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**SENATE BILL 5328**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

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

Read first time 01/22/21. Referred to Committee on Health & Long Term Care.

1 AN ACT Relating to clubhouses for persons with mental illness;  
2 reenacting and amending RCW 71.24.385; and creating new sections.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that:

5 (1) A clubhouse is a member organization where people living with  
6 mental illness can find fellowship, hope, opportunity, and recovery.  
7 Clubhouse programs offer vocational training, wellness programs,  
8 employment opportunities, participative community, and an end to  
9 isolation for persons whose lives have been severely disrupted by  
10 mental illness.

11 (2) Strong evidence supports the clubhouse model when implemented  
12 with fidelity. The most effective clubhouses obtain development  
13 training, support, and accreditation through clubhouse international.

14 (3) Washington state supports several clubhouse programs using  
15 general fund dollars but has not followed the lead of states like  
16 Michigan and Indiana by incorporating the clubhouse modality into its  
17 medicaid state plan. As a result, the state underfunds clubhouse  
18 programs using unleveraged state dollars, a well-intentioned strategy  
19 that unfortunately prevents clubhouse programs from spreading widely  
20 throughout the state or reaching their full potential to assist

1 persons with mental illness to find community and new purpose in  
2 recovery.

3 (4) Adding the clubhouse modality to the state medicaid plan  
4 provides the opportunity to fund clubhouses sustainably in an  
5 efficient way for taxpayers by leveraging federal financial  
6 participation. This policy further provides the opportunity to  
7 incentivize clubhouse certification to the clubhouse international  
8 model and to provide a streamlined behavioral health agency licensing  
9 process tailored for clubhouses and other peer-run organizations.

10 **Sec. 2.** RCW 71.24.385 and 2019 c 325 s 1023 and 2019 c 264 s 6  
11 are each reenacted and amended to read as follows:

12 (1) Within funds appropriated by the legislature for this  
13 purpose, behavioral health administrative services organizations and  
14 managed care organizations, as applicable, shall develop the means to  
15 serve the needs of people:

16 (a) With mental disorders residing within the boundaries of their  
17 regional service area. Elements of the program may include:

18 (i) Crisis diversion services;

19 (ii) Evaluation and treatment and community hospital beds;

20 (iii) Residential treatment;

21 (iv) Programs for intensive community treatment;

22 (v) Outpatient services, including family support;

23 (vi) Peer support services;

24 (vii) Clubhouses accredited by clubhouse international or  
25 pursuing accreditation by that body;

26 (viii) Community support services;

27 (~~(viii)~~) (ix) Resource management services; and

28 (~~(ix)~~) (x) Supported housing and supported employment services.

29 (b) With substance use disorders and their families, people  
30 incapacitated by alcohol or other psychoactive chemicals, and  
31 intoxicated people.

32 (i) Elements of the program shall include, but not necessarily be  
33 limited to, a continuum of substance use disorder treatment services  
34 that includes:

35 (A) Withdrawal management;

36 (B) Residential treatment; and

37 (C) Outpatient treatment.

1 (ii) The program may include peer support, supported housing,  
2 supported employment, crisis diversion, recovery support services, or  
3 technology-based recovery supports.

4 (iii) The authority may contract for the use of an approved  
5 substance use disorder treatment program or other individual or  
6 organization if the director considers this to be an effective and  
7 economical course to follow.

8 (2) (a) The managed care organization and the behavioral health  
9 administrative services organization shall have the flexibility,  
10 within the funds appropriated by the legislature for this purpose and  
11 the terms of their contract, to design the mix of services that will  
12 be most effective within their service area of meeting the needs of  
13 people with behavioral health disorders and avoiding placement of  
14 such individuals at the state mental hospital. Managed care  
15 organizations and behavioral health administrative services  
16 organizations are encouraged to maximize the use of evidence-based  
17 practices and alternative resources with the goal of substantially  
18 reducing and potentially eliminating the use of institutions for  
19 mental diseases.

20 (b) Managed care organizations and behavioral health  
21 administrative services organizations may allow reimbursement to  
22 providers for services delivered through a partial hospitalization or  
23 intensive outpatient program. Such payment and services are distinct  
24 from the state's delivery of wraparound with intensive services under  
25 the *T.R. v. Strange and Birch* settlement agreement.

26 (3) (a) Treatment provided under this chapter must be purchased  
27 primarily through managed care contracts.

28 (b) Consistent with RCW 71.24.580, services and funding provided  
29 through the criminal justice treatment account are intended to be  
30 exempted from managed care contracting.

31 NEW SECTION. **Sec. 3.** (1) The Washington state health care  
32 authority shall seek a state plan amendment and any necessary  
33 additional steps needed to incorporate the clubhouse modality into  
34 the state medicaid plan by December 31, 2022.

35 (2) Participation in medicaid funding must require the clubhouse  
36 to be accredited by clubhouse international or to be in the process  
37 of pursuing accreditation by that body.

1        NEW SECTION.    **Sec. 4.**    The department of health shall work with  
2 stakeholders to identify changes to behavioral health agency rules to  
3 streamline licensure requirements for clubhouses and other peer-run  
4 organizations and adopt necessary rule changes by December 31, 2021.

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