

SENATE BILL REPORT

SB 5361

As Reported by Senate Committee On:
Health & Long-Term Care, January 30, 2025

Title: An act relating to delaying the use of the ASAM 4 criteria, treatment criteria for addictive, substance related, and co-occurring conditions.

Brief Description: Delaying the use of the ASAM 4 criteria, treatment criteria for addictive, substance related, and co-occurring conditions.

Sponsors: Senators Dhingra, Robinson and Nobles; by request of Office of Financial Management.

Brief History:

Committee Activity: Health & Long-Term Care: 1/28/25, 1/30/25 [DP-WM, w/oRec].

Brief Summary of Bill

- Extends the implementation date for adoption of new criteria for assessment and treatment of substance use disorders by treatment providers and insurance carriers in Washington by two years, until January 1, 2028.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Cleveland, Chair; Orwall, Vice Chair; Muzzall, Ranking Member; Bateman, Chapman, Harris, Holy, Riccelli, Robinson and Slatter.

Minority Report: That it be referred without recommendation.

Signed by Senator Christian.

Staff: Greg Attanasio (786-7410)

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.

Background: Substance Use Disorder. A substance use disorder (SUD) is a diagnosis of a pathological pattern of behavior in which a person continues to use a substance despite experiencing significant substance-related problems, causing a cluster of cognitive, behavioral, and and physiological symptoms. The Health Care Authority (HCA) is designated as the behavioral health authority for Washington State, and administers publicly-funded SUD services through the Medicaid program and other programs.

The American Society of Addiction Medicine and the ASAM Criteria. The American Society for Addiction Medicine is a medical society with over 7500 members, known for publishing *The ASAM Criteria*, the most widely used comprehensive set of standards for placement, continued service, and transfer of patients with SUDs and co-occurring disorders. In 2020, following a collaborative process to standardize utilization management criteria for SUD treatment undertaken in response to legislative direction, HCA and the Office of the Insurance Commissioner (OIC) adopted rules establishing *The ASAM Criteria* as the single standard set of criteria to establish medical necessity for SUD treatment and to define SUD levels of care. These rules apply to all publicly-funded health plans in Washington and to commercial health carriers regulated by the OIC.

In 2023, the American Society for Addiction Medicine published a new edition of *The ASAM Criteria*, the 4th edition, which follows the 3rd edition published in 2013. Legislation in 2024 granted authority to HCA and the OIC to jointly determine whether Washington State would transition to future updated versions of *The ASAM Criteria*, and if so, the dates on which the updated version would begin to be used. The legislation specified that Washington would transition to the 4th edition no later than January 1, 2026.

Costs of Implementation. In 2025, HCA created a budget decision package identifying costs related to transitioning to the 4th edition of *The ASAM Criteria* which had not been previously accounted for, for example by requiring some SUD treatment providers at higher levels of care to transition to a co-occurring disorder model which provides treatment for mental health disorders alongside the SUD. HCA requested funds for provider implementation to change coding practices, hire new staff, update electronic health records, and align their practices, and for itself to provide training and support. The net operating budget impact was identified as \$10.6 million in the 2025-27 biennium, and \$10.4 million in the next biennium.

Summary of Bill: The date by which Medicaid managed care organizations, carriers, and other entities must use *The ASAM Criteria, 4th Edition* as the utilization management standard for SUD evaluations and treatment is extended by two years until January 1, 2028.

Appropriation: None.

Fiscal Note: Requested on January 20, 2025.

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 request legislation from OFM which will save our state \$10 million dollars. Moving to ASAM 4 remains the right policy, but we have a very challenging budget. We don't want to repeal the legislation, or start implementing something we won't have the resources to finish. We must make sure health care keeps up with science and new diagnoses. This bill is referenced in Governor Inslee's proposed operating budget. We are hoping to avoid some expenses in the near term. For our patients, long-term residential treatment is the end of the line, the last chance to get their lives in order. The ASAM 4 eliminates long-term residential in favor of short-term intensive residential. This does not serve the needs of our patients, although there are other good features in the update.

Persons Testifying: PRO: Senator Manka Dhingra, Prime Sponsor; Joe Barrett, Key Recovery and Life Skills Center; Sheri Sawyer, Office of Financial Management.

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