
HOUSE BILL 2755

State of Washington 58th Legislature 2004 Regular Session

By Representatives Linville, Talcott, Lantz and Kagi

Read first time 01/20/2004. Referred to Committee on Health Care.

1 AN ACT Relating to supported employment for persons with mental
2 illness; reenacting and amending RCW 71.24.035; and adding a new
3 section to chapter 71.24 RCW.

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

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

7 The department of social and health services, in cooperation with
8 the state congressional delegation, shall actively seek waivers of
9 federal requirements and such modifications of federal regulations as
10 are necessary to allow federal medicaid reimbursement for ongoing
11 supported employment services for persons with mental illness.

12 **Sec. 2.** RCW 71.24.035 and 2001 c 334 s 7 and 2001 c 323 s 10 are
13 each reenacted and amended to read as follows:

14 (1) The department is designated as the state mental health
15 authority.

16 (2) The secretary shall provide for public, client, and licensed
17 service provider participation in developing the state mental health

1 program, developing contracts with regional support networks, and any
2 waiver request to the federal government under medicaid.

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

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

10 (5) The secretary shall:

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

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

21 (A) Outpatient services;

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

23 (C) Day treatment for mentally ill persons which includes training
24 in basic living and social skills, supported work, vocational
25 rehabilitation, and day activities. Such services may include
26 therapeutic treatment. In the case of a child, day treatment includes
27 age-appropriate basic living and social skills, educational and
28 prevocational services, day activities, and therapeutic treatment;

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

31 (E) Employment services, which (~~may~~) shall include supported
32 employment, transitional work, placement in competitive employment, and
33 other work-related services, that result in mentally ill persons
34 becoming engaged in meaningful and gainful full or part-time work.
35 Supported employment services shall provide ongoing support to persons
36 with mental illness who have become employed. Other sources of funding
37 such as the division of vocational rehabilitation may be utilized by

1 the secretary to maximize federal funding and provide for integration
2 of services;

3 (F) Consultation and education services; and

4 (G) Community support services;

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

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

12 (ii) Regional support networks; and

13 (iii) Inpatient services, evaluation and treatment services and
14 facilities under chapter 71.05 RCW, resource management services, and
15 community support services;

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

19 (e) Establish a standard contract or contracts, consistent with
20 state minimum standards, which shall be used in contracting with
21 regional support networks or counties. The standard contract shall
22 include a maximum fund balance, which shall not exceed ten percent;

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

27 (g) Develop and maintain an information system to be used by the
28 state, counties, and regional support networks that includes a tracking
29 method which allows the department and regional support networks to
30 identify mental health clients' participation in any mental health
31 service or public program on an immediate basis. The information
32 system shall not include individual patient's case history files.
33 Confidentiality of client information and records shall be maintained
34 as provided in this chapter and in RCW 71.05.390, 71.05.400, 71.05.410,
35 71.05.420, 71.05.430, and 71.05.440 (~~-. The design of the system and
36 the data elements to be collected shall be reviewed by the work group
37 appointed by the secretary under section 5(1) of this act and
38 representing the department, regional support networks, service~~

1 ~~providers, consumers, and advocates. The data elements shall be~~
2 ~~designed to provide information that is needed to measure performance~~
3 ~~and achieve the service outcomes identified in section 5 of this act));~~

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

5 (i) Certify regional support networks that meet state minimum
6 standards;

7 (j) Periodically monitor the compliance of certified regional
8 support networks and their network of licensed service providers for
9 compliance with the contract between the department, the regional
10 support network, and federal and state rules at reasonable times and in
11 a reasonable manner;

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

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

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

19 (6) The secretary shall use available resources only for regional
20 support networks.

21 (7) Each certified regional support network and licensed service
22 provider shall file with the secretary, on request, such data,
23 statistics, schedules, and information as the secretary reasonably
24 requires. A certified regional support network or licensed service
25 provider which, without good cause, fails to furnish any data,
26 statistics, schedules, or information as requested, or files fraudulent
27 reports thereof, may have its certification or license revoked or
28 suspended.

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

33 (9) The superior court may restrain any regional support network or
34 service provider from operating without certification or a license or
35 any other violation of this section. The court may also review,
36 pursuant to procedures contained in chapter 34.05 RCW, any denial,
37 suspension, limitation, restriction, or revocation of certification or

1 license, and grant other relief required to enforce the provisions of
2 this chapter.

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

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

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

19 (13)(a) The department, in consultation with affected parties,
20 shall establish a distribution formula that reflects county needs
21 assessments based on the number of persons who are acutely mentally
22 ill, chronically mentally ill, severely emotionally disturbed children,
23 and seriously disturbed. The formula shall take into consideration the
24 impact on counties of demographic factors in counties which result in
25 concentrations of priority populations as set forth in subsection
26 (5)(b) of this section. These factors shall include the population
27 concentrations resulting from commitments under chapters 71.05 and
28 71.34 RCW to state psychiatric hospitals, as well as concentration in
29 urban areas, at border crossings at state boundaries, and other
30 significant demographic and workload factors.

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

35 (c) After July 1, 2003, the department may allocate up to two
36 percent of total funds to be distributed to the regional support
37 networks for incentive payments to reward the achievement of superior
38 outcomes, or significantly improved outcomes, as measured by a

1 statewide performance measurement system consistent with the framework
2 recommended in the joint legislative audit and review committee's
3 performance audit of the mental health system. The department shall
4 annually report to the legislature on its criteria and allocation of
5 the incentives provided under this subsection.

6 (14) The secretary shall assume all duties assigned to the
7 nonparticipating counties under chapters 71.05, 71.34, and 71.24 RCW.
8 Such responsibilities shall include those which would have been
9 assigned to the nonparticipating counties under regional support
10 networks.

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

17 (15) The secretary shall:

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

21 (b) Enter into biennial contracts with regional support networks.
22 The contracts shall be consistent with available resources. No
23 contract shall be approved that does not include progress toward
24 meeting the goals of this chapter by taking responsibility for: (i)
25 Short-term commitments; (ii) residential care; and (iii) emergency
26 response systems.

27 (c) Allocate one hundred percent of available resources to the
28 regional support networks in accordance with subsection (13) of this
29 section. Incentive payments authorized under subsection (13) of this
30 section may be allocated separately from other available resources.

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

34 (e) Deny funding allocations to regional support networks based
35 solely upon formal findings of noncompliance with the terms of the
36 regional support network's contract with the department. Written
37 notice and at least thirty days for corrective action must precede any

1 such action. In such cases, regional support networks shall have full
2 rights to appeal under chapter 34.05 RCW.

3 (16) The department, in cooperation with the state congressional
4 delegation, shall actively seek waivers of federal requirements and
5 such modifications of federal regulations as are necessary to allow
6 federal medicaid reimbursement for services provided by free-standing
7 evaluation and treatment facilities certified under chapter 71.05 RCW.
8 The department shall periodically report its efforts to the appropriate
9 committees of the senate and the house of representatives.

10 NEW SECTION. **Sec. 3.** If any provision of this act or its
11 application to any person or circumstance is held invalid, the
12 remainder of the act or the application of the provision to other
13 persons or circumstances is not affected.

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