

SENATE BILL REPORT

SHB 1913

As Reported By Senate Committee On:
Human Services & Corrections, March 30, 2001

Title: An act relating to a blended funding demonstration project to provide services to disturbed youth.

Brief Description: Creating a demonstration project to provide services to disturbed youth.

Sponsors: By House Committee on Appropriations (originally sponsored by Representative Boldt).

Brief History:

Committee Activity: Human Services & Corrections: 3/29/01, 3/30/01 [DP].

SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

Majority Report: Do pass.

Signed by Senators Hargrove, Chair; Costa, Vice Chair; Carlson, Franklin, Hewitt, Kastama, Kohl-Welles, Long and Stevens.

Staff: Chelsea Buchanan (786-7446)

Background: Serving children with serious emotional disturbances, who require intensive services from multiple service systems, has typically been accomplished by each service system funding and providing services separately, with little or no coordination or collaboration.

In 2000, the Legislature passed HB 2807, which requires the Department of Social and Health Services (DSHS) to authorize and facilitate blended funding projects. Under this approach, each service system for which the child is eligible contributes funding to the care of the child. The total funding is managed by one entity that works with each service system's administrative requirements.

Summary of Bill: The secretary of DSHS and the Superintendent of Public Instruction are authorized to jointly contract with an organization to test new approaches to serving these youth, after a competitive, open bidding process. DSHS is given primary responsibility to negotiate the agreement. Both agencies may transfer existing appropriations to support the demonstration project, may seek any necessary federal waivers, and may exercise their existing authority to the extent necessary to implement the project.

The project will serve at least 27 youth for two years in a residential setting and must serve them at a lower cost than traditional approaches. The project is evaluated based on the individual outcomes of the youth served, and is required to compare the results of these youth with the results of a similar cohort of children receiving traditional services.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2001.

Testimony For: The kids who are most ill in our state are bounced around, and need consistent care under a new approach. The idea for this project is grounded in recent laws authorizing blended funding. There are no obstacles to DSHS to do this project that can't be overcome. This project will serve children at a lower cost, and will measure outcomes. This bill is a request for the public sector to work with the private sector. **Concerns:** DSHS is committed to the concept of blended funding; this bill may not be needed. DSHS prefers the permissive language contained in this substitute bill. This project will need a Title IV-E federal waiver, and it is unclear whether one can be obtained because: (a) the federal government gives out a limited number of waivers each year; and (b) it is unclear if this project could fit under an existing waiver. The private organization and DSHS would need to target the same kids for the project. The department supports measuring outcomes, but there are also concerns of whether the mental health portion of the project would meet federal Medicaid requirements.

Testimony Against: None.

Testified: David Cousineau, Nat Penrose, Seattle Children's Home (pro); Peggy Brown, DSHS-Children's Administration (concerns); Richard Onikuza, DSHS-Mental Health Division (concerns).