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SENATE BILL 5595

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State of Washington

65th Legislature

2017 Regular Session

By Senators Billig, O'Ban, Darneille, and Padden

Read first time 01/30/17. Referred to Committee on Human Services,  
Mental Health & Housing.

1 AN ACT Relating to maintaining the quarterly average census  
2 method for calculating state hospital reimbursements; and amending  
3 RCW 71.24.310.

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

5 **Sec. 1.** RCW 71.24.310 and 2014 c 225 s 40 are each amended to  
6 read as follows:

7 The legislature finds that administration of chapter 71.05 RCW  
8 and this chapter can be most efficiently and effectively implemented  
9 as part of the behavioral health organization defined in RCW  
10 71.24.025. For this reason, the legislature intends that the  
11 department and the behavioral health organizations shall work  
12 together to implement chapter 71.05 RCW as follows:

13 (1) By June 1, 2006, behavioral health organizations shall  
14 recommend to the department the number of state hospital beds that  
15 should be allocated for use by each behavioral health organization.  
16 The statewide total allocation shall not exceed the number of state  
17 hospital beds offering long-term inpatient care, as defined in this  
18 chapter, for which funding is provided in the biennial appropriations  
19 act.

20 (2) If there is consensus among the behavioral health  
21 organizations regarding the number of state hospital beds that should

1 be allocated for use by each behavioral health organization, the  
2 department shall contract with each behavioral health organization  
3 accordingly.

4 (3) If there is not consensus among the behavioral health  
5 organizations regarding the number of beds that should be allocated  
6 for use by each behavioral health organization, the department shall  
7 establish by emergency rule the number of state hospital beds that  
8 are available for use by each behavioral health organization. The  
9 emergency rule shall be effective September 1, 2006. The primary  
10 factor used in the allocation shall be the estimated number of adults  
11 with acute and chronic mental illness in each behavioral health  
12 organization area, based upon population-adjusted incidence and  
13 utilization.

14 (4) The allocation formula shall be updated at least every three  
15 years to reflect demographic changes, and new evidence regarding the  
16 incidence of acute and chronic mental illness and the need for long-  
17 term inpatient care. In the updates, the statewide total allocation  
18 shall include (a) all state hospital beds offering long-term  
19 inpatient care for which funding is provided in the biennial  
20 appropriations act; plus (b) the estimated equivalent number of beds  
21 or comparable diversion services contracted in accordance with  
22 subsection (5) of this section.

23 (5) The department is encouraged to enter performance-based  
24 contracts with behavioral health organizations to provide some or all  
25 of the behavioral health organization's allocated long-term inpatient  
26 treatment capacity in the community, rather than in the state  
27 hospital. The performance contracts shall specify the number of  
28 patient days of care available for use by the behavioral health  
29 organization in the state hospital.

30 (6) If a behavioral health organization uses more state hospital  
31 patient days of care than it has been allocated under subsection (3)  
32 or (4) of this section, or than it has contracted to use under  
33 subsection (5) of this section, whichever is less, it shall reimburse  
34 the department for that care(~~(, except during the period of July 1,~~  
35 ~~2012, through December 31, 2013, where reimbursements may be~~  
36 ~~temporarily altered per section 204, chapter 4, Laws of 2013 2nd sp.~~  
37 ~~sess)).~~ Reimbursements must be calculated using quarterly average  
38 census data to determine an average number of days used in excess of  
39 the bed allocation for the quarter. The reimbursement rate per day  
40 shall be the hospital's total annual budget for long-term inpatient

1 care, divided by the total patient days of care assumed in  
2 development of that budget.

3 (7) One-half of any reimbursements received pursuant to  
4 subsection (6) of this section shall be used to support the cost of  
5 operating the state hospital and, during the 2007-2009 fiscal  
6 biennium, implementing new services that will enable a behavioral  
7 health organization to reduce its utilization of the state hospital.  
8 The department shall distribute the remaining half of such  
9 reimbursements among behavioral health organizations that have used  
10 less than their allocated or contracted patient days of care at that  
11 hospital, proportional to the number of patient days of care not  
12 used.

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