

SSB 5705 - H COMM AMD

By Committee on Health Care & Wellness

ADOPTED 04/10/2017

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The state finds that the department
4 should not reduce the number of license violations found by field
5 inspectors for the purpose of allowing licensed behavioral health
6 service providers to avoid liability in a manner that permits the
7 violating service provider to continue to provide care at the risk of
8 public safety. The state also recognizes the need to prohibit
9 fraudulent transfers of licenses between licensed behavioral health
10 service providers found in violation of the terms of their license
11 agreement and their family members.

12 **Sec. 2.** RCW 71.24.037 and 2016 sp.s. c 29 s 505 are each amended
13 to read as follows:

14 (1) The secretary shall by rule establish state minimum standards
15 for licensed behavioral health service providers and services,
16 whether those service providers and services are licensed to provide
17 solely mental health services, substance use disorder treatment
18 services, or services to persons with co-occurring disorders.

19 (2) Minimum standards for licensed behavioral health service
20 providers shall, at a minimum, establish: Qualifications for staff
21 providing services directly to persons with mental disorders,
22 substance use disorders, or both, the intended result of each
23 service, and the rights and responsibilities of persons receiving
24 behavioral health services pursuant to this chapter. The secretary
25 shall provide for deeming of licensed behavioral health service
26 providers as meeting state minimum standards as a result of
27 accreditation by a recognized behavioral health accrediting body
28 recognized and having a current agreement with the department.

29 (3) Minimum standards for community support services and resource
30 management services shall include at least qualifications for
31 resource management services, client tracking systems, and the

1 transfer of patient information between behavioral health service
2 providers.

3 (4) The department may suspend, revoke, limit, restrict, or
4 modify an approval, or refuse to grant approval, for failure to meet
5 the provisions of this chapter, or the standards adopted under this
6 chapter. RCW 43.20A.205 governs notice of a license denial,
7 revocation, suspension, or modification and provides the right to an
8 adjudicative proceeding.

9 (5) No licensed behavioral health service provider may advertise
10 or represent itself as a licensed behavioral health service provider
11 if approval has not been granted, has been denied, suspended,
12 revoked, or canceled.

13 (6) Licensure as a behavioral health service provider is
14 effective for one calendar year from the date of issuance of the
15 license. The license must specify the types of services provided by
16 the behavioral health service provider that meet the standards
17 adopted under this chapter. Renewal of a license must be made in
18 accordance with this section for initial approval and in accordance
19 with the standards set forth in rules adopted by the secretary.

20 (7) Licensure as a licensed behavioral health service provider
21 must specify the types of services provided that meet the standards
22 adopted under this chapter. Renewal of a license must be made in
23 accordance with this section for initial approval and in accordance
24 with the standards set forth in rules adopted by the secretary.

25 (8) Licensed behavioral health service providers may not provide
26 types of services for which the licensed behavioral health service
27 provider has not been certified. Licensed behavioral health service
28 providers may provide services for which approval has been sought and
29 is pending, if approval for the services has not been previously
30 revoked or denied.

31 (9) The department periodically shall inspect licensed behavioral
32 health service providers at reasonable times and in a reasonable
33 manner.

34 (10) Upon petition of the department and after a hearing held
35 upon reasonable notice to the facility, the superior court may issue
36 a warrant to an officer or employee of the department authorizing him
37 or her to enter and inspect at reasonable times, and examine the
38 books and accounts of, any licensed behavioral health service
39 provider refusing to consent to inspection or examination by the

1 department or which the department has reasonable cause to believe is
2 operating in violation of this chapter.

3 (11) The department shall maintain and periodically publish a
4 current list of licensed behavioral health service providers.

5 (12) Each licensed behavioral health service provider shall file
6 with the department upon request, data, statistics, schedules, and
7 information the department reasonably requires. A licensed behavioral
8 health service provider that without good cause fails to furnish any
9 data, statistics, schedules, or information as requested, or files
10 fraudulent returns thereof, may have its license revoked or
11 suspended.

12 (13) The department shall use the data provided in subsection
13 (12) of this section to evaluate each program that admits children to
14 inpatient substance use disorder treatment upon application of their
15 parents. The evaluation must be done at least once every twelve
16 months. In addition, the department shall randomly select and review
17 the information on individual children who are admitted on
18 application of the child's parent for the purpose of determining
19 whether the child was appropriately placed into substance use
20 disorder treatment based on an objective evaluation of the child's
21 condition and the outcome of the child's treatment.

22 (14) Any settlement agreement entered into between the department
23 and licensed behavioral health service providers to resolve
24 administrative complaints, license violations, license suspensions,
25 or license revocations may not reduce the number of violations
26 reported by the department unless the department concludes, based on
27 evidence gathered by inspectors, that the licensed behavioral health
28 service provider did not commit one or more of the violations.

29 (15) In cases in which a behavioral health service provider that
30 is in violation of licensing standards attempts to transfer or sell
31 the behavioral health service provider to a family member, the
32 transfer or sale may only be made for the purpose of remedying
33 license violations and achieving full compliance with the terms of
34 the license. Transfers or sales to family members are prohibited in
35 cases in which the purpose of the transfer or sale is to avoid
36 liability or reset the number of license violations found before the
37 transfer or sale. If the department finds that the owner intends to
38 transfer or sell, or has completed the transfer or sale of, ownership
39 of the behavioral health service provider to a family member solely
40 for the purpose of resetting the number of violations found before

1 the transfer or sale, the department may not renew the behavioral
2 health service provider's license or issue a new license to the
3 behavioral health service provider."

4 Correct the title.

EFFECT: Changes the codification of the disciplinary provisions from a section related to the Department of Social and Health Services' (Department) duties regarding behavioral health organization contracting to a section related to the Department's authority to credential behavioral health service providers.

Prohibits the transfer of a behavioral health service provider license for the purpose of avoiding liability or resetting the number of violations, rather than stating that these activities "should" be prohibited. Specifies that transfers of licenses to family members may only be made for the purpose of remedying license violations and achieving full compliance with licensing standards, rather than stating that these purposes "should" be allowed. Specifies that the limitations on transfers of licenses applies instead to transfers or sales of behavioral health service providers. Prohibits the Department from renewing or issuing a license to a behavioral health service provider if the Department finds that the sale or transfer was to a family member and made solely with the intent of resetting the number of violations against the behavioral health service provider.

Creates a findings section that includes several statements from the underlying bill regarding not reducing the number of violations identified during a Department inspection and not allowing fraudulent transfers of licenses to family members.

Modifies terminology for consistency.

--- END ---