SENATE BILL REPORT
2SHB 1860

As of February 26, 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, 2/24/22 [DPA-WM].
Health & Long Term Care: 2/18/22 [w/oRec-BH].
Ways & Means: 2/26/22.

Brief Summary of Amended 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 make every effort to notify managed care organizations (MCOs) at least 24 hours before a patient's known discharge, and no later than the day of discharge, and to refer the patient to housing-related care coordination services provided by the MCO.
- Requires the Health Care Authority to recommend options for incorporating value-based purchasing terms and performance improvement projects related to increasing housing stability into MCO contracts.

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.

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

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.
Signed by Senators Frockt, Chair; Wagoner, Ranking Member; Nobles and Warnick.

Staff: Kevin Black (786-7747)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Sandy Stith (786-7710)

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 Amended 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 make every effort to inform a patient's MCO no later than 24 hours before a patient's anticipated date of discharge. If the date of discharge was not known, the MCO must be informed on the 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.

EFFECT OF BEHAVIORAL HEALTH SUBCOMMITTEE TO HEALTH & LONG TERM CARE COMMITTEE AMENDMENT(S):

Requires a psychiatric hospital to make every effort to inform a patient's Medicaid MCO no later than 24 hours before the discharge is known, or for all other discharges no later than

the date of discharge.

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 Second Substitute House Bill (Behavioral Health Subcommittee to Health & Long Term Care): *The committee recommended a different version of the bill than what was heard.* PRO: It's an incredible act of courage to seek behavioral health care. Discharge to homelessness leads to return to crisis services and hospitalization. The Legislature has made substantial investments in housing, and yet we still discharge people who qualify for programs like foundational community supports without making connections to those programs. How can we improve care coordination? It turns out MCOs often don't receive notice of discharge and as a result have trouble fulfilling their contract obligations. This is about connecting the last mile between the resources we are funding and the people who need them. Several components of this bill are valuable to MCOs, including the performance measures. MCOs are comfortable with the language about providing housing care coordination, which we already do when we have timely notice of when our members are exiting a facility or preparing to discharge. If we can reach them before they leave we can help them, but it's very hard to find them after they return to homelessness. The data is clear that two thirds of youth that come out of inpatient treatment are homeless within six months. Many are youth of color and/or LGBTQ. We need to provide a safe discharge and soft landing back into the community. When this doesn't happen it demoralizes the individual and the behavioral health workforce. Good things happen when people go to treatment and the treatment works. The gold standard is to start working on discharge on the same day as intake. This bill is a priority of the Children and Youth Behavioral Health Workgroup, and will facilitate a longstanding goal to discharge children into safe and stable housing.

CON: This bill will drive dramatic annual budget increases. Writing a blank check is expensive. The cause of trouble is frequently incorrect diagnosis and treatment, leading to disability caused by psychotropic drugs.

OTHER: It is important to hospitals to give notice when we can, prior to discharge. In some cases 72 hours is not feasible. Voluntary patients often stay less than 72 hours or leave against medical advice. We notify MCOs on admission. We are close to an agreement on an amendment.

Persons Testifying (Behavioral Health Subcommittee to Health & Long Term Care): PRO: Representative Lauren Davis, Prime Sponsor; Caitlin Safford, AmeriGroup; Jim

Theofelis, NorthStar Advocates; Laurie Lippold, Partners for Our CHildren.

CON: Kathleen Wedemeyer, Citizens Commission on Human Rights.

OTHER: Katie Kolan, Washington State Hospital Association (WSHA).

Persons Signed In To Testify But Not Testifying (Behavioral Health Subcommittee to Health & Long Term Care): No one.

Staff Summary of Public Testimony on Bill as Amended by Behavioral Health Subcommittee to Health & Long Term Care (Ways & Means): PRO: Discharge to homelessness leads to return to crisis services and hospitalization. The Legislature has made substantial investments in housing, and yet we still discharge people who qualify for programs like foundational community supports without making connections to those programs. The data is clear that two- thirds of youth that come out of inpatient treatment are homeless within six months. Many are youth of color or LGBTQ or both. We need to provide a safe discharge and soft landing back into the community. When this doesn't happen it demoralizes the individual and the behavioral health workforce. Good things happen when people go to treatment and the treatment works. The gold standard is to start working on discharge on the same day as intake. This bill is a priority of the Children and Youth Behavioral Health Workgroup, and will facilitate a longstanding goal to discharge children into safe and stable housing.

CON: Providing housing is essential for recovery. If psychiatric treatment is a condition of recovery, it will require looking at the toxic effects of psychiatric drugs. These toxic effects should be looked at first. We should look at the shortage of providers in the mental health system. We suggest a pilot to look at the physical health side of recovery and the negative side of psychiatric drugs.

Persons Testifying (Ways & Means): PRO: Jim Theofelis, NorthStar Advocates.

CON: Steven Pearce, CCHR Seattle.

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