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**SENATE BILL 5328**

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**State of Washington 67th Legislature 2021 Regular Session**

**By** Senators Lovelett, Dhingra, Darneille, Das, Frockt, Nguyen, Nobles, and Wilson, C.

AN ACT Relating to clubhouses for persons with mental illness; reenacting and amending RCW 71.24.385; and creating new sections.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  The legislature finds that:

(1) A clubhouse is a member organization where people living with mental illness can find fellowship, hope, opportunity, and recovery. Clubhouse programs offer vocational training, wellness programs, employment opportunities, participative community, and an end to isolation for persons whose lives have been severely disrupted by mental illness.

(2) Strong evidence supports the clubhouse model when implemented with fidelity. The most effective clubhouses obtain development training, support, and accreditation through clubhouse international.

(3) Washington state supports several clubhouse programs using general fund dollars but has not followed the lead of states like Michigan and Indiana by incorporating the clubhouse modality into its medicaid state plan. As a result, the state underfunds clubhouse programs using unleveraged state dollars, a well-intentioned strategy that unfortunately prevents clubhouse programs from spreading widely throughout the state or reaching their full potential to assist persons with mental illness to find community and new purpose in recovery.

(4) Adding the clubhouse modality to the state medicaid plan provides the opportunity to fund clubhouses sustainably in an efficient way for taxpayers by leveraging federal financial participation. This policy further provides the opportunity to incentivize clubhouse certification to the clubhouse international model and to provide a streamlined behavioral health agency licensing process tailored for clubhouses and other peer-run organizations.

**Sec.**  RCW 71.24.385 and 2019 c 325 s 1023 and 2019 c 264 s 6 are each reenacted and amended to read as follows:

(1) Within funds appropriated by the legislature for this purpose, behavioral health administrative services organizations and managed care organizations, as applicable, shall develop the means to serve the needs of people:

(a) With mental disorders residing within the boundaries of their regional service area. Elements of the program may include:

(i) Crisis diversion services;

(ii) Evaluation and treatment and community hospital beds;

(iii) Residential treatment;

(iv) Programs for intensive community treatment;

(v) Outpatient services, including family support;

(vi) Peer support services;

(vii) Clubhouses accredited by clubhouse international or pursuing accreditation by that body;

(viii) Community support services;

((~~(viii)~~)) (ix) Resource management services; and

((~~(ix)~~)) (x) Supported housing and supported employment services.

(b) With substance use disorders and their families, people incapacitated by alcohol or other psychoactive chemicals, and intoxicated people.

(i) Elements of the program shall include, but not necessarily be limited to, a continuum of substance use disorder treatment services that includes:

(A) Withdrawal management;

(B) Residential treatment; and

(C) Outpatient treatment.

(ii) The program may include peer support, supported housing, supported employment, crisis diversion, recovery support services, or technology-based recovery supports.

(iii) The authority may contract for the use of an approved substance use disorder treatment program or other individual or organization if the director considers this to be an effective and economical course to follow.

(2)(a) The managed care organization and the behavioral health administrative services organization shall have the flexibility, within the funds appropriated by the legislature for this purpose and the terms of their contract, to design the mix of services that will be most effective within their service area of meeting the needs of people with behavioral health disorders and avoiding placement of such individuals at the state mental hospital. Managed care organizations and behavioral health administrative services organizations are encouraged to maximize the use of evidence-based practices and alternative resources with the goal of substantially reducing and potentially eliminating the use of institutions for mental diseases.

(b) Managed care organizations and behavioral health administrative services organizations may allow reimbursement to providers for services delivered through a partial hospitalization or intensive outpatient program. Such payment and services are distinct from the state's delivery of wraparound with intensive services under the *T.R. v. Strange and Birch* settlement agreement.

(3)(a) Treatment provided under this chapter must be purchased primarily through managed care contracts.

(b) Consistent with RCW 71.24.580, services and funding provided through the criminal justice treatment account are intended to be exempted from managed care contracting.

NEW SECTION. **Sec.**  (1) The Washington state health care authority shall seek a state plan amendment and any necessary additional steps needed to incorporate the clubhouse modality into the state medicaid plan by December 31, 2022.

(2) Participation in medicaid funding must require the clubhouse to be accredited by clubhouse international or to be in the process of pursuing accreditation by that body.

NEW SECTION. **Sec.**  The department of health shall work with stakeholders to identify changes to behavioral health agency rules to streamline licensure requirements for clubhouses and other peer-run organizations and adopt necessary rule changes by December 31, 2021.

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