

# SENATE BILL REPORT

## 2SHB 1860

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As of February 16, 2022

**Title:** An act relating to preventing homelessness among persons discharging from inpatient behavioral health settings.

**Brief Description:** Preventing homelessness among persons discharging from inpatient behavioral health settings.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Davis, Eslick, Callan, Jacobsen, Macri, Santos, Shewmake, Orwall, Tharinger, Simmons, Chopp, Bergquist and Valdez).

**Brief History:** Passed House: 2/15/22, 91-7.

**Committee Activity:** Behavioral Health Subcommittee to Health & Long Term Care: 2/16/22.

### Brief Summary of Bill

- Requires the Performance Measures Coordinating Committee to convene a work group to establish a performance measure which tracks rates of homelessness and housing instability for Medicaid clients.
- Requires psychiatric hospitals to notify the Health Care Authority (HCA) and managed care organizations (MCOs) at least 72 hours before a patient's discharge and to refer the patient to housing-related care coordination services provided by the MCO.
- Requires HCA to recommend options for incorporating value-based purchasing terms and performance improvement products related to increasing housing stability into MCO contracts.

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### SENATE COMMITTEE ON BEHAVIORAL HEALTH SUBCOMMITTEE TO HEALTH & LONG TERM CARE

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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 part of the legislation nor does it constitute a statement of legislative intent.*

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

**Background:** Medicaid and Foundational Community Supports. The Health Care Authority (HCA) administers the Medicaid program, which is a state-federal program that pays for health care for low-income state residents who meet certain eligibility criteria. Washington's Medicaid program, known as Apple Health, offers a medical benefits package to eligible families, children, low-income adults, certain disabled individuals, and pregnant women. HCA contracts with managed care organizations (MCOs) and behavioral health administrative services organizations to provide health care services, including behavioral health services, to Medicaid clients.

In 2017 HCA received federal waiver approval for the Foundational Community Supports Program which provides supported employment and supported housing services to Medicaid clients who meet certain eligibility criteria. Supported housing services are services that help individuals obtain and keep housing, including supports that assess housing needs, identify appropriate resources, and develop the independent living skills necessary to remain in stable housing. Supported housing services do not pay for rent or other room and board related costs.

Performance Measures. In 2014 the Performance Measures Coordinating Committee (PMCC) was established to identify and recommend standard statewide measures of health performance to inform health care purchasers and set benchmarks. State law requires the HCA to employ performance measures in contracts with MCOs and these contracts must include performance measures targeting the following outcomes:

- improvements in client health status and wellness;
- increases in client participation in meaningful activities including employment and education;
- reductions in client involvement with criminal justice systems;
- enhanced safety and access to treatment for forensic patients;
- reductions in avoidable costs in hospitals, emergency rooms, crisis services, and jail and prisons;
- increases in stable housing in the community;
- improvements in client satisfaction and quality of life; and
- reductions in population-level health disparities.

Value-based Purchasing. HCA has also implemented certain value-based purchasing (VBP) provisions into contracts for Medicaid managed care, plans offered to public employees, and other programs. The stated goal of VBP is to improve the quality and value of health care services, while ensuring that health plans and providers are accountable for providing high-quality and high-value care. This type of purchasing uses value-based payment, which rewards providers for the quality of health care, rather than the volume of patients seen.

Z Codes. The International Classification of Diseases, Tenth Revision, Clinical Modification (ICD-10-CM) is a classification system of diagnosis code used for medical

claim reporting. Since 2016 the ICD-10-CM has included Z codes, which allow providers to note certain social determinants of health. Z-code data may be used to obtain better understanding of the health-related social needs of patients and can support policy and payment reforms, such as risk adjustments.

**Summary of Bill:** The PMCC must establish a performance measure for MCOs which tracks rates of homelessness and housing instability among Medicaid clients. The PMCC must convene a work group of stakeholders including HCA, MCOs, and others with expertise in housing for low-income populations and the impacts of homelessness to establish this measure and to review similar performance measures that have been adopted in other states or by the federal government.

HCA must report to the Governor and Legislature by July 1, 2024, regarding options and recommendations for integrating VBP terms and a collective performance monitoring project related to increasing stable housing into managed care contracts.

HCA must include a requirement in MCO contracts to provide housing-related care coordination services for enrollees upon discharge from inpatient behavioral health settings if needed and as allowed by CMS by January 1, 2023.

A psychiatric hospital must inform HCA and a patient's MCO no later than 72 hours before a patient's anticipated date of discharge. Psychiatric hospitals must engage with MCOs in discharge planning, including by connecting patients to care management resources at their MCO.

HCA must recommend funding options for incentives to increase the collection of Z codes on individual Medicaid claims.

**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.