

2 SHB 1650 - S AMD 350
3 By Senators Long and Hargrove

4 ADOPTED 04/18/01

5 Strike everything after the enacting clause and insert the
6 following:

7 "Sec. 1. RCW 71.24.015 and 1999 c 214 s 7 are each amended to read
8 as follows:

9 It is the intent of the legislature to establish a community mental
10 health program which shall help people experiencing mental illness to
11 retain a respected and productive position in the community. This will
12 be accomplished through programs which provide for:

13 (1) Access to mental health services for adults of the state who
14 are acutely mentally ill, chronically mentally ill, or seriously
15 disturbed and children of the state who are acutely mentally ill,
16 severely emotionally disturbed, or seriously disturbed, which services
17 recognize the special needs of underserved populations, including
18 minorities, children, the elderly, disabled, and low-income persons.
19 Access to mental health services shall not be limited by a person's
20 history of confinement in a state, federal, or local correctional
21 facility. It is also the purpose of this chapter to promote the early
22 identification of mentally ill children and to ensure that they receive
23 the mental health care and treatment which is appropriate to their
24 developmental level. This care should improve home, school, and
25 community functioning, maintain children in a safe and nurturing home
26 environment, and should enable treatment decisions to be made in
27 response to clinical needs in accordance with sound professional
28 judgment while also recognizing parents' rights to participate in
29 treatment decisions for their children;

30 (2) Accountability of efficient and effective services through
31 state of the art outcome and performance measures and statewide
32 standards for monitoring client and system outcomes, performance, and
33 reporting of information. These processes shall be designed so as to
34 maximize the use of available resources for direct care of people with
35 a mental illness;

36 (3) Minimum service delivery standards;

1 (4) Priorities for the use of available resources for the care of
2 the mentally ill consistent with the priorities defined in the statute;

3 (5) Coordination of services within the department, including those
4 divisions within the department that provide services to children,
5 between the department and the office of the superintendent of public
6 instruction, and among state mental hospitals, county authorities,
7 community mental health services, and other support services, which
8 shall to the maximum extent feasible also include the families of the
9 mentally ill, and other service providers; and

10 (6) Coordination of services aimed at reducing duplication in
11 service delivery and promoting complementary services among all
12 entities that provide mental health services to adults and children.

13 It is the policy of the state to encourage the provision of a full
14 range of treatment and rehabilitation services in the state for mental
15 disorders. The legislature intends to encourage the development of
16 county-based and county-managed mental health services with adequate
17 local flexibility to assure eligible people in need of care access to
18 the least-restrictive treatment alternative appropriate to their needs,
19 and the availability of treatment components to assure continuity of
20 care. To this end, counties are encouraged to enter into joint
21 operating agreements with other counties to form regional systems of
22 care which integrate planning, administration, and service delivery
23 duties assigned to counties under chapters 71.05 and 71.24 RCW to
24 consolidate administration, reduce administrative layering, and reduce
25 administrative costs.

26 It is further the intent of the legislature to integrate the
27 provision of services to provide continuity of care through all phases
28 of treatment. To this end the legislature intends to promote active
29 engagement with mentally ill persons and collaboration between families
30 and service providers.

31 NEW SECTION. **Sec. 2.** A new section is added to chapter 71.24 RCW
32 to read as follows:

33 The department shall operate the community mental health service
34 delivery system authorized under this chapter within the following
35 constraints:

36 (1) The full amount of federal funds for mental health services,
37 plus qualifying state expenditures as appropriated in the biennial
38 operating budget, shall be appropriated to the department each year in

1 the biennial appropriations act to carry out the provisions of the
2 community mental health service delivery system authorized in this
3 chapter.

4 (2) The department may expend funds defined in subsection (1) of
5 this section in any manner that will effectively accomplish the outcome
6 measures defined in section 5 of this act.

7 (3) The department shall implement strategies that accomplish the
8 outcome measures identified in section 5 of this act that are within
9 the funding constraints in this section.

10 (4) The department shall monitor expenditures against the
11 appropriation levels provided for in subsection (1) of this section.

12 NEW SECTION. **Sec. 3.** A new section is added to chapter 71.24 RCW
13 to read as follows:

14 (1) The department shall ensure the coordination of allied services
15 for mental health clients. The department shall implement strategies
16 for resolving organizational, regulatory, and funding issues at all
17 levels of the system, including the state, the regional support
18 networks, and local service providers.

19 (2) The department shall propose, in operating budget requests,
20 transfers of funding among programs to support collaborative service
21 delivery to persons who require services from multiple department
22 programs. The department shall report annually to the appropriate
23 committees of the senate and house of representatives on actions and
24 projects it has taken to promote collaborative service delivery.

25 NEW SECTION. **Sec. 4.** A new section is added to chapter 71.24 RCW
26 to read as follows:

27 It is the intent of the legislature that the community mental
28 health service delivery system focus on maintaining mentally ill
29 individuals in the community. The program shall be evaluated and
30 managed through a limited number of performance measures designed to
31 hold each regional support network accountable for program success.

32 NEW SECTION. **Sec. 5.** A new section is added to chapter 71.24 RCW
33 to read as follows:

34 (1) The department, in collaboration with a work group appointed by
35 the secretary and made up of consumers, advocates, service providers,
36 and representatives of regional support networks, shall develop

1 performance measures for use in evaluating and managing the community
2 mental health service delivery system authorized under this chapter.
3 The performance measures shall be consistent with the provisions of RCW
4 71.24.405(3) which may include but are not limited to:

5 (a) Access to services;

6 (b) Quality and appropriateness of care;

7 (c) Outcome measures; including, but not limited to:

8 (i) Consumer change over time;

9 (ii) Consumer perception of hope for the future;

10 (iii) Percent of consumers who have safe and stable housing;

11 (iv) Percent of adults employed for one or more days in the last
12 thirty days;

13 (v) Percent of consumers without a jail or detention stay;

14 (vi) Percent of available school days attended in the past thirty
15 days;

16 (vii) Percent of consumers without a psychiatric hospitalization;

17 and

18 (d) Structure and plan management.

19 (2) The department shall require that service providers and
20 regional support networks collect uniform performance measure
21 information and report it to the department regularly. The department
22 shall develop benchmarks that compare performance measure information
23 from all regional support networks and providers to provide a clear
24 indication of the most effective regional support networks and
25 providers. Benchmark information shall be published quarterly and
26 provided to the legislature, the governor, regional support networks,
27 and all providers of mental health services.

28 NEW SECTION. **Sec. 6.** A new section is added to chapter 71.24 RCW
29 to read as follows:

30 Every regional support network and mental health services provider
31 shall be evaluated using the criteria in section 5 of this act.

32 NEW SECTION. **Sec. 7.** A new section is added to chapter 71.24 RCW
33 to read as follows:

34 The department shall provide a report to the appropriate committees
35 of the legislature on the development, implementation, and achievement
36 of the performance measures by regional support networks and service
37 providers on an annual basis, no later than June 30th of each year,

1 beginning in 2002. The report shall include how the department is
2 using the outcome measure information obtained under section 5 of this
3 act to manage the community mental health service delivery system.

4 **Sec. 8.** RCW 71.24.025 and 1999 c 10 s 2 are each amended to read
5 as follows:

6 Unless the context clearly requires otherwise, the definitions in
7 this section apply throughout this chapter.

8 (1) "Acutely mentally ill" means a condition which is limited to a
9 short-term severe crisis episode of:

10 (a) A mental disorder as defined in RCW 71.05.020 or, in the case
11 of a child, as defined in RCW 71.34.020;

12 (b) Being gravely disabled as defined in RCW 71.05.020 or, in the
13 case of a child, a gravely disabled minor as defined in RCW 71.34.020;
14 or

15 (c) Presenting a likelihood of serious harm as defined in RCW
16 71.05.020 or, in the case of a child, as defined in RCW 71.34.020.

17 (2) "Available resources" means funds appropriated for the purpose
18 of providing community mental health programs under RCW 71.24.045,
19 federal funds, except those provided according to Title XIX of the
20 Social Security Act, and state funds appropriated under this chapter or
21 chapter 71.05 RCW by the legislature during any biennium for the
22 purpose of providing residential services, resource management
23 services, community support services, and other mental health services.
24 This does not include funds appropriated for the purpose of operating
25 and administering the state psychiatric hospitals, except as negotiated
26 according to RCW 71.24.300(1)((~~d~~)) (e).

27 (3) "Child" means a person under the age of eighteen years.

28 (4) "Chronically mentally ill adult" means an adult who has a
29 mental disorder and meets at least one of the following criteria:

30 (a) Has undergone two or more episodes of hospital care for a
31 mental disorder within the preceding two years; or

32 (b) Has experienced a continuous psychiatric hospitalization or
33 residential treatment exceeding six months' duration within the
34 preceding year; or

35 (c) Has been unable to engage in any substantial gainful activity
36 by reason of any mental disorder which has lasted for a continuous
37 period of not less than twelve months. "Substantial gainful activity"

1 shall be defined by the department by rule consistent with Public Law
2 92-603, as amended.

3 (5) "Community mental health program" means all mental health
4 services, activities, or programs using available resources.

5 (6) "Community mental health service delivery system" means public
6 or private agencies that provide services specifically to persons with
7 mental disorders as defined under RCW 71.05.020 and receive funding
8 from public sources.

9 (7) "Community support services" means services authorized,
10 planned, and coordinated through resource management services
11 including, at ~~((least))~~ a minimum, assessment, diagnosis, emergency
12 crisis intervention available twenty-four hours, seven days a week,
13 prescreening determinations for mentally ill persons being considered
14 for placement in nursing homes as required by federal law, screening
15 for patients being considered for admission to residential services,
16 diagnosis and treatment for acutely mentally ill and severely
17 emotionally disturbed children discovered under screening through the
18 federal Title XIX early and periodic screening, diagnosis, and
19 treatment program, investigation, legal, and other nonresidential
20 services under chapter 71.05 RCW, case management services, psychiatric
21 treatment including medication supervision, counseling, psychotherapy,
22 assuring transfer of relevant patient information between service
23 providers, and other services determined by regional support
24 networks(~~(, and maintenance of a patient tracking system for~~
25 ~~chronically mentally ill adults and severely emotionally disturbed~~
26 ~~children))~~).

27 (8) "County authority" means the board of county commissioners,
28 county council, or county executive having authority to establish a
29 community mental health program, or two or more of the county
30 authorities specified in this subsection which have entered into an
31 agreement to provide a community mental health program.

32 (9) "Department" means the department of social and health
33 services.

34 (10) "Licensed service provider" means an entity licensed according
35 to this chapter or chapter 71.05 RCW or an entity deemed to meet state
36 minimum standards as a result of accreditation by a recognized
37 behavioral health accrediting body recognized and having a current
38 agreement with the department, that meets state minimum standards or
39 individuals licensed under chapter 18.57, 18.71, 18.83, or 18.79 RCW,

1 as it applies to registered nurses and advanced registered nurse
2 practitioners.

3 (11) "Mental health services" means all services provided by
4 regional support networks and other services provided by the state for
5 the mentally ill.

6 (12) "Mentally ill persons" and "the mentally ill" mean persons and
7 conditions defined in subsections (1), (4), (17), and (18) of this
8 section.

9 (13) "Regional support network" means a county authority or group
10 of county authorities recognized by the secretary that enter into joint
11 operating agreements to contract with the secretary pursuant to this
12 chapter.

13 (14) "Residential services" means a complete range of residences
14 and supports authorized by resource management services and which may
15 involve a facility, a distinct part thereof, or services which support
16 community living, for acutely mentally ill persons, chronically
17 mentally ill adults, severely emotionally disturbed children, or
18 seriously disturbed adults determined by the regional support network
19 to be at risk of becoming acutely or chronically mentally ill. The
20 services shall include at least evaluation and treatment services as
21 defined in chapter 71.05 RCW, acute crisis respite care, long-term
22 adaptive and rehabilitative care, and supervised and supported living
23 services, and shall also include any residential services developed to
24 service mentally ill persons in nursing homes. Residential services
25 for children in out-of-home placements related to their mental disorder
26 shall not include the costs of food and shelter, except for children's
27 long-term residential facilities existing prior to January 1, 1991.

28 (15) "Resource management services" mean the planning,
29 coordination, and authorization of residential services and community
30 support services administered pursuant to an individual service plan
31 for: (a) Acutely mentally ill adults and children; (b) chronically
32 mentally ill adults; (c) severely emotionally disturbed children; or
33 (d) seriously disturbed adults determined solely by a regional support
34 network to be at risk of becoming acutely or chronically mentally ill.
35 Such planning, coordination, and authorization shall include mental
36 health screening for children eligible under the federal Title XIX
37 early and periodic screening, diagnosis, and treatment program.
38 Resource management services include seven day a week, twenty-four hour
39 a day availability of information regarding mentally ill adults' and

1 children's enrollment in services and their individual service plan to
2 county-designated mental health professionals, evaluation and treatment
3 facilities, and others as determined by the regional support network.

4 (16) "Secretary" means the secretary of social and health services.

5 (17) "Seriously disturbed person" means a person who:

6 (a) Is gravely disabled or presents a likelihood of serious harm to
7 himself or herself or others, or to the property of others, as a result
8 of a mental disorder as defined in chapter 71.05 RCW;

9 (b) Has been on conditional release status, or under a less
10 restrictive alternative order, at some time during the preceding two
11 years from an evaluation and treatment facility or a state mental
12 health hospital;

13 (c) Has a mental disorder which causes major impairment in several
14 areas of daily living;

15 (d) Exhibits suicidal preoccupation or attempts; or

16 (e) Is a child diagnosed by a mental health professional, as
17 defined in chapter 71.34 RCW, as experiencing a mental disorder which
18 is clearly interfering with the child's functioning in family or school
19 or with peers or is clearly interfering with the child's personality
20 development and learning.

21 (18) "Severely emotionally disturbed child" means a child who has
22 been determined by the regional support network to be experiencing a
23 mental disorder as defined in chapter 71.34 RCW, including those mental
24 disorders that result in a behavioral or conduct disorder, that is
25 clearly interfering with the child's functioning in family or school or
26 with peers and who meets at least one of the following criteria:

27 (a) Has undergone inpatient treatment or placement outside of the
28 home related to a mental disorder within the last two years;

29 (b) Has undergone involuntary treatment under chapter 71.34 RCW
30 within the last two years;

31 (c) Is currently served by at least one of the following child-
32 serving systems: Juvenile justice, child-protection/welfare, special
33 education, or developmental disabilities;

34 (d) Is at risk of escalating maladjustment due to:

35 (i) Chronic family dysfunction involving a mentally ill or
36 inadequate caretaker;

37 (ii) Changes in custodial adult;

38 (iii) Going to, residing in, or returning from any placement
39 outside of the home, for example, psychiatric hospital, short-term

1 inpatient, residential treatment, group or foster home, or a
2 correctional facility;

3 (iv) Subject to repeated physical abuse or neglect;

4 (v) Drug or alcohol abuse; or

5 (vi) Homelessness.

6 (19) "State minimum standards" means minimum requirements
7 established by rules adopted by the secretary and necessary to
8 implement this chapter for: (a) Delivery of mental health services;
9 (b) licensed service providers for the provision of mental health
10 services; (c) residential services; and (d) community support services
11 and resource management services.

12 (20) "Tribal authority," for the purposes of this section and RCW
13 71.24.300 only, means: The federally recognized Indian tribes and the
14 major Indian organizations recognized by the secretary insofar as these
15 organizations do not have a financial relationship with any regional
16 support network that would present a conflict of interest.

17 **Sec. 9.** RCW 71.24.030 and 1999 c 10 s 3 are each amended to read
18 as follows:

19 The secretary is authorized to make grants to and/or purchase
20 services from counties or combinations of counties in the establishment
21 and operation of community mental health programs.

22 **Sec. 10.** RCW 71.24.035 and 1999 c 10 s 4 are each amended to read
23 as follows:

24 (1) The department is designated as the state mental health
25 authority.

26 (2) The secretary (~~may~~) shall provide for public, client, and
27 licensed service provider participation in developing the state mental
28 health program, developing contracts with regional support networks,
29 and any waiver request to the federal government under medicaid.

30 (3) The secretary shall provide for participation in developing the
31 state mental health program for children and other underserved
32 populations, by including representatives on any committee established
33 to provide oversight to the state mental health program.

34 (4) The secretary shall be designated as the county authority if a
35 county fails to meet state minimum standards or refuses to exercise
36 responsibilities under RCW 71.24.045.

37 (5) The secretary shall:

1 (a) Develop a biennial state mental health program that
2 incorporates county biennial needs assessments and county mental health
3 service plans and state services for mentally ill adults and children.
4 The secretary may also develop a six-year state mental health plan;

5 (b) Assure that any regional or county community mental health
6 program provides access to treatment for the county's residents in the
7 following order of priority: (i) The acutely mentally ill; (ii)
8 chronically mentally ill adults and severely emotionally disturbed
9 children; and (iii) the seriously disturbed. Such programs shall
10 provide:

11 (A) Outpatient services;

12 (B) Emergency care services for twenty-four hours per day;

13 (C) Day treatment for mentally ill persons which includes training
14 in basic living and social skills, supported work, vocational
15 rehabilitation, and day activities. Such services may include
16 therapeutic treatment. In the case of a child, day treatment includes
17 age-appropriate basic living and social skills, educational and
18 prevocational services, day activities, and therapeutic treatment;

19 (D) Screening for patients being considered for admission to state
20 mental health facilities to determine the appropriateness of admission;

21 (E) Employment services, which may include supported employment,
22 transitional work, placement in competitive employment, and other work-
23 related services, that result in mentally ill persons becoming engaged
24 in meaningful and gainful full or part-time work. Other sources of
25 funding such as the division of vocational rehabilitation may be
26 utilized by the secretary to maximize federal funding and provide for
27 integration of services;

28 (F) Consultation and education services; and

29 (G) Community support services;

30 (c) Develop and adopt rules establishing state minimum standards
31 for the delivery of mental health services pursuant to RCW 71.24.037
32 including, but not limited to:

33 (i) Licensed service providers. The secretary shall provide for
34 deeming of compliance with state minimum standards for those entities
35 accredited by recognized behavioral health accrediting bodies
36 recognized and having a current agreement with the department;

37 (ii) Regional support networks; and

1 (iii) (~~Residential and~~) Inpatient services, evaluation and
2 treatment services and facilities under chapter 71.05 RCW, resource
3 management services, and community support services;

4 (d) Assure that the special needs of minorities, the elderly,
5 disabled, children, and low-income persons are met within the
6 priorities established in this section;

7 (e) Establish a standard contract or contracts, consistent with
8 state minimum standards, which shall be used (~~by the~~) in contracting
9 with regional support networks or counties. The standard contract
10 shall include a maximum fund balance, which shall not exceed ten
11 percent;

12 (f) Establish, to the extent possible, a standardized auditing
13 procedure which minimizes paperwork requirements of county authorities
14 and licensed service providers. The audit procedure shall focus on the
15 outcomes of service and not the processes for accomplishing them;

16 (g) Develop and maintain an information system to be used by the
17 state, counties, and regional support networks that includes a tracking
18 method which allows the department and regional support networks to
19 identify mental health clients' participation in any mental health
20 service or public program on an immediate basis. The information
21 system shall not include individual patient's case history files.
22 Confidentiality of client information and records shall be maintained
23 as provided in this chapter and in RCW 71.05.390, 71.05.400, 71.05.410,
24 71.05.420, 71.05.430, and 71.05.440. The design of the system and the
25 data elements to be collected shall be reviewed by the work group
26 appointed by the secretary under section 5(1) of this act and
27 representing the department, regional support networks, service
28 providers, consumers, and advocates. The data elements shall be
29 designed to provide information that is needed to measure performance
30 and achieve the service outcomes identified in section 5 of this act;

31 (h) License service providers who meet state minimum standards;

32 (i) Certify regional support networks that meet state minimum
33 standards;

34 (j) Periodically (~~inspect~~) monitor the compliance of certified
35 regional support networks and their network of licensed service
36 providers for compliance with the contract between the department, the
37 regional support network, and federal and state rules at reasonable
38 times and in a reasonable manner;

1 (k) Fix fees to be paid by evaluation and treatment centers to the
2 secretary for the required inspections;

3 (l) Monitor and audit counties, regional support networks, and
4 licensed service providers as needed to assure compliance with
5 contractual agreements authorized by this chapter; and

6 (m) Adopt such rules as are necessary to implement the department's
7 responsibilities under this chapter.

8 (6) The secretary shall use available resources only for regional
9 support networks.

10 (7) Each certified regional support network and licensed service
11 provider shall file with the secretary, on request, such data,
12 statistics, schedules, and information as the secretary reasonably
13 requires. A certified regional support network or licensed service
14 provider which, without good cause, fails to furnish any data,
15 statistics, schedules, or information as requested, or files fraudulent
16 reports thereof, may have its certification or license revoked or
17 suspended.

18 (8) The secretary may suspend, revoke, limit, or restrict a
19 certification or license, or refuse to grant a certification or license
20 for failure to conform to: (a) The law; (b) applicable rules and
21 regulations; (c) applicable standards; or (d) state minimum standards.

22 (9) The superior court may restrain any regional support network or
23 service provider from operating without certification or a license or
24 any other violation of this section. The court may also review,
25 pursuant to procedures contained in chapter 34.05 RCW, any denial,
26 suspension, limitation, restriction, or revocation of certification or
27 license, and grant other relief required to enforce the provisions of
28 this chapter.

29 (10) Upon petition by the secretary, and after hearing held upon
30 reasonable notice to the facility, the superior court may issue a
31 warrant to an officer or employee of the secretary authorizing him or
32 her to enter at reasonable times, and examine the records, books, and
33 accounts of any regional support network or service provider refusing
34 to consent to inspection or examination by the authority.

35 (11) Notwithstanding the existence or pursuit of any other remedy,
36 the secretary may file an action for an injunction or other process
37 against any person or governmental unit to restrain or prevent the
38 establishment, conduct, or operation of a regional support network or
39 service provider without certification or a license under this chapter.

1 (12) The standards for certification of evaluation and treatment
2 facilities shall include standards relating to maintenance of good
3 physical and mental health and other services to be afforded persons
4 pursuant to this chapter and chapters 71.05 and 71.34 RCW, and shall
5 otherwise assure the effectuation of the purposes of these chapters.

6 (13)(a) The department, in consultation with affected parties,
7 shall establish a distribution formula that reflects county needs
8 assessments based on the number of persons who are acutely mentally
9 ill, chronically mentally ill, severely emotionally disturbed children,
10 and seriously disturbed. The formula shall take into consideration the
11 impact on counties of demographic factors in counties which result in
12 concentrations of priority populations as set forth in subsection
13 (5)(b) of this section. These factors shall include the population
14 concentrations resulting from commitments under chapters 71.05 and
15 71.34 RCW to state psychiatric hospitals, as well as concentration in
16 urban areas, at border crossings at state boundaries, and other
17 significant demographic and workload factors.

18 (b) The formula shall also include a projection of the funding
19 allocations that will result for each county, which specifies
20 allocations according to priority populations, including the allocation
21 for services to children and other underserved populations.

22 (14) The secretary shall assume all duties assigned to the
23 nonparticipating counties under chapters 71.05, 71.34, and 71.24 RCW.
24 Such responsibilities shall include those which would have been
25 assigned to the nonparticipating counties under regional support
26 networks.

27 The regional support networks, or the secretary's assumption of all
28 responsibilities under chapters 71.05, 71.34, and 71.24 RCW, shall be
29 included in all state and federal plans affecting the state mental
30 health program including at least those required by this chapter, the
31 medicaid program, and P.L. 99-660. Nothing in these plans shall be
32 inconsistent with the intent and requirements of this chapter.

33 (15) The secretary shall:

34 (a) Disburse funds for the regional support networks within sixty
35 days of approval of the biennial contract. The department must either
36 approve or reject the biennial contract within sixty days of receipt.

37 (b) Enter into biennial contracts with regional support networks.
38 The contracts shall be consistent with available resources. No
39 contract shall be approved that does not include progress toward

1 meeting the goals of this chapter by taking responsibility for: (i)
2 Short-term commitments; (ii) residential care; and (iii) emergency
3 response systems.

4 (c) Allocate one hundred percent of available resources to the
5 regional support networks in accordance with subsection (13) of this
6 section.

7 (d) Notify regional support networks of their allocation of
8 available resources at least sixty days prior to the start of a new
9 biennial contract period.

10 (e) Deny funding allocations to regional support networks based
11 solely upon formal findings of noncompliance with the terms of the
12 regional support network's contract with the department. Written
13 notice and at least thirty days for corrective action must precede any
14 such action. In such cases, regional support networks shall have full
15 rights to appeal under chapter 34.05 RCW.

16 ~~((f) Identify in its departmental biennial operating and capital
17 budget requests the funds requested by regional support networks to
18 implement their responsibilities under this chapter.))~~

19 (16) The department, in cooperation with the state congressional
20 delegation, shall actively seek waivers of federal requirements and
21 such modifications of federal regulations as are necessary to allow
22 federal medicaid reimbursement for services provided by free-standing
23 evaluation and treatment facilities certified under chapter 71.05 RCW.
24 The department shall periodically report its efforts to the ~~((health
25 care and corrections))~~ appropriate committees of the senate and the
26 ~~((human services committee of the))~~ house of representatives.

27 ~~((17) The secretary shall establish a task force to examine the
28 recruitment, training, and compensation of qualified mental health
29 professionals in the community, which shall include the advantages and
30 disadvantages of establishing a training academy, loan forgiveness
31 program, or educational stipends offered in exchange for commitments of
32 employment in mental health.))~~

33 **Sec. 11.** RCW 71.24.037 and 1999 c 10 s 5 are each amended to read
34 as follows:

35 (1) The secretary shall by rule establish state minimum standards
36 for licensed service providers and services.

37 (2) Minimum standards for licensed service providers shall, at a
38 minimum, establish: Qualifications for staff providing services

1 directly to mentally ill persons, the intended result of each service,
2 and the rights and responsibilities of persons receiving mental health
3 services pursuant to this chapter. The secretary shall provide for
4 deeming of licensed service providers as meeting state minimum
5 standards as a result of accreditation by a recognized behavioral
6 health accrediting body recognized and having a current agreement with
7 the department.

8 (3) (~~Minimum standards for residential services shall be based on~~
9 ~~clients' functional abilities and not solely on their diagnoses,~~
10 ~~limited to health and safety, staff qualifications, and program~~
11 ~~outcomes. Minimum standards for residential services shall be~~
12 ~~developed in collaboration with consumers, families, counties,~~
13 ~~regulators, and residential providers serving the mentally ill. The~~
14 ~~minimum standards shall encourage the development of broad range~~
15 ~~residential programs, including integrated housing and cross systems~~
16 ~~programs where appropriate, and shall not unnecessarily restrict~~
17 ~~programming flexibility.~~

18 (4)) Minimum standards for community support services and resource
19 management services shall include at least qualifications for resource
20 management services, client tracking systems, and the transfer of
21 patient information between service providers.

22 **Sec. 12.** RCW 71.24.045 and 1992 c 230 s 5 are each amended to read
23 as follows:

24 The county authority shall:

25 (1) Contract as needed with licensed service providers. The county
26 authority may, in the absence of a licensed service provider entity,
27 become a licensed service provider entity pursuant to minimum standards
28 required for licensing by the department for the purpose of providing
29 services not available from licensed service providers;

30 (2) Operate as a licensed service provider if it deems that doing
31 so is more efficient and cost effective than contracting for services.
32 When doing so, the county authority shall comply with rules promulgated
33 by the secretary that shall provide measurements to determine when a
34 county provided service is more efficient and cost effective;

35 (3) Monitor and perform biennial fiscal audits of licensed service
36 providers who have contracted with the county to provide services
37 required by this chapter. The monitoring and audits shall be performed
38 by means of a formal process which insures that the licensed service

1 providers and professionals designated in this subsection meet the
2 terms of their contracts(~~(, including the minimum standards of service~~
3 ~~delivery as established by the department))~~);

4 (4) Assure that the special needs of minorities, the elderly,
5 disabled, children, and low-income persons are met within the
6 priorities established in this chapter;

7 (5) Maintain patient tracking information in a central location as
8 required for resource management services and the department's
9 information system;

10 (6) Use not more than two percent of state-appropriated community
11 mental health funds, which shall not include federal funds, to
12 administer community mental health programs under RCW 71.24.155:
13 PROVIDED, That county authorities serving a county or combination of
14 counties whose population is one hundred twenty-five thousand or more
15 may be entitled to sufficient state-appropriated community mental
16 health funds to employ up to one full-time employee or the equivalent
17 thereof in addition to the two percent limit established in this
18 subsection when such employee is providing staff services to a county
19 mental health advisory board;

20 (7) Coordinate services for individuals who have received services
21 through the community mental health system and who become patients at
22 a state mental hospital.

23 **Sec. 13.** RCW 71.24.049 and 1999 c 10 s 6 are each amended to read
24 as follows:

25 By January 1st of each odd-numbered year, the ~~((county authority))~~
26 regional support network shall identify: (1) The number of children in
27 each priority group, as defined by this chapter, who are receiving
28 mental health services funded in part or in whole under this chapter,
29 (2) the amount of funds under this chapter used for children's mental
30 health services, (3) an estimate of the number of unserved children in
31 each priority group, and (4) the estimated cost of serving these
32 additional children and their families.

33 **Sec. 14.** RCW 71.24.155 and 1987 c 505 s 65 are each amended to
34 read as follows:

35 Grants shall be made by the department to ~~((counties))~~ regional
36 support networks for community mental health programs totaling not less
37 than ninety-five percent of available resources. The department may

1 use up to forty percent of the remaining five percent to provide
2 community demonstration projects, including early intervention or
3 primary prevention programs for children, and the remainder shall be
4 for emergency needs and technical assistance under this chapter.

5 **Sec. 15.** RCW 71.24.160 and 1989 c 205 s 7 are each amended to read
6 as follows:

7 The ((~~county authority~~)) regional support networks shall make
8 satisfactory showing to the secretary that state funds shall in no case
9 be used to replace local funds from any source being used to finance
10 mental health services prior to January 1, 1990.

11 **Sec. 16.** RCW 71.24.250 and 1982 c 204 s 14 are each amended to
12 read as follows:

13 The ((~~county authority~~)) regional support network may accept and
14 expend gifts and grants received from private, county, state, and
15 federal sources.

16 **Sec. 17.** RCW 71.24.300 and 1999 c 214 s 8 and 1999 c 10 s 9 are
17 each reenacted and amended to read as follows:

18 A county authority or a group of county authorities whose combined
19 population is no less than forty thousand may enter into a joint
20 operating agreement to form a regional support network. Upon the
21 request of a tribal authority or authorities within a regional support
22 network the joint operating agreement or the county authority shall
23 allow for the inclusion of the tribal authority to be represented as a
24 party to the regional support network. The roles and responsibilities
25 of the county and tribal authorities shall be determined by the terms
26 of that agreement including a determination of membership on the
27 governing board and advisory committees, the number of tribal
28 representatives to be party to the agreement, and the provisions of law
29 and shall assure the provision of culturally competent services to the
30 tribes served. The state mental health authority may not determine the
31 roles and responsibilities of county authorities as to each other under
32 regional support networks by rule, except to assure that all duties
33 required of regional support networks are assigned and that counties
34 and the regional support network do not duplicate functions and that a
35 single authority has final responsibility for all available resources

1 and performance under the regional support network's contract with the
2 secretary.

3 (1) Regional support networks shall submit an overall six-year
4 operating and capital plan, timeline, and budget and submit progress
5 reports and an updated two-year plan biennially thereafter, to assume
6 within available resources all of the following duties:

7 (a) Administer and provide for the availability of all resource
8 management services, residential services, and community support
9 services.

10 (b) Assume the powers and duties of county authorities within its
11 area as described in RCW 71.24.045 (1) through (7).

12 (c) Administer and provide for the availability of all
13 investigation, transportation, court-related, and other services
14 provided by the state or counties pursuant to chapter 71.05 RCW.

15 ~~((e))~~ (d) Provide within the boundaries of each regional support
16 network evaluation and treatment services for at least eighty-five
17 percent of persons detained or committed for periods up to seventeen
18 days according to chapter 71.05 RCW. Regional support networks with
19 populations of less than one hundred fifty thousand may contract to
20 purchase evaluation and treatment services from other networks.
21 Insofar as the original intent of serving persons in the community is
22 maintained, the secretary is authorized to approve exceptions on a
23 case-by-case basis to the requirement to provide evaluation and
24 treatment services within the boundaries of each regional support
25 network. Such exceptions are limited to contracts with neighboring or
26 contiguous regions.

27 ~~((d))~~ (e) Administer a portion of funds appropriated by the
28 legislature to house mentally ill persons in state institutions from
29 counties within the boundaries of any regional support network, with
30 the exception of persons currently confined at, or under the
31 supervision of, a state mental hospital pursuant to chapter 10.77 RCW,
32 and provide for the care of all persons needing evaluation and
33 treatment services for periods up to seventeen days according to
34 chapter 71.05 RCW in appropriate residential services, which may
35 include state institutions. The regional support networks shall
36 reimburse the state for use of state institutions at a rate equal to
37 that assumed by the legislature when appropriating funds for such care
38 at state institutions during the biennium when reimbursement occurs.
39 The secretary shall submit a report to the appropriate committees of

1 the senate and house of representatives on the efforts to implement
2 this section by October 1, 2002. The duty of a state hospital to
3 accept persons for evaluation and treatment under chapter 71.05 RCW is
4 limited by the responsibilities assigned to regional support networks
5 under this section.

6 ~~((e))~~ (f) Administer and provide for the availability of all
7 other mental health services, which shall include patient counseling,
8 day treatment, consultation, education services, employment services as
9 defined in RCW 71.24.035, and mental health services to children as
10 provided in this chapter designed to achieve the outcomes specified in
11 section 5 of this act.

12 ~~((f))~~ (g) Establish standards and procedures for reviewing
13 individual service plans and determining when that person may be
14 discharged from resource management services.

15 (2) Regional support networks shall assume all duties assigned to
16 county authorities by this chapter and chapter 71.05 RCW.

17 (3) A regional support network may request that any state-owned
18 land, building, facility, or other capital asset which was ever
19 purchased, deeded, given, or placed in trust for the care of the
20 mentally ill and which is within the boundaries of a regional support
21 network be made available to support the operations of the regional
22 support network. State agencies managing such capital assets shall
23 give first priority to requests for their use pursuant to this chapter.

24 (4) Each regional support network shall appoint a mental health
25 advisory board which shall review and provide comments on plans and
26 policies developed under this chapter. The composition of the board
27 shall be broadly representative of the demographic character of the
28 region and the mentally ill persons served therein. Length of terms of
29 board members shall be determined by the regional support network.

30 (5) Regional support networks shall assume all duties specified in
31 their plans and joint operating agreements through biennial contractual
32 agreements with the secretary. ~~((Such contracts may include agreements~~
33 ~~to provide periods of stable community living and work or other day~~
34 ~~activities for specific chronically mentally ill persons who have~~
35 ~~completed commitments at state hospitals on ninety-day or one hundred~~
36 ~~eighty-day civil commitments or who have been residents at state~~
37 ~~hospitals for no less than one hundred eighty days within the previous~~
38 ~~year. Periods of stable community living may involve acute care in~~

1 ~~local evaluation and treatment facilities but may not involve use of~~
2 ~~state hospitals.))~~

3 (6) Counties or groups of counties participating in a regional
4 support network are not subject to RCW 71.24.045(6).

5 (7) ~~((As part of each biennial plan, each regional support network~~
6 ~~shall establish and submit to the state, procedures and agreements to~~
7 ~~assure access to sufficient additional local evaluation and treatment~~
8 ~~facilities to meet the requirements of this chapter while reducing~~
9 ~~short term admissions to state hospitals. These shall be commitments~~
10 ~~to construct and operate, or contract for the operation of,~~
11 ~~freestanding evaluation and treatment facilities or agreements with~~
12 ~~local evaluation and treatment facilities which shall include (a)~~
13 ~~required admission and treatment for short term inpatient care for any~~
14 ~~person enrolled in community support or residential services, (b)~~
15 ~~discharge planning procedures, (c) limitations on admissions or~~
16 ~~transfers to state hospitals, (d) adequate psychiatric supervision, (e)~~
17 ~~prospective payment methods, and (f) contractual assurances regarding~~
18 ~~referrals to local evaluation and treatment facilities from regional~~
19 ~~support networks.~~

20 ~~(8))~~ Regional support networks may receive technical assistance
21 from the housing trust fund and may identify and submit projects for
22 housing and housing support services to the housing trust fund
23 established under chapter 43.185 RCW. Projects identified or submitted
24 under this subsection must be fully integrated with the regional
25 support network six-year operating and capital plan, timeline, and
26 budget required by subsection (1) of this section.

27 **Sec. 18.** RCW 71.24.400 and 1999 c 10 s 10 are each amended to read
28 as follows:

29 The legislature finds that the current complex set of federal,
30 state, and local rules and regulations, audited and administered at
31 multiple levels, which affect the community mental health service
32 delivery system, focus primarily on the process of providing mental
33 health services and do not sufficiently address consumer and system
34 outcomes. The legislature finds that the department and the community
35 mental health service delivery system must make ongoing efforts to
36 achieve the purposes set forth in RCW 71.24.015 related to reduced
37 administrative layering, duplication, elimination of process measures

1 not specifically required by the federal government for the receipt of
2 federal funds, and reduced administrative costs.

3 **Sec. 19.** RCW 71.24.405 and 1999 c 10 s 11 are each amended to read
4 as follows:

5 The department shall establish a (~~single~~) comprehensive and
6 collaborative (~~project~~) effort within regional support networks and
7 with local mental health service providers aimed at creating innovative
8 and streamlined community mental health service delivery systems, in
9 order to carry out the purposes set forth in RCW 71.24.400 and to
10 capture the diversity of the community mental health service delivery
11 system.

12 The (~~project~~) department must accomplish the following:

13 (1) Identification, review, and cataloging of all rules,
14 regulations, duplicative administrative and monitoring functions, and
15 other requirements that currently lead to inefficiencies in the
16 community mental health service delivery system and, if possible,
17 eliminate the requirements;

18 (2) The systematic and incremental development of a single system
19 of accountability for all federal, state, and local funds provided to
20 the community mental health service delivery system. Systematic
21 efforts should be made to include federal and local funds into the
22 single system of accountability;

23 (3) The elimination of process regulations and related contract and
24 reporting requirements. In place of the regulations and requirements,
25 a set of outcomes for mental health adult and children clients
26 according to chapter 71.24 RCW must be used to measure the performance
27 of mental health service providers and regional support networks. Such
28 outcomes shall focus on stabilizing out-of-home and hospital care,
29 increasing stable community living, increasing age-appropriate
30 activities, achieving family and consumer satisfaction with services,
31 and system efficiencies;

32 (4) Evaluation of the feasibility of contractual agreements between
33 the department of social and health services and regional support
34 networks and mental health service providers that link financial
35 incentives to the success or failure of mental health service providers
36 and regional support networks to meet outcomes established for mental
37 health service clients;

1 (5) The involvement of mental health consumers and their
2 representatives ((in the pilot projects)). Mental health consumers and
3 their representatives will be involved in the development of outcome
4 standards for mental health clients ((and other related aspects of the
5 pilot projects)) under section 5 of this act; and

6 (6) An independent evaluation component to measure the success of
7 the ((projects)) department in fully implementing the provisions of RCW
8 71.24.400 and this section.

9 NEW SECTION. Sec. 20. The legislature finds that an excessive
10 amount of public funds are spent on administrative activities in the
11 community mental health system. The department of social and health
12 services shall develop a plan to reduce administrative expenses in the
13 community mental health system, including the mental health division,
14 to no more than ten percent of available funds. The plan shall
15 identify and prioritize core administrative functions that must be
16 continued to comply with federal or state statutes. The department
17 shall submit their plan to the appropriate committees of the senate and
18 house of representatives no later than December 15, 2001. The plan
19 shall assume an implementation date of July 1, 2003."

20 SHB 1650 - S AMD 350

21 By Senators Long and Hargrove

22 ADOPTED 04/18/01

23 On page 1, line 1 of the title, after "services;" strike the
24 remainder of the title and insert "amending RCW 71.24.015, 71.24.025,
25 71.24.030, 71.24.035, 71.24.037, 71.24.045, 71.24.049, 71.24.155,
26 71.24.160, 71.24.250, 71.24.400, and 71.24.405; reenacting and amending
27 RCW 71.24.300; adding new sections to chapter 71.24 RCW; and creating
28 a new section."

EFFECT: Deletes the previous striking amendment. Restores the text of SHB 1650, with the following changes from the version that passed the House: (1) Language on reducing process-oriented activities is clarified throughout the bill. (2) The provision for a maximum 20% administrative rate of total Mental Health Division, RSN, and provider funds is deleted, and a new section is added that requires DSHS to submit a plan by December 2001 on reducing administrative costs to 10% or less. (3) The authorization for DSHS to transfer appropriations authority between divisions is deleted, and replaced with a new section

directing DSHS to propose funding transfers in operating budget requests and report annually on actions taken to promote collaborative service delivery.

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