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## Health Care & Wellness Committee

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### SSB 5157

**Brief Description:** Providing incentives to reduce involvement by persons with behavioral disorders in the criminal justice system.

**Sponsors:** Senate Committee on Behavioral Health Subcommittee to Health & Long Term Care (originally sponsored by Senators Wagoner, Dhingra and Nobles).

#### Brief Summary of Substitute Bill

- Requires the Performance Measures Coordinating Committee to establish performance measures which track rates of criminal justice system involvement for clients with an identified behavioral health need and establish improvement targets.
- Requires the Health Care Authority to provide a report with options and recommendations for adding value-based purchasing terms and a performance improvement project to Medicaid managed care contracts relating to criminal justice outcome measures.

**Hearing Date:** 3/24/21

**Staff:** Kim Weidenaar (786-7120).

#### Background:

In 2014 the Performance Measures Coordinating Committee was established to identify and recommend standard statewide measures of health performance to inform health care purchasers and set benchmarks. The measures must include dimensions of prevention and screening, effective management of chronic conditions, key health outcomes, care coordination and patient safety, and use of the lowest cost, highest quality care for preventive care and acute and chronic conditions. The Washington State Common Measure Set for 2021 includes 46 measures that are

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appropriate for Population Health Monitoring and Value-Based Contracting for Payment and another 17 measures that are only appropriate for Population Health Monitoring.

The Health Care Authority (HCA) has also implemented certain value-based purchasing (VBP) provisions into contracts for Medicaid managed care, plans offered to public employees, and other programs. The goal of VBP is to improve the quality and value of health care services, while ensuring that health plans and providers are accountable for providing high-quality, high-value care. This type of purchasing uses value-based payment, which rewards providers for the quality of health care, rather than the volume of patients seen.

The HCA contracts with managed care organizations and behavioral health administrative services organizations to provide integrated medical care services, including behavioral health care services, to Medicaid clients. The HCA and the Department of Social and Health Services (DSHS) must employ performance-based contracts with these entities, known as service contracting entities. These contracts must include performance measures targeting the following outcomes:

- improvements in client health status and wellness;
- increases in client participation in meaningful activities;
- reductions in client involvement with criminal justice systems;
- reductions in avoidable costs in hospitals, emergency rooms, crisis services, and jail and prisons;
- increases in stable housing in the community;
- improvements in client satisfaction and quality of life; and
- reductions in population-level health disparities.

The HCA and DSHS were required to establish performance measures to be integrated into the statewide common measure set that tracks integration practices of behavioral health services in primary care settings. The HCA and DSHS were also required to adopt performance measures to determine whether service contracting agencies are achieving these outcomes for those enrolled in Medicaid managed care and receiving mental health, long-term care, or chemical dependency services.

### **Summary of Substitute Bill:**

The Performance Measures Coordinating Committee (Committee) must establish:

- performance measures which track rates of criminal justice system involvement among public health system clients with an identified behavioral health need, such as rates of arrest and incarceration; and
- improvement targets for these measures.

By July 1, 2022, the Committee must report to the Governor and the appropriate committees of the Legislature on the implementation of these requirements.

By October 1, 2022, the Health Care Authority (HCA) must report to the Governor and the

appropriate committees of the Legislature on options and recommendations for integrating value-based purchasing terms and a performance improvement project into managed health care contracts relating to specified criminal justice outcomes.

The HCA must adopt performance measures to determine whether service contracting agencies are achieving these outcomes for those receiving mental health, long-term care, or chemical dependency services.

The stated intent of the bill is to focus the HCA's purchasing efforts on providing incentives to its contractors to reduce criminal justice system involvement for public health system clients with behavioral disorders.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.