of health domains, including housing, food
10 security, transportation, financial strain, and interpersonal safety.
11 The authority shall select an accredited or nationally vetted tool
12 from among the common practice tools used by community support
13 services providers in Washington, including criteria for
14 prioritization, for the community support services provider to use
15 when making determinations about housing options and other support
16 services to offer individuals eligible for the program. This
17 screening and prioritization process may not exclude clients
18 transitioning from inpatient or other behavioral health residential
19 treatment settings. The authority shall inform the governor and the
20 appropriate committees of the legislature on progress to this end.

21 (4) (a) The authority and the department may seek and accept funds
22 from private and federal sources to support the purposes of the
23 program.

24 (b) The authority shall seek approval from the federal department
25 of health and human services to:

26 (i) Receive federal matching funds for administrative costs and
27 services provided under the program to persons enrolled in medicaid;

28 (ii) Align the eligibility and benefit standards of the
29 foundational community supports program established pursuant to the
30 waiver, entitled "medicaid transformation project" and initially
31 approved November 2017, between the authority and the federal centers
32 for medicare and medicaid services, as amended and reauthorized, with
33 the standards of the program, including extending the duration of the
34 benefits under the foundational community supports program to not
35 less than 12 months; and

36 (iii) Implement a medical and psychiatric respite care benefit
37 for certain persons enrolled in medicaid.

38 (5) (a) By December 1, 2022, the authority and the office shall
39 report to the governor and the legislature on preparedness for the
40 first year of program implementation, including the estimated

1 enrollment, estimated program costs, estimated supportive housing
2 unit availability, funding availability for the program from all
3 sources, efforts to improve billing and administrative burdens for
4 foundational community supports providers, efforts to streamline
5 continuity of care and system connection for persons who are
6 potentially eligible for foundational community supports, and any
7 statutory or budgetary needs to successfully implement the first year
8 of the program.

9 (b) By December 1, 2023, the authority and the office shall
10 report to the governor and the legislature on the progress of the
11 first year of program implementation and preparedness for the second
12 year of program implementation.

13 (c) By December 1, 2024, the authority and the office shall
14 report to the governor and the legislature on the progress of the
15 first two years of program implementation and preparedness for
16 ongoing housing acquisition and development.

17 (d) By December 1, 2026, the authority and the office shall
18 report to the governor and the legislature on the full implementation
19 of the program, including the number of persons served by the
20 program, available permanent supportive housing units, estimated
21 unmet demand for the program, ongoing funding requirements for the
22 program, and funding availability for the program from all sources.
23 Beginning December 1, 2027, the authority and the office shall
24 provide annual updates to the governor and the legislature on the
25 status of the program.

26 NEW SECTION. **Sec. 5.** A new section is added to chapter 43.330
27 RCW to read as follows:

28 (1) There is created the office of apple health and homes within
29 the department.

30 (2) Activities of the office of apple health and homes must be
31 carried out by a director of the office of apple health and homes,
32 supervised by the director of the department.

33 (3) The office of apple health and homes is responsible for
34 leading efforts under this section and sections 3 and 4 of this act
35 to coordinate a spectrum of practice efforts related to providing
36 permanent supportive housing, including leading efforts related to
37 every aspect of creating housing, operating housing, obtaining
38 services, and delivering those services to connect people with
39 housing and maintain them in that housing.

1 (4) The office of apple health and homes shall:

2 (a) Subject to available funding, allocate funding for permanent
3 supportive housing units sufficient in number to fulfill permanent
4 supportive housing needs of persons determined to be eligible for the
5 program by the coordinating entity or entities under section 3 of
6 this act;

7 (b) Collaborate with department divisions responsible for making
8 awards or loans to appropriate housing providers to acquire, build,
9 and operate the housing units, including but not limited to nonprofit
10 community organizations, local counties and cities, public housing
11 authorities, and public development authorities;

12 (c) Collaborate with the authority on administrative functions,
13 oversight, and reporting requirements, as necessary to implement the
14 apple health and homes program established under section 3 of this
15 act;

16 (d) Establish metrics and collect racially disaggregated data
17 from the authority and the department related to the program's effect
18 on providing persons with permanent supportive housing, moving people
19 into independent housing, long-term housing stability, improving
20 health outcomes for people in the program, estimated reduced health
21 care spending to the state on persons enrolled in the program, and
22 outcomes related to social determinants of health;

23 (e) Create work plans and establish milestones to achieve the
24 goal of providing permanent supportive housing for all eligible
25 individuals; and

26 (f) Oversee the allocation of community support services provider
27 and housing provider capacity-building grants to further the state's
28 interests of enhancing the ability of community support services
29 providers and housing providers to deliver community support services
30 and permanent supportive housing and assure that an initial
31 infrastructure is established to create strong networks of community
32 support services providers and housing providers.

33 (5) The office of apple health and homes must be operational no
34 later than January 1, 2023. The department shall assure the
35 coordination of the work of the office of apple health and homes with
36 other offices within the department with similar or adjacent
37 authorities and functions.

38 (6) For the purposes of this section:

39 (a) "Community support services provider" has the same meaning as
40 in section 2 of this act.

1 (b) "Coordinating entity" has the same meaning as in section 2 of
2 this act.

3 (c) "Housing provider" has the same meaning as in section 2 of
4 this act.

5 (d) "Permanent supportive housing" has the same meaning as in
6 section 2 of this act.

7 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.330
8 RCW to read as follows:

9 The apple health and homes account is created in the state
10 treasury. Moneys in the account may be spent only after
11 appropriation. Expenditures from the account may be used only for
12 permanent supportive housing programs administered by the office
13 created in section 5 of this act, including acquisition and
14 development of permanent supportive housing units, operations,
15 maintenance, and services costs of permanent supportive housing
16 units, project-based vouchers, provider grants, and other purposes
17 authorized by appropriations made in the operating budget. The
18 department must prioritize allocating at least 10 percent of the
19 expenditures from the account to organizations that serve and are
20 substantially governed by individuals disproportionately impacted by
21 homelessness and behavioral health conditions, including black,
22 indigenous, and other people of color, lesbian, gay, bisexual, queer,
23 transgender, and other gender diverse individuals. When selecting
24 projects supported by funds from the account, the office shall
25 balance the state's interest in quickly approving and financing
26 projects, the degree to which the project will leverage other funds,
27 the extent to which the project promotes racial equity, and the
28 extent to which the project will promote priorities of this act on a
29 statewide basis, including in rural areas and in geographically
30 diverse parts of the state.

31 **Sec. 7.** RCW 36.22.176 and 2021 c 214 s 1 are each amended to
32 read as follows:

33 (1) Except as provided in subsection (2) of this section, a
34 surcharge of \$100 must be charged by the county auditor for each
35 document recorded, which is in addition to any other charge or
36 surcharge allowed by law. The auditor must remit the funds to the
37 state treasurer to be deposited and used as follows:

1 (a) Twenty percent of funds must be deposited in the affordable
2 housing for all account for operations, maintenance, and service
3 costs for permanent supportive housing as defined in RCW 36.70A.030;

4 (b) From July 1, 2021, through June 30, 2023, four percent of the
5 funds must be deposited into the landlord mitigation program account
6 created in RCW 43.31.615 for the purposes of RCW 43.31.605(1).
7 Thereafter, two percent of funds must be deposited into the landlord
8 mitigation program account created in RCW 43.31.615 for purposes of
9 RCW 43.31.605(1); ~~((and))~~

10 (c) (i) The remainder of funds must be distributed to the home
11 security fund account, with no less than 60 percent of funds to be
12 used for project-based vouchers for nonprofit housing providers or
13 public housing authorities, housing services, rapid rehousing,
14 emergency housing, ~~((or))~~ acquisition, or operations, maintenance,
15 and service costs for permanent supportive housing as defined in RCW
16 36.70A.030 for persons with disabilities. Permanent supportive
17 housing programs administered by the office of apple health and homes
18 created in section 5 of this act are also eligible to use these
19 funds. Priority for use must be given to ~~((project-based vouchers and~~
20 ~~related services, housing acquisition, or emergency housing, for))~~
21 purposes intended to house persons who are chronically homeless or
22 maintain housing for individuals with disabilities and prior
23 experiences of homelessness, including families with children. ((At
24 least 50 percent of persons receiving a project-based voucher, rapid
25 rehousing, emergency housing, or benefiting from housing acquisition
26 must be living unsheltered at the time of initial engagement.)) In
27 addition, funds may be used for eviction prevention rental assistance
28 pursuant to RCW 43.185C.185, foreclosure prevention services, dispute
29 resolution center eviction prevention services, rental assistance for
30 people experiencing homelessness, and tenant education and legal
31 assistance.

32 (ii) The department shall provide counties with the right of
33 first refusal to receive grant funds distributed under this
34 subsection (c). If a county refuses the funds or does not respond
35 within a time frame established by the department, the department
36 shall identify an alternative grantee. The alternative grantee shall
37 distribute the funds in a manner that is in compliance with this
38 chapter.

39 (2) The surcharge imposed in this section does not apply to: (a)
40 Assignments or substitutions of previously recorded deeds of trust;

1 (b) documents recording a birth, marriage, divorce, or death; (c) any
2 recorded documents otherwise exempted from a recording fee or
3 additional surcharges under state law; (d) marriage licenses issued
4 by the county auditor; or (e) documents recording a federal, state,
5 county, city, or water-sewer district, or wage lien or satisfaction
6 of lien.

7 NEW SECTION. **Sec. 8.** Subject to amounts appropriated from the
8 apple health and homes account created in section 6 of this act the
9 department of commerce shall establish a rapid permanent supportive
10 housing acquisition and development program to issue competitive
11 financial assistance to eligible organizations under RCW 43.185A.040
12 and to public development authorities established under RCW 35.21.730
13 through 35.21.755, for the acquisition or the construction of
14 permanent supportive housing units, subject to the following
15 conditions and limitations:

16 (1) Awards or loans provided under this section may be used to
17 construct permanent supportive housing units or to acquire real
18 property for quick conversion into permanent supportive housing units
19 which may include predevelopment or development activities,
20 renovation, and building update costs. Awards or loans provided under
21 this section may not be used for operating or maintenance costs
22 associated with providing permanent supportive housing, supportive
23 services, or debt service.

24 (2) Units acquired or constructed under this section must serve
25 individuals eligible for a community support services benefit through
26 the apple health and homes program, as established in section 3 of
27 this act.

28 (3) The department of commerce shall establish criteria for the
29 issuance of the awards or loans, which must follow the guidelines and
30 compliance requirements of the housing trust fund program's
31 established criteria under RCW 43.185.070(5), except as provided in
32 subsection (5) of this section, and the federal coronavirus state
33 fiscal recovery fund. The criteria must include:

34 (a) The date upon which structural modifications or construction
35 would begin and the anticipated date of completion of the project;

36 (b) A detailed estimate of the costs associated with the
37 construction or acquisition and any updates or improvements necessary
38 to make the property habitable for its intended use;

1 (c) A detailed estimate of the costs associated with opening the
2 units; and

3 (d) A financial plan demonstrating the ability to maintain and
4 operate the property and support its intended tenants through the end
5 of the award or loan contract.

6 (4) The department of commerce shall provide a progress report on
7 its website by June 1, 2023. The report must include:

8 (a) The total number of applications and amount of funding
9 requested; and

10 (b) A list and description of the projects approved for funding
11 including state funding, total project cost, number of units, and
12 anticipated completion date.

13 (5)(a) The funding in this section shall be allocated on an
14 ongoing basis until all funds are expended and is not subject to the
15 90-day application periods in RCW 43.185.070 or 43.185A.050. The
16 department of commerce shall dispense funds to qualifying applicants
17 within 45 days of receipt of documentation from the applicant for
18 qualifying uses and execution of any necessary contracts with the
19 department in order to effect the purpose of rapid deployment of
20 funds under this section.

21 (b) If the department of commerce receives simultaneous
22 applications for funding under this program, proposals that reach the
23 greatest public benefit, as defined by the department, must be
24 prioritized. For the purposes of this subsection, "greatest public
25 benefit" must include, but is not limited to:

26 (i) The greatest number of qualifying permanent supportive
27 housing units;

28 (ii) The scarcity of the permanent supportive housing units
29 applied for compared to the number of available permanent supportive
30 housing units in the same geographic location; and

31 (iii) The housing trust fund program's established funding
32 priorities under RCW 43.185.070(5).

33 NEW SECTION. **Sec. 9.** This act may be known and cited as the
34 apple health and homes act.

35 NEW SECTION. **Sec. 10.** This act is necessary for the immediate
36 preservation of the public peace, health, or safety, or support of
37 the state government and its existing public institutions, and takes
38 effect immediately."

ESHB 1866 - S COMM AMD

By Committee on Health & Long Term Care

OUT OF ORDER 03/03/2022

1 On page 1, line 3 of the title, after "housing;" strike the
2 remainder of the title and insert "amending RCW 36.22.176; adding new
3 sections to chapter 74.09 RCW; adding new sections to chapter 43.330
4 RCW; creating new sections; and declaring an emergency."

EFFECT: Removes the requirement for the Health Care Authority (HCA) to convene key stakeholders to discuss program implementation and approaches with aligning managed care organizations with coordinating community support services. Modifies the representatives HCA may include in their work group for aligning foundational community supports (FCS) with the program's housing benefit so that cities and counties are removed and behavioral health administrative services organizations and the coordinating entity or entities are added. Clarifies that HCA may expand upon, but not duplicate, existing work groups or advisory councils at HCA or other state agencies when implementing the work group for aligning the FCS benefit with the housing benefit. Requires HCA to inform the governor and appropriate legislative committees of their progress for implementing a statewide tool to measure and screen for social determinants of health. Specifies that funding for the department of commerce's newly established rapid permanent supportive housing and acquisition and development program must be allocated on an ongoing basis until all funds are expended and can be used for construction.

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