

# SENATE BILL REPORT

## ESB 5328

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As Passed Senate, March 3, 2021

**Title:** An act relating to clubhouses for persons with mental illness.

**Brief Description:** Concerning clubhouses for persons with mental illness.

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

**Brief History:**

**Committee Activity:** Health & Long Term Care: 1/27/21 [w/oRec-BH].

Behavioral Health Subcommittee to Health & Long Term Care: 1/29/21, 2/05/21 [DP-WM].

Ways & Means: 2/17/21, 2/19/21 [DP].

**Floor Activity:** Passed Senate: 3/3/21, 48-0.

### Brief Summary of Engrossed Bill

- Directs the Health Care Authority (HCA) to provide sufficient funding to establish clubhouse services in every region of the state, provided by a clubhouse which is accredited by Clubhouse International or pursuing accreditation.
- Directs the Department of Health to collaborate with HCA and stakeholders to review and redesign licensure and oversight processes for clubhouses and peer-run organizations and adopt rule changes by June 30, 2022.

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### SENATE COMMITTEE ON BEHAVIORAL HEALTH SUBCOMMITTEE TO HEALTH & LONG TERM CARE

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

Signed by Senators Dhingra, Chair; Wagoner, Ranking Member; Frockt, Nobles and Warnick.

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*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.*

**Staff:** Kevin Black (786-7747)

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## SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Capital; Robinson, Vice Chair, Operating & Revenue; Wilson, L., Ranking Member; Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Schoesler, Assistant Ranking Member, Capital; Braun, Carlyle, Conway, Darneille, Dhingra, Gildon, Hasegawa, Hunt, Keiser, Liias, Mullet, Muzzall, Pedersen, Rivers, Van De Wege, Wagoner, Warnick and Wellman.

**Staff:** Corban Nemeth (786-7736)

**Background:** Clubhouses. A clubhouse is a member organization which offers vocational training, wellness programs, employment opportunities, participative community, and an end to isolation for persons whose lives have been severely disrupted by mental illness. The first clubhouse was developed in the 1940s by a group of patients at Rockland State Hospital in Orangeburg, New York, who met to create a respectful supportive group space to foster wellness in a "club room" at the hospital. The group continued meeting after the patients' discharge on the steps of the New York Public Library. In 1948, the patients and their supporters purchased a property in New York City known as Fountain House, which became the first clubhouse. The clubhouse modality has been recognized as an evidence-based practice by the United States Substance Abuse and Mental Health Services Administration since 2011, by inclusion in its Evidence-Based Practice Registry, for clubhouses that follow the International Center for Clubhouse Development (ICCD) model.

Clubhouse International. Clubhouse International is an organization established in 1994, to help start and grow clubhouses around the world through the creation and accreditation of clubhouse rehabilitation programs. Clubhouse International provides trainings, engages in research, public awareness campaigns, and advocacy, publishes quality standards, and hosts an annual conference. Clubhouse International accredits clubhouses to the ICCD model, developed in 1989, to be the basis for clubhouse accreditation. Clubhouse International accredits over 300 clubhouses in over 30 countries.

Clubhouses in Washington. Washington provided Medicaid funding for clubhouse services between 2005-2012. The state did not at the time require clubhouses to be accredited to the ICCD model. Medicaid funding for clubhouses was then cut in the Great Recession. Certain clubhouse programs have persisted in Washington by using other funding sources, and by adapting to provide service modalities, such as supportive housing, supportive employment, and day treatment services, which are not part of the ICCD clubhouse model, but which are included in the Medicaid state plan. In 2017, the state resumed its support for clubhouses by appropriating state funding of \$1.3 million per fiscal year starting in 2018 to

the Health Care Authority (HCA) to support new clubhouse programs. HCA was instructed to develop options and cost estimates to implement clubhouse programs statewide through a Medicaid state plan amendment or by seeking a Medicaid waiver. In the 2019 biennial budget the state fund appropriation for clubhouses was increased to a total of \$5.4 million, and HCA's instruction was changed to explore opportunities to include clubhouse services in the Medicaid state plan using a different strategy called an optional "in lieu of" waiver. HCA has not moved forward with incorporating clubhouse services in the Medicaid state plan, and is instead using the state proviso funding to provide support grants to 14 programs, including both clubhouses and other peer-run programs, of approximately \$141,000 per year with no federal matching funds. Clubhouse programs receiving this grant are not required to seek accreditation from Clubhouse International or follow the ICCD model. Clubhouse operating expenses beyond the state grant must be obtained from other funding sources, or sought through strategies such as using the clubhouse facility to pursue other modalities that have been included in the Medicaid state plan.

**Summary of Engrossed Bill:** HCA must:

- make sufficient funding available to establish clubhouse services in every region of the state, provided by a clubhouse which is accredited by Clubhouse International or in the process of pursuing accreditation by that body;
- establish a learning collaborative to assist clubhouses and peer-run organizations to achieve fidelity to appropriate evidence-based models;
- collaborate with the Department of Health (DOH) to design the state Medicaid program to be as accommodating as possible to clubhouses and peer-run organizations to allow those entities to maximize opportunities to access Medicaid funding while maintaining fidelity to evidence-based models and their essential character as clubhouses and peer-run organizations; and
- facilitate partnerships if needed between independent clubhouses or peer-run organizations and licensed or certified behavioral health agencies to help clubhouses or peer-run organizations obtain referrals, client evaluations, or other assistance needed to meet requirements to access funding under the Medicaid program.

DOH must collaborate with HCA and appropriate stakeholders to review and redesign the licensure and oversight process for clubhouses and peer-run organizations to accommodate their ability to obtain Medicaid reimbursement while maintaining fidelity to evidence-based models and their essential character as clubhouses and peer-run organizations. This must include efforts to:

- identify changes to behavioral health agency rules to streamline licensure requirements for clubhouses and peer-run organizations and create accessible pathways towards licensure;
- identify changes to operational rules for providing Medicaid services within clubhouses and peer-run organizations which are adapted to be within allowable federal guidelines and allow these entities to function with fidelity to evidence-based models while maintaining their essential character as clubhouses and peer-run

- organizations; and
- allow independent clubhouses and peer-run organizations to meet requirements in part by partnering with licensed and certified community behavioral health agencies to assist them with federally required tasks which are not an essential part of maintaining fidelity to their evidence-based model.

DOH must adopt necessary rule changes by June 30, 2022.

**Appropriation:** None.

**Fiscal Note:** Requested on March 3, 2021.

**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 (Behavioral Health Subcommittee to Health & Long Term Care):** PRO: Mental health effects people across all spectrums. Many people are suffering right now. Something that exacerbates this is isolation which comes from not being around people who understand the situation that you are in. Clubhouses provide peer-to-peer support and wraparound services that help people reach the highest level of functioning they can achieve. Friends I know with mental health crises have not been able to find placement or facilities to help them. Clubhouse provides a restorative environment. This bill will help fund clubhouses efficiently and sustainably through leveraging federal dollars. We are in favor of streamlining licensing. Studies show people who participate have reduced costs to the Medicaid program and improved employment and other outcomes. The most effective clubhouses are accredited. Most programs in Washington are unable to access any Medicaid funding. At my clubhouse we practice hope, empowerment, relationships, and opportunity every day by working together side-by-side. It was the first place where I met people who understood what I was going through. They also helped me with housing. Now I am working on returning to employment as a technical writer. HERO House helped me find resources for my son who had a psychotic breakdown at age 17. He used to isolate himself, but he found confidence and got a job which put him back on track. Hospitals, medicine, and doctors do not heal people. People heal people.

**Persons Testifying (Behavioral Health Subcommittee to Health & Long Term Care):** PRO: Senator Liz Lovelett, Prime Sponsor; Kailey Fiedler-Gohlke, HERO House NW; Lisa Coleman, Bellevue Clubhouse; Scott Rerucha, HERO House NW Kirkland.

**Persons Signed In To Testify But Not Testifying (Behavioral Health Subcommittee to Health & Long Term Care):** No one.

**Staff Summary of Public Testimony (Ways & Means):** PRO: Clubhouse programs are currently at risk due to lack of funding, and this would preserve the operations of the

fourteen existing Clubhouses. The Clubhouse model is a necessity for recovery. The recovery process is important. The biggest problem in mental health treatment is isolation. Employment at a Clubhouse was the start of my son's recovery. Without Clubhouses, people end up in hospitals, prisons, or the street. This is an important investment.

**Persons Testifying (Ways & Means):** PRO: Kailey Fiedler-Gohlke, HERO House NW; Scott Rerucha, HERO House NW.

**Persons Signed In To Testify But Not Testifying (Ways & Means):** No one.