S-5105.2

SUBSTITUTE SENATE BILL 6656

State of Washington 64th Legislature 2016 Regular Session

By Senate Ways & Means (originally sponsored by Senators Hill, Hargrove, Ranker, Darneille, Parlette, Becker, Braun, Fain, and Bailey)

READ FIRST TIME 03/04/16.

AN ACT Relating to the reform of practices at state hospitals; amending RCW 71.24.045 and 71.05.365; adding a new section to chapter 71.24 RCW; adding a new section to chapter 71.05 RCW; creating new sections; and providing an effective date.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 71.24 RCW to read as follows:

(1) The legislature finds that the growing demand for state hospital beds has strained the state's capacity to meet the demand while providing for a sufficient workforce to operate the state hospitals safely. The measures in this legislation are intended to incentivize behavioral health organizations and full integration regions under RCW 71.24.380 to increase their utilization management efforts, develop additional capacity for hospital diversion, and increase their capacity to safely serve complex clients in the community.

(2)(a) The legislature specifically intends to explore the option of eliminating the state hospital bed allocations for civil patients by providing behavioral health organizations and other entities under RCW 71.24.380 with the state funds necessary to purchase a number of days of care at a state hospital equivalent to the current allocation

model. Such funds would be available to purchase state hospital beds or for alternative uses such as to purchase beds in other locations, to invest in community services, and to invest in diversion from inpatient care. Behavioral health organizations and other entities in full integration regions would be placed at risk for state hospital civil utilization for patients within their catchment areas, while receiving the means and opportunity to apply any savings resulting from reduced state hospital utilization directly to the service of clients in the community.

(b) The legislature recognizes that behavioral health organizations and equivalent entities in full integration regions are not best positioned to control utilization management for patients whose primary community care needs will be funded by the state long-term care or developmental disability systems. Therefore, in the development of transition planning for this policy option, if a functional needs assessment or client history indicates that the primary financial responsibility for the community care needs of the patient after discharge will come from the state long-term care or developmental disability systems, the cost of the state hospital care must be charged to the state agencies that administer those systems, making those agencies responsible for managing state hospital utilization and care costs while providing for the welfare and best interests of the patients.

(c) To further these ends, the legislature intends to obtain a detailed transition plan from the department describing the requirements that would be entailed to enact these policy changes within a reasonable but proximate time period, as described under section 7 of this act.

Sec. 2. RCW 71.24.045 and 2014 c 225 s 13 are each amended to read as follows:

The behavioral health organization shall:

(1) Contract as needed with licensed service providers. The behavioral health organization may, in the absence of a licensed service provider entity, become a licensed service provider entity pursuant to minimum standards required for licensing by the department for the purpose of providing services not available from licensed service providers;

(2) Operate as a licensed service provider if it deems that doing so is more efficient and cost effective than contracting for

services. When doing so, the behavioral health organization shall comply with rules promulgated by the secretary that shall provide measurements to determine when a behavioral health organization provided service is more efficient and cost effective;

(3) Monitor and perform biennial fiscal audits of licensed service providers who have contracted with the behavioral health organization to provide services required by this chapter. The monitoring and audits shall be performed by means of a formal process which insures that the licensed service providers and professionals designated in this subsection meet the terms of their contracts;

(4) Establish reasonable limitations on administrative costs for agencies that contract with the behavioral health organization;

(5) Assure that the special needs of minorities, older adults, individuals with disabilities, children, and low-income persons are met within the priorities established in this chapter;

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

(7) Collaborate to ensure that policies do not result in an adverse shift of persons with mental illness into state and local correctional facilities;

(8) Work with the department to expedite the enrollment or reenrollment of eligible persons leaving state or local correctional facilities and institutions for mental diseases;

(9) Work closely with the county designated mental health professional or county designated crisis responder to maximize appropriate placement of persons into community services; and

(10) ((~~Coordinate services for individuals who have received services through the community mental health system and who become patients at a state psychiatric hospital to~~)) Manage the utilization of long-term civil commitment beds purchased at a state hospital or other facility by patients within the catchment area of the behavioral health organization who receive civil commitments and ensure ((~~they are transitioned~~)) that these patients efficiently transition into the community in accordance with RCW 71.24.016, mutually agreed upon discharge plans, and upon determination by the medical director of the state psychiatric hospital that they no longer need intensive inpatient care. If the behavioral health organization or equivalent entity under RCW 71.24.380 is unable to reach a mutually agreed upon discharge plan with the medical director

of the state hospital within fourteen days of determination by any of these entities that a patient is no longer in need of intensive inpatient care, the case must be immediately appealed to the secretary or the secretary's designee for expeditious resolution.

Sec. 3. RCW 71.05.365 and 2014 c 225 s 85 are each amended to read as follows:

When a person has been involuntarily committed for treatment to a hospital for a period of ninety or one hundred eighty days, and the superintendent or professional person in charge of the hospital determines that the person no longer requires active psychiatric treatment at an inpatient level of care, the behavioral health organization responsible for resource management services for the person must work with the hospital to develop an individualized discharge plan and arrange for a transition to the community in accordance with the person's individualized discharge plan within ((~~twenty-one~~)) fourteen days of the determination.

NEW SECTION. **Sec. 4.** (1) The legislature finds that the psychiatric profession has undergone changes through the years and that the potential uses of psychiatric advanced registered nurse practitioners in institutional settings are currently being underutilized by the state hospitals.

(2) The department of social and health services must evaluate the current staffing structure and assignment of work at the state hospitals to increase its use of psychiatric advanced registered nurse practitioners. To reduce vacancies and employee turnover, the department must hire psychiatric advanced registered nurse practitioners for vacant positions or to perform work and tasks that may be currently or historically performed by other job classifications and professions at the state hospitals. The state hospitals must consider the role of psychiatric advanced registered nurse practitioners in supervising or directing the work of other treatment team members as part of its study under section 6(2)(e) of this act.

(3) This section does not allow psychiatric advanced registered nurse practitioners to engage in activities that exceed their scope of practice.

NEW SECTION. **Sec. 5.** (1) The legislature finds that there are currently geriatric and long-term care patients at western state hospital who could safely be served in community settings if alternative placements are made available. The legislature intends to develop placements for these patients while reducing current demands on state hospital staff.

(2) The department of social and health services must identify and discharge at least thirty patients at western state hospital to alternative settings by January 1, 2017.

(3) The department of social and health services must provide a preliminary report to the governor and relevant policy and fiscal committees of the legislature by December 1, 2016, and a final report by August 1, 2017, describing outcomes for these patients through June 30, 2017.

NEW SECTION. **Sec. 6.** (1) The legislature finds that safety at the state hospitals is a product of a variety of factors but that safety begins with the staff.

(2) The department of social and health services is directed to examine staffing patterns, best practices, and discrepancies in staffing practices between the state hospitals and prevailing business practices in other hospitals, and adjust staffing practices where appropriate. This process must include consideration and adoption, if appropriate, of factors such as:

(a) Movement towards consistent staffing between western state hospital and eastern state hospital, including average number of patients per ward and staffing patterns, unless a specific reason is identified in writing for maintaining differences;

(b) Employment of variable ward staffing based on the acuity of patient needs;

(c) Reduction of lengths of stay for patients at western state hospital and reduction of lengths of stay discrepancies for similar patients across the state hospitals;

(d) The effect of staffing practices on retention and morale for less senior state hospital employees; and

(e) Coordination of ward treatment activities to provide single lines of authority to determine patient care.

(3) The department of social and health services must report its progress to the appropriate committees of the legislature by December 1, 2016.

NEW SECTION. **Sec. 7.** (1) The department of social and health services shall develop a transition plan in collaboration with its actuarial consultant, behavioral health organizations, and equivalent entities in full integration regions detailing the requirements for implementation of the policy in section 1(2) of this act within a reasonable but proximate period of time. The transition plan shall include but not be limited to consideration of the following:

(a) A methodology for division of the current state hospital beds between each of the behavioral health organizations, full integration regions, and the state long-term care or developmental disability systems, including the appropriate allocation of beds among the behavioral health organizations;

(b) Development of rates for state hospital utilization that reflect financing, safety, and accreditation needs under the new system and ensure that necessary access to state hospital beds is maintained for behavioral health organizations and full integration regions;

(c) Maximizing federal participation for treatment and preserving access to funds through the disproportionate share hospital program;

(d) Billing and reimbursement mechanisms;

(e) Discharge planning procedures that must be adapted to account for functional needs assessments upon admission;

(f) Identification of regional differences and challenges for implementation in different regional service areas;

(g) A means of tracking expenditures related to successful reductions of state hospital utilization by regional service areas and means to assure that the funds necessary to safely maintain gains in utilization reduction are protected;

(h) Recommendations for the timing of implementation; and

(i) The potential for adverse impacts on safety and a description of available methods to mitigate any risks for patients, behavioral health organizations, full integration regions, and the community.

(2) The legislature must convene a work group involving executive agencies, behavioral health organizations, full integration regions, community behavioral health providers, and consumer representatives to review the development of the transition plan and provide input into the progress. The legislature must solicit concerns and questions from stakeholders before developing a schedule of meetings in collaboration with the department. The president of the senate and

speaker of the house of representatives shall appoint members to participate in this work group.

(3) A preliminary draft of the transition plan must be submitted to the relevant committees of the legislature by September 30, 2016, for review by the joint select committee on health care oversight. The department shall consider the input of the committee and stakeholders before submitting a final transition plan by December 30, 2016.

NEW SECTION. **Sec. 8.** A new section is added to chapter 71.05 RCW to read as follows:

(1) When a state hospital discharges a patient, the state hospital shall discharge the patient to the patient's regional support area of origin, or else shall provide written notice and an explanation to the law and justice council of the county in which the patient is expected to reside.

(2) When assisting with the discharge planning of a state hospital patient, discharge of the patient to the patient's regional support area of origin is appropriate, unless:

(a) Discharge to the regional support area of origin is not appropriate considering the location of family, other natural community supports, or, if the patient has a history of involvement with the criminal justice system, any victim safety concerns, court-ordered conditions, or negative influences in the community; or

(b) Financial coverage for the patient's community care needs has transferred to a different behavioral health organization or full integration region under RCW 71.24.850.

(3) For the purposes of this section, "regional support area of origin" means the regional support area which covers the geographic region of the state the patient resided in prior to the person's most recent period of commitment or incarceration.

NEW SECTION. **Sec. 9.** Section 3 of this act takes effect July 1, 2018.

--- END ---