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**SUBSTITUTE SENATE BILL 5263**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** Senate Labor & Commerce (originally sponsored by Senators Salomon, Rivers, Saldaña, Nobles, Lovick, Lovelett, Hunt, Hasegawa, Mullet, Trudeau, Robinson, Pedersen, Wellman, Muzzall, C. Wilson, Kuderer, Keiser, Liias, Van De Wege, Billig, Conway, and Frame)

AN ACT Relating to access to psilocybin services by individuals 21 years of age and older; amending RCW 7.48.310 and 49.60.180; amending 2022 c 297 s 211 (uncodified); adding a new chapter to Title 18 RCW; and declaring an emergency.

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

NEW SECTION. **Sec.**  The legislature intends to establish an advisory board and interagency work group to provide advice and recommendations on developing a comprehensive regulatory framework for access to regulated psilocybin for Washington residents who are at least 21 years of age.

NEW SECTION. **Sec.**  The legislature declares that the purposes of this chapter are:

(1) To develop a long-term strategic plan for ensuring that psilocybin services become and remain a safe, accessible, and affordable option for all persons 21 years of age and older in this state for whom psilocybin may be appropriate or as part of their indigenous religious or cultural practices;

(2) To protect the safety, welfare, health, and peace of the people of this state by prioritizing this state's limited law enforcement resources in the most effective, consistent, and rational way;

(3) To develop a comprehensive regulatory framework concerning psilocybin products and psilocybin services under state law;

(4) To prevent the distribution of psilocybin products to other persons who are not permitted to possess psilocybin products under this chapter including but not limited to persons under 21 years of age; and

(5) To prevent the diversion of psilocybin products from this state to other states.

NEW SECTION. **Sec.**  This chapter may be known and cited as the Washington psilocybin services act.

NEW SECTION. **Sec.**  This chapter may not be construed:

(1) To require a government medical assistance program or private health insurer to reimburse a person for costs associated with the use of psilocybin products;

(2) To prohibit a recipient of a federal grant or an applicant for a federal grant from prohibiting the manufacture, delivery, possession, or use of psilocybin products to the extent necessary to satisfy federal requirements for the grant;

(3) To prohibit a party to a federal contract or a person applying to be a party to a federal contract from prohibiting the manufacture, delivery, possession, or use of psilocybin products to the extent necessary to comply with the terms and conditions of the contract or to satisfy federal requirements for the contract; or

(4) To obstruct the enforcement of a federal law.

NEW SECTION. **Sec.**  The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Client" means an individual who is provided psilocybin services in this state.

(2) "Department" means the department of health.

(3) "Legal entity" means a corporation, limited liability company, limited partnership, or other legal entity that is registered with the office of the secretary of state or with a comparable office of another jurisdiction.

(4) "Licensee" means a person that holds a license issued under this chapter.

(5) "Licensee representative" means an owner, director, officer, manager, employee, agent, or other representative of a licensee, to the extent that the person acts in a representative capacity.

(6) "Manufacture" means the manufacture, planting, cultivation, growing, harvesting, production, preparation, propagation, compounding, conversion, or processing of a psilocybin product, either directly or indirectly, by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and includes any packaging or repackaging of the psilocybin product or labeling or relabeling of its container.

(7) "Psilocybin" means psilocybin or psilocin.

(8) "Psilocybin product manufacturer" means a person that manufactures psilocybin products in this state.

(9) "Psilocybin products" means:

(a) Psilocybin-producing fungi; and

(b) Mixtures or substances containing a detectable amount of psilocybin.

(10) "Secretary" means the secretary of health appointed under RCW 43.70.030.

NEW SECTION. **Sec.**  (1) The Washington psilocybin advisory board is established within the department to provide advice and recommendations to the department, the liquor and cannabis board, and the department of agriculture. The Washington psilocybin advisory board shall consist of:

(a) Members appointed by the governor as specified in subsection (2) of this section;

(b) The secretary or the secretary's designee;

(c) The state health officer or a physician acting as the state health officer's designee;

(d) A representative from the department who is familiar with public health programs and public health activities in this state; and

(e) A designee of the public health advisory board.

(2) The governor shall appoint the following individuals to the Washington psilocybin advisory board:

(a) Any four of the following:

(i) A state employee who has technical expertise in the field of public health;

(ii) A local health officer;

(iii) An individual who is a member of, or who represents, a federally recognized Indian tribe in this state;

(iv) An individual who is a member of, or who represents, a body that provides policy advice relating to substance use disorder policy;

(v) An individual who is a member of, or who represents, a body that provides policy advice relating to health equity;

(vi) An individual who is a member of, or who represents, a body that provides policy advice related to palliative care and quality of life; or

(vii) An individual who represents individuals who provide public health services directly to the public;

(b) A person who has knowledge regarding the indigenous or religious use of psilocybin;

(c) A psychologist licensed under chapter 18.83 RCW who has professional experience engaging in the diagnosis or treatment of a mental, emotional, or behavioral condition;

(d) A physician licensed under chapter 18.71 RCW;

(e) A naturopath licensed under chapter 18.36A RCW;

(f) An expert in the field of public health who has a background in academia;

(g) Any three of the following:

(i) A person who has professional experience conducting scientific research regarding the use of psychedelic compounds in clinical therapy;

(ii) A person who has experience in the field of mycology;

(iii) A person who has experience in the field of ethnobotany;

(iv) A person who has experience in the field of psychopharmacology; or

(v) A person who has experience in the field of harm reduction;

(h) A person designated by the liquor and cannabis board who has experience working with the cannabis central reporting system developed for tracking the transfer of cannabis items;

(i) The attorney general or the attorney general's designee; and

(j) One, two, or three at large members.

(3)(a) Members of the Washington psilocybin advisory board shall serve for a term of four years, but at the pleasure of the governor. Before the expiration of the term of a member, the governor shall appoint a successor whose term begins on January 1st of the following year. A member is eligible for reappointment. If there is a vacancy for any cause, the governor shall make an appointment to become immediately effective for the unexpired term.

(b) Members of the board described in subsection (1)(b) through (e) of this section are nonvoting ex officio members of the board.

(4) A majority of the voting members of the board constitutes a quorum. Official adoption of advice or recommendations by the Washington psilocybin advisory board requires the approval of a majority of the voting members of the board.

(5) The board shall elect one of its voting members to serve as chair.

(6) Until July 1, 2025, the Washington psilocybin advisory board shall meet at least five times a calendar year at a time and place determined by the chair or a majority of the voting members of the board. After July 1, 2025, the board shall meet at least once every calendar quarter at a time and place determined by the chair or a majority of the voting members of the board. The board may meet at other times and places specified by the call of the chair or of a majority of the voting members of the board.

(7) The Washington psilocybin advisory board may adopt rules necessary for the operation of the board.

(8) The Washington psilocybin advisory board may establish committees and subcommittees necessary for the operation of the board.

(9) The members of the Washington psilocybin advisory board may receive reimbursement or an allowance for expenses within amounts appropriated for that specific purpose consistent with RCW 43.03.220.

NEW SECTION. **Sec.**  (1) An interagency psilocybin work group of the department of health, the liquor and cannabis board, and the department of agriculture is created to provide advice and recommendations to the advisory board on the following:

(a) Developing a comprehensive regulatory framework for a regulated psilocybin system, including a process to ensure clean and pesticide free psilocybin products;

(b) Reviewing indigenous practices with psilocybin, clinical psilocybin trials, and findings;

(c) Reviewing research of medical evidence developed on the possible use and misuse of psilocybin therapy; and

(d) Ensuring that a social opportunity program is included within any licensing program created under this chapter to remedy the targeted enforcement of drug-related laws on overburdened communities.

(2) The findings of the psilocybin task force in section 8 of this act must be submitted to the interagency work group created in this section and to the psilocybin advisory board.

(3) The interagency psilocybin work group must submit regular updates to the psilocybin advisory board.

**Sec.**  2022 c 297 s 211 (uncodified) is amended to read as follows:

**FOR THE STATE HEALTH CARE AUTHORITY—MEDICAL ASSISTANCE**

General Fund—State Appropriation (FY 2022) $2,391,518,000

General Fund—State Appropriation (FY 2023) $2,600,611,000

General Fund—Federal Appropriation $13,934,556,000

General Fund—Private/Local Appropriation $465,890,000

Emergency Medical Services and Trauma Care Systems

Trust Account—State Appropriation $15,086,000

Hospital Safety Net Assessment Account—State

Appropriation $685,383,000

Dedicated Marijuana Account—State Appropriation

(FY 2022) $26,063,000

Dedicated Marijuana Account—State Appropriation

(FY 2023) $27,241,000

Medical Aid Account—State Appropriation $540,000

Telebehavioral Health Access Account—State

Appropriation $8,034,000

Coronavirus State Fiscal Recovery Fund—Federal

Appropriation $59,600,000

Ambulance Transport Fund—State Appropriation $14,317,000

TOTAL APPROPRIATION $20,228,839,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The authority shall not accept or expend any federal funds received under a medicaid transformation waiver under healthier Washington except as described in subsections (2), (3), and (4) of this section until specifically approved and appropriated by the legislature. To ensure compliance with legislative directive budget requirements and terms and conditions of the waiver, the authority shall implement the waiver and reporting requirements with oversight from the office of financial management. The legislature finds that appropriate management of the innovation waiver requires better analytic capability, transparency, consistency, timeliness, accuracy, and lack of redundancy with other established measures and that the patient must be considered first and foremost in the implementation and execution of the demonstration waiver. In order to effectuate these goals, the authority shall: (a) Require the Dr. Robert Bree collaborative and the health technology assessment program to reduce the administrative burden upon providers by only requiring performance measures that are nonduplicative of other nationally established measures. The joint select committee on health care oversight will evaluate the measures chosen by the collaborative and the health technology assessment program for effectiveness and appropriateness; (b) develop a patient satisfaction survey with the goal to gather information about whether it was beneficial for the patient to use the center of excellence location in exchange for additional out-of-pocket savings; (c) ensure patients and health care providers have significant input into the implementation of the demonstration waiver, in order to ensure improved patient health outcomes; and (d) in cooperation with the department of social and health services, consult with and provide notification of work on applications for federal waivers, including details on waiver duration, financial implications, and potential future impacts on the state budget, to the joint select committee on health care oversight prior to submitting waivers for federal approval. The authority shall submit an application to the centers for medicaid and medicare services to extend the duration of the medicaid transformation waiver under healthier Washington as described in subsections (2), (3), and (4) of this section by one year. If not extended, by federal standard, the medicaid transformation demonstration waiver shall not exceed the duration originally granted by the centers for medicare and medicaid services and any programs created or funded by this waiver do not create an entitlement. The demonstration period for the waiver as described in subsections (2), (3), and (4) of this section concludes December 31, 2022.

(2)(a) No more than $78,409,000 of the general fund—federal appropriation and no more than $66,264,000 of the general fund—local appropriation may be expended for transformation through accountable communities of health described in initiative 1 of the medicaid transformation demonstration wavier under healthier Washington, including preventing youth drug use, opioid prevention and treatment, and physical and behavioral health integration. Under this initiative, the authority shall take into account local input regarding community needs. In order to ensure transparency to the appropriate fiscal committees of the legislature, the authority shall provide fiscal staff of the legislature query ability into any database of the fiscal intermediary that authority staff would be authorized to access. The authority shall not increase general fund—state expenditures under this initiative. The director shall also report to the fiscal committees of the legislature all of the expenditures under this subsection and shall provide such fiscal data in the time, manner, and form requested by the legislative fiscal committees.

(b) No more than $198,909,000 of the general fund—federal appropriation and no more than $81,245,000 of the general fund—private/local appropriation may be expended for the medicaid quality improvement program. Under federal regulations, the medicaid quality improvement program is authorized and allows states to design quality improvement programs for the medicaid population in ways that support the state's quality goals. Medicaid quality improvement program payments will not count against the medicaid transformation demonstration waiver spending limits and are excluded from the waiver's budget neutrality calculation. Apple health managed care organizations and their partnering providers will receive medicaid quality improvement program payments as they meet designated milestones. Partnering providers and apple health managed care organizations will work together to achieve medicaid quality improvement program goals according to the performance period timelines and reporting deadlines as set forth by the authority. The authority shall only utilize the medicaid quality improvement program to support the transformation waiver and shall not pursue its use for other purposes. Any programs created or funded by the medicaid quality improvement program does not create an entitlement. The authority shall not increase general fund—state, federal, or private/local expenditures under this program. The director shall report to the joint select committee on health care oversight not less than quarterly on financial and health outcomes. The director shall report to the fiscal committees of the legislature all of the expenditures under this subsection and shall provide such fiscal data in the time, manner, and form requested by the legislative fiscal committees.

(3) No more than $26,837,000 of the general fund—federal appropriation and $26,839,000 of the general fund—local appropriation may be expended for tailored support for older adults and medicaid alternative care described in initiative 2 of the medicaid transformation demonstration waiver under healthier Washington as well as administrative expenses for initiative 3. The authority shall contract and provide funding to the department of social and health services to administer initiative 2. The director in cooperation with the secretary of the department of social and health services shall report to the office of financial management all of the expenditures of this section and shall provide such fiscal data in the time, manner, and form requested. The authority shall not increase general fund—state expenditures on this initiative.

(4) No more than $28,680,000 of the general fund—federal appropriation and no more than $12,992,000 of the general fund—local appropriation may be expended for supported housing and employment services described in initiative 3a and 3b of the medicaid transformation demonstration waiver under healthier Washington. Under this initiative, the authority and the department of social and health services shall ensure that allowable and necessary services are provided to eligible clients as identified by the department or its third party administrator. The authority shall not increase general fund—state expenditures under this initiative. The director shall report to the joint select committee on health care oversight no less than quarterly on financial and health outcomes. The director shall also report to the fiscal committees of the legislature all of the expenditures of this subsection and shall provide such fiscal data in the time, manner, and form requested by the legislative fiscal committees.

(5) The authority shall submit an application to the centers for medicare and medicaid services to renew the 1115 demonstration waiver for an additional five years as described in subsections (2), (3), and (4) of this section. The authority may not accept or expend any federal funds received under an 1115 demonstration waiver except as described in this section unless the legislature has appropriated the federal funding. To ensure compliance with legislative requirements and terms and conditions of the waiver, the authority shall implement the renewal of the 1115 demonstration waiver and reporting requirements with oversight from the office of financial management. The legislature finds that appropriate management of the renewal of the 1115 demonstration waiver as set forth in subsections (6), (7), and (8) of this section requires sound, consistent, timely, and transparent oversight and analytic review in addition to lack of redundancy with other established measures. The patient must be considered first and foremost in the implementation and execution of the demonstration waiver. To accomplish these goals, the authority shall develop consistent performance measures that focus on population health and health outcomes. The authority shall limit the number of projects that accountable communities of health may participate in under initiative 1 to a maximum of six and shall seek to develop common performance measures when possible. The joint select committee on health care oversight will evaluate the measures chosen: (a) For effectiveness and appropriateness; and (b) to provide patients and health care providers with significant input into the implementation of the demonstration waiver to promote improved population health and patient health outcomes. In cooperation with the department of social and health services, the authority shall consult with and provide notification of work on applications for federal waivers, including details on waiver duration, financial implications, and potential future impacts on the state budget to the joint select committee on health care oversight prior to submitting these waivers for federal approval. Prior to final approval or acceptance of funds by the authority, the authority shall submit the special terms and conditions as submitted to the centers for medicare and medicaid services and the anticipated budget for the duration of the renewed waiver to the governor, the joint select committee on health care, and the fiscal committees of the legislature. By federal standard any programs created or funded by this waiver do not create an entitlement. The demonstration period for the waiver as described in subsections (6), (7), and (8) of this section begins January 1, 2023.

(6)(a) $32,432,000 of the general fund—federal appropriation and $40,296,000 of the general fund—local appropriation are provided solely for accountable communities of health described in initiative 1 of the 1115 demonstration waiver and this is the maximum amount that may be expended for this purpose. In renewing this initiative, the authority shall consider local input regarding community needs and shall limit total local projects to no more than six. To provide transparency to the appropriate fiscal committees of the legislature, the authority shall provide fiscal staff of the legislature query ability into any database of the fiscal intermediary that authority staff would be authorized to access. The authority shall not supplement the amounts provided in this subsection with any general fund—state moneys appropriated in this section or any moneys that may be transferred pursuant to subsection (1) of this section. The director shall report to the fiscal committees of the legislature all expenditures under this subsection and provide such fiscal data in the time, manner, and form requested by the legislative fiscal committees.

(b) $110,778,000 of the general fund—federal appropriation and $45,248,000 of the general fund—private/local appropriation are provided solely for the medicaid quality improvement program and this is the maximum amount that may be expended for this purpose. Medicaid quality improvement program payments do not count against the 1115 demonstration waiver spending limits and are excluded from the waiver's budget neutrality calculation. The authority may provide medicaid quality improvement program payments to apple health managed care organizations and their partnering providers as they meet designated milestones. Partnering providers and apple health managed care organizations must work together to achieve medicaid quality improvement program goals according to the performance period timelines and reporting deadlines as set forth by the authority. The authority may only use the medicaid quality improvement program to support initiatives 1, 2, and 3 as described in the 1115 demonstration waiver and may not pursue its use for other purposes. Any programs created or funded by the medicaid quality improvement program do not constitute an entitlement for clients or providers. The authority shall not supplement the amounts provided in this subsection with any general fund—state, general fund—federal, or general fund—local moneys appropriated in this section or any moneys that may be transferred pursuant to subsection (1) of this section. The director shall report to the joint select committee on health care oversight not less than quarterly on financial and health outcomes. The director shall report to the fiscal committees of the legislature all expenditures under this subsection and shall provide such fiscal data in the time, manner, and form requested by the legislative fiscal committees.

(c) In collaboration with the accountable communities of health, the authority will submit a report to the governor and the joint select committee on health care oversight describing how each of the accountable community of health's work aligns with the community needs assessment no later than December 1, 2022.

(d) Performance measures and payments for accountable communities of health shall reflect accountability measures that demonstrate progress toward transparent, measurable, and meaningful goals that have an impact on improved population health and improved health outcomes, including a path to financial sustainability. While these goals may have variation to account for unique community demographics, measures should be standardized when possible.

(7) $19,902,000 of the general fund—federal appropriation and $19,903,000 of the general fund—local appropriation are provided solely for long-term support services as described in initiative 2 of the 1115 demonstration waiver as well as administrative expenses for initiative 3 and this is the maximum amount that may be expended for this purpose. The authority shall contract with and provide funding to the department of social and health services to administer initiative 2. The director in cooperation with the secretary of the department of social and health services shall report to the office of financial management all of the expenditures of this section and shall provide such fiscal data in the time, manner, and form requested. The authority shall not supplement the amounts provided in this subsection with any general fund—state moneys appropriated in this section or any moneys that may be transferred pursuant to subsection (1) of this section.

(8)(a) $13,235,000 of the general fund—federal appropriation and $7,318,000 of the general fund—local appropriation are provided solely for supported housing and employment services described in initiative 3a and 3b of the 1115 demonstration waiver and this is the maximum amount that may be expended for this purpose. Under this initiative, the authority and the department of social and health services shall ensure that allowable and necessary services are provided to eligible clients as identified by the department or its third-party administrator. The authority and the department, in consultation with the medicaid forecast work group, shall ensure that reasonable reimbursements are established for services deemed necessary within an identified limit per individual. The authority shall not supplement the amounts provided in this subsection with any general fund—state moneys appropriated in this section or any moneys that may be transferred pursuant to subsection (1) of this section. The director shall report to the joint select committee on health care oversight no less than quarterly on financial and health outcomes. The director shall also report to the fiscal committees of the legislature all of the expenditures of this subsection and shall provide such fiscal data in the time, manner, and form requested by the legislative fiscal committees.

(b) The authority and the department shall seek additional flexibilities for housing supports through the centers for medicare and medicaid services and shall coordinate with the office of financial management and the department of commerce to ensure that services are not duplicated.

(c) The director shall report to the joint select committee on health care oversight no less than quarterly on utilization and caseload statistics for both supportive housing and employment services and its progress toward increasing uptake and availability for these services.

(9) $202,000 of the general fund—state appropriation for fiscal year 2023 is provided solely for supported employment services and $208,000 of the general fund—state appropriation for fiscal year 2023 is provided solely for supported housing services, similar to the services described in initiatives 3a and 3b of the 1115 demonstration waiver to individuals who are ineligible for medicaid. Under these initiatives, the authority and the department of social and health services shall ensure that allowable and necessary services are provided to eligible clients as identified by the authority or its third-party administrator. Before authorizing services, eligibility for initiative 3a or 3b of the 1115 demonstration waiver must first be determined.

(10) The authority shall submit a plan to preserve the waiver that allows for the full cost of stays in institutions for mental diseases to be included in managed care rates by November 1, 2021, to the appropriate committees of the legislature.

(11) The authority shall submit a plan to preserve the waiver allowing for full federal financial participation for medical clients in mental health facilities classified as institutions for mental diseases by November 1, 2021, to the appropriate committees of the legislature.

(12) Sufficient amounts are appropriated in this subsection to implement the medicaid expansion as defined in the social security act, section 1902(a)(10)(A)(i)(VIII).

(13) The legislature finds that medicaid payment rates, as calculated by the health care authority pursuant to the appropriations in this act, bear a reasonable relationship to the costs incurred by efficiently and economically operated facilities for providing quality services and will be sufficient to enlist enough providers so that care and services are available to the extent that such care and services are available to the general population in the geographic area. The legislature finds that the cost reports, payment data from the federal government, historical utilization, economic data, and clinical input constitute reliable data upon which to determine the payment rates.

(14) Based on quarterly expenditure reports and caseload forecasts, if the health care authority estimates that expenditures for the medical assistance program will exceed the appropriations, the health care authority shall take steps including but not limited to reduction of rates or elimination of optional services to reduce expenditures so that total program costs do not exceed the annual appropriation authority.

(15) In determining financial eligibility for medicaid-funded services, the health care authority is authorized to disregard recoveries by Holocaust survivors of insurance proceeds or other assets, as defined in RCW 48.104.030.

(16) The legislature affirms that it is in the state's interest for Harborview medical center to remain an economically viable component of the state's health care system.

(17) When a person is ineligible for medicaid solely by reason of residence in an institution for mental diseases, the health care authority shall provide the person with the same benefits as he or she would receive if eligible for medicaid, using state-only funds to the extent necessary.

(18) $3,733,000 of the general fund—state appropriation for fiscal year 2022, $4,261,000 of the general fund—state appropriation for fiscal year 2023, and $9,050,000 of the general fund—federal appropriation are provided solely for low-income disproportionate share hospital payments.

(19) Within the amounts appropriated in this section, the health care authority shall provide disproportionate share hospital payments to hospitals that provide services to children in the children's health program who are not eligible for services under Title XIX or XXI of the federal social security act due to their citizenship status.

(20) $7,000,000 of the general fund—federal appropriation is provided solely for supplemental payments to nursing homes operated by public hospital districts. The public hospital district shall be responsible for providing the required nonfederal match for the supplemental payment, and the payments shall not exceed the maximum allowable under federal rules. It is the legislature's intent that the payments shall be supplemental to and shall not in any way offset or reduce the payments calculated and provided in accordance with part E of chapter 74.46 RCW. It is the legislature's further intent that costs otherwise allowable for rate-setting and settlement against payments under chapter 74.46 RCW shall not be disallowed solely because such costs have been paid by revenues retained by the nursing home from these supplemental payments. The supplemental payments are subject to retrospective interim and final cost settlements based on the nursing homes' as-filed and final medicare cost reports. The timing of the interim and final cost settlements shall be at the health care authority's discretion. During either the interim cost settlement or the final cost settlement, the health care authority shall recoup from the public hospital districts the supplemental payments that exceed the medicaid cost limit and/or the medicare upper payment limit. The health care authority shall apply federal rules for identifying the eligible incurred medicaid costs and the medicare upper payment limit.

(21) The health care authority shall continue the inpatient hospital certified public expenditures program for the 2021-2023 fiscal biennium. The program shall apply to all public hospitals, including those owned or operated by the state, except those classified as critical access hospitals or state psychiatric institutions. The health care authority shall submit reports to the governor and legislature by November 1, 2021, and by November 1, 2022, that evaluate whether savings continue to exceed costs for this program. If the certified public expenditures (CPE) program in its current form is no longer cost-effective to maintain, the health care authority shall submit a report to the governor and legislature detailing cost-effective alternative uses of local, state, and federal resources as a replacement for this program. During fiscal year 2022 and fiscal year 2023, hospitals in the program shall be paid and shall retain one hundred percent of the federal portion of the allowable hospital cost for each medicaid inpatient fee-for-service claim payable by medical assistance and one hundred percent of the federal portion of the maximum disproportionate share hospital payment allowable under federal regulations. For the purpose of determining the amount of any state grant under this subsection, payments will include the federal portion of medicaid program supplemental payments received by the hospitals. Inpatient medicaid payments shall be established using an allowable methodology that approximates the cost of claims submitted by the hospitals. Payments made to each hospital in the program in each fiscal year of the biennium shall be compared to a baseline amount. The baseline amount will be determined by the total of (a) the inpatient claim payment amounts that would have been paid during the fiscal year had the hospital not been in the CPE program based on the reimbursement rates developed, implemented, and consistent with policies approved in the 2021-2023 biennial operating appropriations act and in effect on July 1, 2015, (b) one-half of the indigent assistance disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005, and (c) all of the other disproportionate share hospital payment amounts paid to and retained by each hospital during fiscal year 2005 to the extent the same disproportionate share hospital programs exist in the 2019-2021 fiscal biennium. If payments during the fiscal year exceed the hospital's baseline amount, no additional payments will be made to the hospital except the federal portion of allowable disproportionate share hospital payments for which the hospital can certify allowable match. If payments during the fiscal year are less than the baseline amount, the hospital will be paid a state grant equal to the difference between payments during the fiscal year and the applicable baseline amount. Payment of the state grant shall be made in the applicable fiscal year and distributed in monthly payments. The grants will be recalculated and redistributed as the baseline is updated during the fiscal year. The grant payments are subject to an interim settlement within eleven months after the end of the fiscal year. A final settlement shall be performed. To the extent that either settlement determines that a hospital has received funds in excess of what it would have received as described in this subsection, the hospital must repay the excess amounts to the state when requested. $425,000 of the general fund—state appropriation for fiscal year 2022 and $391,000 of the general fund—state appropriation for fiscal year 2023 are provided solely for state grants for the participating hospitals.

(22) The health care authority shall seek public-private partnerships and federal funds that are or may become available to provide on-going support for outreach and education efforts under the federal children's health insurance program reauthorization act of 2009.

(23) The health care authority shall target funding for maternity support services towards pregnant women with factors that lead to higher rates of poor birth outcomes, including hypertension, a preterm or low birth weight birth in the most recent previous birth, a cognitive deficit or developmental disability, substance abuse, severe mental illness, unhealthy weight or failure to gain weight, tobacco use, or African American or Native American race. The health care authority shall prioritize evidence-based practices for delivery of maternity support services. To the extent practicable, the health care authority shall develop a mechanism to increase federal funding for maternity support services by leveraging local public funding for those services.

(24) The authority shall submit reports to the governor and the legislature by September 15, 2021, and no later than September 15, 2022, that delineate the number of individuals in medicaid managed care, by carrier, age, gender, and eligibility category, receiving preventative services and vaccinations. The reports should include baseline and benchmark information from the previous two fiscal years and should be inclusive of, but not limited to, services recommended under the United States preventative services task force, advisory committee on immunization practices, early and periodic screening, diagnostic, and treatment (EPSDT) guidelines, and other relevant preventative and vaccination medicaid guidelines and requirements.

(25) Managed care contracts must incorporate accountability measures that monitor patient health and improved health outcomes, and shall include an expectation that each patient receive a wellness examination that documents the baseline health status and allows for monitoring of health improvements and outcome measures.

(26) Sufficient amounts are appropriated in this section for the authority to provide an adult dental benefit.

(27) The health care authority shall coordinate with the department of social and health services to provide referrals to the Washington health benefit exchange for clients that will be ineligible for medicaid.

(28) To facilitate a single point of entry across public and medical assistance programs, and to maximize the use of federal funding, the health care authority, the department of social and health services, and the health benefit exchange will coordinate efforts to expand HealthPlanfinder access to public assistance and medical eligibility staff. The health care authority shall complete medicaid applications in the HealthPlanfinder for households receiving or applying for medical assistance benefits.

(29) $90,000 of the general fund—state appropriation for fiscal year 2022, $90,000 of the general fund—state appropriation for fiscal year 2023, and $180,000 of the general fund—federal appropriation are provided solely to continue operation by a nonprofit organization of a toll-free hotline that assists families to learn about and enroll in the apple health for kids program. By November 15, 2022, the authority shall submit a report to the appropriate committees to the legislature that provides, at a minimum, information about the number of calls received by the nonprofit organization in the previous year, the amount of time spent on each call, comparisons to previous years, where available, and information about what data is collected related to this service.

(30) Within the amounts appropriated in this section, the authority shall reimburse for primary care services provided by naturopathic physicians.

(31) Within the amounts appropriated in this section, the authority shall continue to provide coverage for pregnant teens that qualify under existing pregnancy medical programs, but whose eligibility for pregnancy related services would otherwise end due to the application of the new modified adjusted gross income eligibility standard.

(32) Sufficient amounts are appropriated in this section to remove the mental health visit limit and to provide the shingles vaccine and screening, brief intervention, and referral to treatment benefits that are available in the medicaid alternative benefit plan in the classic medicaid benefit plan.

(33) The authority shall use revenue appropriated from the dedicated marijuana fund for contracts with community health centers under RCW 69.50.540 in lieu of general fund—state payments to community health centers for services provided to medical assistance clients, and it is the intent of the legislature that this policy will be continued in subsequent fiscal biennia.

(34) Beginning no later than January 1, 2018, for any service eligible under the medicaid state plan for encounter payments, managed care organizations at the request of a rural health clinic shall pay the full published encounter rate directly to the clinic. At no time will a managed care organization be at risk for or have any right to the supplemental portion of the claim. Payments will be reconciled on at least an annual basis between the managed care organization and the authority, with final review and approval by the authority.

(35) Sufficient amounts are appropriated in this section for the authority to provide a medicaid equivalent adult dental benefit to clients enrolled in the medical care service program.

(36) During the 2021-2023 fiscal biennium, sufficient amounts are provided in this section for the authority to provide services identical to those services covered by the Washington state family planning waiver program as of August 2018 to individuals who:

(a) Are over nineteen years of age;

(b) Are at or below two hundred and sixty percent of the federal poverty level as established in WAC 182-505-0100;

(c) Are not covered by other public or private insurance; and

(d) Need family planning services and are not currently covered by or eligible for another medical assistance program for family planning.

(37) Sufficient amounts are appropriated within this section for the authority to incorporate the expected outcomes and criteria to measure the performance of service coordination organizations as provided in chapter 70.320 RCW into contracts with managed care organizations that provide services to clients. The authority is directed to:

(a) Contract with an external quality improvement organization to annually analyze the performance of managed care organizations providing services to clients under this chapter based on seven performance measures. The analysis required under this subsection must:

(i) Measure managed care performance in four common measures across each managed care organization, including:

(A) At least one common measure must be weighted towards having the potential to impact managed care costs; and

(B) At least one common measure must be weighted towards population health management, as defined by the measure; and

(ii) Measure managed care performance in an additional three quality focus performance measures specific to a managed care organization. Quality focus performance measures chosen by the authority must:

(A) Be chosen from the statewide common measure set;

(B) Reflect specific measures where a managed care organization has poor performance; and

(C) Be substantive and clinically meaningful in promoting health status.

(b) The authority shall set the four common measures to be analyzed across all managed care organizations.

(c) The authority shall set three quality focus performance measures specific to each managed care organization. The authority must determine performance measures for each managed care organization based on the criteria established in (a)(ii) of this subsection.

(d) By September 15, 2021, and annually thereafter, the authority shall notify each managed care organization of the performance measures for the organization for the subsequent plan year.

(e) Two percent of the total plan year funding appropriated to each managed care organization that provides services to clients under chapter 70.320 RCW shall be withheld. At least seventy-five percent of the withhold shall be held contingent on each managed care organization's performance on the seven performance measures identified in this section. Each managed care organization may earn back the annual withhold if the external quality improvement organization finds that the managed care organization:

(i) Made statistically significant improvement in the seven performance measures as compared to the preceding plan year; or

(ii) Scored in the top national medicaid quartile of the performance measures.

(f) The amount of withhold annually paid to each managed care organization shall be proportional to findings of statistically significant improvement or top national medicaid quartile scoring by a managed care organization.

(g) For no more than two of the four quality focus performance measures, the authority may use an alternate methodology to approximate top national medicaid quartile performance where top quartile performance data is unavailable.

(h) For the purposes of this subsection, "external quality improvement organization" means an organization that meets the competence and independence requirements under 42 C.F.R. Sec. 438.354, as it existed on the effective date of this section.

(38)(a) The authority shall ensure that appropriate resources are dedicated to implementing the recommendations of the centers for medicare and medicaid services center for program integrity as provided to the authority in the January 2019 Washington focused program integrity review final report. Additionally, the authority shall:

(i) Work to ensure the efficient operations of the managed care plans, including but not limited to, a deconflicting process for audits with and among the managed care plans and the medicaid fraud division at the attorney general's office, to ensure the authority staff perform central audits of cases that appear across multiple managed care plans, versus the audits performed by the individual managed care plans or the fraud division; and

(ii) Remain accountable for operating in an effective and efficient manner, including performing program integrity activities that ensure high value in the medical assistance program in general and in medicaid managed care specifically;

(A) Work with its contracted actuary and the medicaid forecast work group to develop methods and metrics related to managed care program integrity activity that shall be incorporated into annual rate setting; and

(B) Work with the medicaid forecast work group to ensure the results of program integrity activity are incorporated into the rate setting process in a transparent, timely, measurable, quantifiable manner.

(b) The authority shall submit a report to the governor and appropriate committees of the legislature by October 1, 2021, that includes, but is not limited to:

(i) Specific, quantified actions that have been taken, to date, related to the recommendations of the centers for medicare and medicaid services center for program integrity as provided to the authority in the January 2019 Washington focused program integrity review final report; and

(ii) Specific, quantified information regarding the steps taken toward (a)(i), (iii), and (iv) of this subsection.

(39) No later than December 31, 2021, the health care authority, in partnership with the department of social and health services as described in section 204(16) of this act, shall submit a waiver request to the federal department of health and human services to authorize presumptive medicaid eligibility determinations for clients preparing for acute care hospital discharge who may need long-term services and supports. The department and the authority shall hold stakeholder discussions, including opportunities for public review and comment, during development of the waiver request. Upon submission of the waiver request, the department and the authority shall submit a report to the governor and the appropriate legislative committees that describes the request and identifies any statutory changes that may be necessary if the federal government approves the request.

(40) $2,786,000 of the general fund—state appropriation for fiscal year 2022, $3,714,000 of the general fund—state appropriation for fiscal year 2023, and $11,009,000 of the general fund—federal appropriation are provided solely to maintain and increase access for behavioral health services through increased provider rates. The rate increases are effective October 1, 2021, and must be applied to the following codes for children and adults enrolled in the medicaid program: 90832, 90833, 90834, 90837, H0004, H0036, H2015, H2021, H0023, 90836, 90838, 96156, 96158, 96159, 96164, 96165, 96167, 96168, 96170, 96171, 90845, 90846, 90847, 90849, 90853, 90785, and 90791. The authority may use a substitute code in the event that any of the codes identified in this subsection are discontinued and replaced with an updated code covering the same service. Within the amounts provided in this subsection the authority must:

(a) Implement this rate increase in accordance with the process established in chapter 285, Laws of 2020 (EHB 2584) (behavioral health rates);

(b) Raise the state fee-for-service rates for these codes by up to 15 percent, except that the state medicaid rate may not exceed the published medicare rate or an equivalent relative value unit rate if a published medicare rate is not available;

(c) Require in contracts with managed care organizations that, beginning October 2021, managed care organizations pay no lower than the fee-for-service rate for these codes, and adjust managed care capitation rates accordingly; and

(d) Not duplicate rate increases provided in subsections (41) and (42) of this section.

(41) $19,664,000 of the general fund—state appropriation for fiscal year 2022, $26,218,000 of the general fund—state appropriation for fiscal year 2023, and $77,996,000 of the general fund—federal appropriation are provided solely to maintain and increase access for primary care services for medicaid-enrolled patients through increased provider rates beginning October 1, 2021. Within the amounts provided in this subsection the authority must:

(a) Increase the medical assistance rates for adult primary care services that are reimbursed solely at the existing medical assistance rates on a fee-for-service basis, as well as through managed care plans, by at least 15 percent above medical assistance rates in effect on January 1, 2019;

(b) Increase the medical assistance rates for pediatric primary care services that are reimbursed solely at the existing medical assistance rates on a fee-for-service basis, as well as through managed care plans, by at least 21 percent above medical assistance rates in effect on January 1, 2019;

(c) Increase the medical assistance rates for pediatric critical care, neonatal critical care, and neonatal intensive care services that are reimbursed solely at the existing medical assistance rates on a fee-for-service basis, as well as through managed care plans, by at least 21 percent above medical assistance rates in effect on January 1, 2019;

(d) Apply reimbursement rates required under this subsection to payment codes in a manner consistent with the temporary increase in medicaid reimbursement rates under federal rules and guidance in effect on January 1, 2014, implementing the patient protection and affordable care act, except that the authority may not require provider attestations;

(e) Pursue state plan amendments to require medicaid managed care organizations to increase rates under this subsection through adoption of a uniform percentage increase for network providers pursuant to 42 C.F.R. Sec. 438.6(c)(1)(iii)(B), as existing on January 1, 2019; and

(f) Not duplicate rate increases provided in subsections (40) and (42) of this section.

(42) $2,233,000 of the general fund—state appropriation for fiscal year 2022, $2,977,000 of the general fund—state appropriation for fiscal year 2023, and $10,871,000 of the general fund—federal appropriation are provided solely to increase provider rates to maintain and increase access for family planning services for patients seeking services through department of health sexual and reproductive health program family planning providers. The rate increases are effective October 1, 2021, and must be applied to the following codes for eligible apple health and family planning only clients seeking services through department of health sexual and reproductive health program providers: 36415, 36416, 55250, 57170, 58340, 58600, 58605, 58611, 58615, 58670, 58671, 59840, 59841, 59850, 59851, 59852, 59855, 59856, 59857, 76817, 81025, 84702, 84703, 86631, 86632, 86901, 87110, 87270, 87320, 87490, 87491, 87590, 87591, 87624, 87625, 87800, 87810, 88141, 88142, 88143, 88147, 88148, 88150, 88152, 88153, 88164, 88165, 88166, 88167, 88174, 88175, 96372, 99071, 99201, 99202, 99203, 99204, 99211, 99212, 99213, 99214, 99384, 99385, 99386, 99394, 99395, 99396, 99401, and S0199. The authority may use a substitute code if any of the codes identified in this subsection are discontinued and replaced with an updated code covering the same service. Within the amounts provided in this subsection the authority must:

(a) Increase the family planning rates for services that are included on and reimbursed solely at the existing family planning fee schedule on a fee-for-service basis, as well as through managed care plans, by at least 162 percent above family planning fee schedule rates in effect on January 1, 2021;

(b) Pursue state plan amendments to require medicaid managed care organizations to increase rates under this subsection through adoption of a uniform percentage increase for network providers pursuant to 42 C.F.R. Sec. 438.6(c)(1)(iii)(B), as existing on January 1, 2021; and

(c) Not duplicate rate increases provided in subsections (40) and (41) of this section.

(43)(a) Beginning with fiscal year 2020, and for each subsequent year thereafter, the authority shall reconcile on an annual basis with rural health clinics.

(b) Beginning with fiscal year 2020, and for each subsequent year thereafter, the authority shall properly accrue for any anticipated reconciliations with rural health clinics during the fiscal year close process following generally accepted accounting practices.

(44)(a) The authority in collaboration with the office of financial management and representatives from fiscal committees of the legislature shall conduct an evaluation of the APM4 model to determine its cost effectiveness and impact on patient outcomes and report its findings and recommendations to the appropriate committees of the legislature by November 15, 2022.

(b) The authority shall not enter into any future value-based arrangements with federally qualified health centers or rural health clinics prior to receiving approval from the office of financial management and the appropriate committees of the legislature.

(c) The authority shall not modify the reconciliation process or the APM4 program with federally qualified health centers or rural health clinics without notification to and the opportunity to comment from the office of financial management.

(d) The authority shall require all managed care organizations to provide information to the authority to account for all payments to federally qualified health centers to include how payments are made, including any additional payments and whether there is a sub-capitation arrangement or value-based purchasing arrangement.

(e) Beginning with fiscal year 2021 and for each subsequent year thereafter, the authority shall reconcile on an annual basis with federally qualified health centers contracting under APM4.

(f) Beginning with fiscal year 2021 and for each subsequent year thereafter, the authority shall properly accrue for any anticipated reconciliations with federally qualified health centers contracting under APM4 during the fiscal year close process following generally accepted accounting practices.

(45) Within the amounts appropriated in this section, the authority is to include allergen control bed and pillow covers as part of the durable medical equipment benefit for children with an asthma diagnosis enrolled in medical assistance programs.

(46) Within the amounts appropriated in this section, the authority shall reimburse for maternity services provided by doulas.

(47) $60,000 of the general fund—state appropriation for fiscal year 2022 and $60,000 of the general fund—federal appropriation are provided solely for evaluation of the Washington rural health access preservation pilot program.

(48) $160,000 of the general fund—state appropriation for fiscal year 2022 and $1,440,000 of the general fund—federal appropriation are provided solely for health care interoperability costs and are subject to the conditions, limitations, and review provided in section 701 of this act.

(49) $275,000 of the general fund—state appropriation for fiscal year 2022, $160,000 of the general fund—state appropriation for fiscal year 2023, and $3,913,000 of the general fund—federal appropriation are provided solely for modular replacement costs of the ProviderOne pharmacy point of sale system and are subject to the conditions, limitations, and review provided in section 701 of this act.

(50) $484,000 of the general fund—state appropriation for fiscal year 2022 and $466,000 of the general fund—state appropriation for fiscal year 2023 are provided solely to implement Engrossed Second Substitute Senate Bill No. 5399 (universal health care commission).

(51) $654,000 of the general fund—state appropriation for fiscal year 2022, $655,000 of the general fund—state appropriation for fiscal year 2023, and $2,154,000 of the general fund—federal appropriation are provided solely for the authority to increase the nonemergency medical transportation broker administrative rate to ensure access to health care services for medicaid patients.

(52) $1,715,000 of the general fund—state appropriation for fiscal year 2022, $1,804,000 of the general fund—state appropriation for fiscal year 2023, and $6,647,000 of the general fund—federal appropriation are provided solely to increase the rates paid to rural hospitals that meet the criteria in (a) through (e) of this subsection. Payments for state and federal medical assistance programs for services provided by such a hospital, regardless of the beneficiary's managed care enrollment status, must be increased to 150 percent of the hospital's fee-for-service rates. The authority must discontinue this rate increase after June 30, 2023, and return to the payment levels and methodology for these hospitals that were in place as of January 1, 2018. Hospitals participating in the certified public expenditures program may not receive increased reimbursement for inpatient services. Hospitals qualifying for this rate increase must:

(a) Be certified by the centers for medicare and medicaid services as sole community hospitals as of January 1, 2013;

(b) Have had less than 150 acute care licensed beds in fiscal year 2011;

(c) Have a level III adult trauma service designation from the department of health as of January 1, 2014;

(d) Be owned and operated by the state or a political subdivision; and

(e) Accept single bed certification patients pursuant to RCW 71.05.745 by July 1, 2022. If the hospitals qualifying for this rate increase do not accept single bed certification patients by July 1, 2022, the authority must discontinue this rate increase after October 1, 2022, and must return to the payment levels and methodology for these hospitals that were in place as of January 1, 2018.

(53) $100,000 of the general fund—state appropriation for fiscal year 2022, $100,000 of the general fund—state appropriation for fiscal year 2023, and $200,000 of the general fund—federal appropriation are provided solely for pass through funding for a citizens of the compact of free association (COFA) community member led organization through a Washington state based organization contract as outlined in RCW 43.71A.030 to provide additional supports to COFA community members statewide who are seeking access to health coverage and health care services. The amounts provided in this subsection for fiscal year 2022 must be distributed no later than October 1, 2021. The amounts provided in this subsection for fiscal year 2023 must be distributed no later than October 1, 2022.

(54) The authority shall collaborate with the Washington state LGBTQ commission, the department of health, advocates for people living with HIV in Washington, consumers, and medical professionals with expertise in serving the medicaid population living with HIV, to consider and develop recommendations regarding:

(a) Access to HIV antiretroviral drugs on the medicaid drug formulary, including short- and long-term fiscal implications of eliminating current prior authorization and fail-first requirements;

(b) Impact of drug access on public health and the statewide goal of reducing HIV transmissions; and

(c) Maximizing pharmaceutical drug rebates for HIV antiretroviral drugs.

(55) $22,000 of the general fund—state appropriation for fiscal year 2022, $22,000 of the general fund—state appropriation for fiscal year 2023, and $134,000 of the general fund—federal appropriation are provided solely to implement Substitute Senate Bill No. 5157 (behavioral disorders/justice).

(56) Within the amounts appropriated in this section, the authority shall extend the oral health connections pilot project in Spokane, Thurston, and Cowlitz counties. The authority shall continue to work in collaboration with a state-based oral health foundation to jointly develop and implement the program. The purpose of the pilot is to test the effect that enhanced dental benefits for medicaid clients with diabetes and pregnant clients have on access to dental care, health outcomes, and medical care costs. The pilot program must continue to include enhanced reimbursement rates for participating dental providers, including denturists licensed under chapter 18.30 RCW, and an increase in the allowable number of periodontal treatments to up to four per calendar year. The authority has the option of extending pilot program eligibility to dually eligible medicaid clients who are diabetic or pregnant and to pregnant medicaid clients under the age of 20. The authority has the option of adjusting the pilot program benefit design and fee schedule based on previous findings, within amounts appropriated in this section. Diabetic or pregnant medicaid clients who are receiving dental care within the pilot regions, regardless of location of the service within the pilot regions, are eligible for the increased number of periodontal treatments. The state-based oral health foundation shall continue to partner with the authority and provide wraparound services to link patients to care. The authority and foundation shall provide a joint report to the appropriate committees of the legislature on October 1, 2021, outlining the findings of the original three-year pilot program, and on December 1, 2022, outlining the progress of the extended pilot program.

(57)(a) $200,000 of the general fund—state appropriation for fiscal year 2022 and $200,000 of the general fund—federal appropriation are provided solely for contracting with the office of equity to implement chapter 293, Laws of 2020 (baby, child dentistry access). By November 15, 2021, the authority shall submit a report to the appropriate committees to the legislature describing its progress implementing chapter 293, Laws of 2020 (baby, child dentistry access) and chapter 242, Laws of 2020 (access to baby and child dentistry for children with disabilities).

(b) $200,000 of the general fund—state appropriation for fiscal year 2023 and $200,000 of the general fund—federal appropriation are provided solely for the authority to contract with access to baby and child dentistry local programs for the purpose of maintaining and expanding capacity for local program coordinators. The goals of this contracting include, but are not limited to, reducing racial and ethnic disparities in access to care and oral health outcomes, increasing the percentage of medicaid-enrolled children under the age of two accessing dental care, and continued provider engagement and outreach. The authority may contract with the office of equity and other statewide and local equity partners to provide training and identify activities and deliverables.

(58) $75,000 of the general fund—state appropriation for fiscal year 2022 and $75,000 of the general fund—federal appropriation are provided solely for contracting by the health care authority to further the development and implementation of its Washington primary care transformation initiative, intended to increase team-based primary care and the percentage of overall health care spending in the state devoted to primary care. By October 1, 2021, the authority must update the legislature on the status of the initiative, including any fiscal impacts of this initiative, potential implementation barriers, and needed legislation.

(59) Sufficient funds are provided to continue reimbursing dental health aid therapists for services performed in tribal facilities for medicaid clients. The authority must leverage any federal funding that may become available as a result of appeal decisions from the centers for medicare and medicaid services or the United States court of appeals for the ninth circuit.

(60) $149,000 of the general fund—state appropriation for fiscal year 2022 and $140,000 of the general fund—state appropriation for fiscal year 2023 are provided solely to implement Engrossed Second Substitute Senate Bill No. 5377 (standardized health plans).

(61) Within the amount appropriated within this section, the authority shall implement the requirements of Substitute Senate Bill No. 5068 (postpartum period/medicaid) and the American rescue plan act of 2021, P.L. 117-2, in extending health care coverage during the postpartum period. The authority shall make every effort to expedite and complete eligibility determinations for individuals who are likely eligible to receive health care coverage under Title XIX or Title XXI of the federal social security act to ensure the state is receiving maximum federal match. This includes, but is not limited to, working with managed care organizations to provide continuous outreach in various modalities until the individual's eligibility determination is completed. Beginning June 1, 2022, the authority must submit quarterly reports to the caseload forecast work group on the number of individuals who are likely eligible to receive health care coverage under Title XIX or Title XXI of the federal social security act but are waiting for the authority to complete eligibility determination, the number of individuals who were likely eligible but are now receiving health care coverage with the maximum federal match under Title XIX or Title XXI of the federal social security act, and outreach activities including the work with managed care organizations.

(62) $10,695,000 of the general fund—state appropriation for fiscal year 2022, $10,695,000 of the general fund—state appropriation for fiscal year 2023, and $54,656,000 of the general fund—federal appropriation are provided solely to maintain and increase access for adult dental services for medicaid enrolled patients through increased provider rates beginning July 1, 2021. Within the amounts provided in this subsection, the authority must increase the medical assistance rates for adult dental services that are reimbursed solely at the existing medical assistance rates on a fee-for-service basis up to 100 percent above medical assistance rates in effect on January 1, 2019.

(63) $551,000 of the general fund—state appropriation for fiscal year 2022, $770,000 of the general fund—state appropriation for fiscal year 2023, and $3,288,000 of the general fund—federal appropriation are provided solely for the implementation of Second Substitute Senate Bill No. 5195 (opioid overdose medication).

(64) The authority must claim the enhanced federal medical assistance participation rate for home and community-based services offered under section 9817 of the American rescue plan act of 2021 (ARPA). Appropriations made that constitute supplementation of home and community-based services as defined in section 9817 of ARPA are listed in the LEAP omnibus document HCBS-2021.

(65) $250,000 of the general fund—state appropriation for fiscal year 2022 and $250,000 of the general fund—state appropriation for fiscal year 2023 are provided solely for the authority to continue a public-private partnership with a state-based oral health foundation to connect medicaid patients to dental services and reduce barriers to accessing care. The authority shall submit a progress report to the appropriate committees of the legislature by June 30, 2022.

(66)(a) $35,000,000 of the coronavirus state fiscal recovery fund—federal appropriation is provided solely for the authority to distribute grants for the provision of health care services for uninsured and underinsured individuals, regardless of immigration status. Grants provided under this subsection must be used for the direct care of uninsured and underinsured individuals under 200 percent of the federal poverty level, including on-site care as well as referrals to and payment for services provided off-site, for:

(i) The testing, assessment, or treatment of the severe acute respiratory syndrome coronavirus 2 (COVID-19), including facility and provider fees;

(ii) Primary and preventive care;

(iii) Behavioral health services;

(iv) Oral health care;

(v) Assessment, treatment, and management of acute or chronic conditions, including but not limited to the cost of laboratory, prescription medications, specialty care, therapies, radiology, and other diagnostics; and

(vi) Outreach and education needed to inform patients and prospective patients that care is available free of charge.

(b) To be eligible for a grant under this subsection, a federally qualified health center, rural health clinic, free clinic, public hospital district, behavioral health provider or facility, behavioral health administrative service organization, or community-based organization must apply for a grant and agree to not:

(i) Bill individuals for any portion of the services provided that involve the use of amounts appropriated in this section; or

(ii) Use the amounts provided in this subsection for services for which other funds are available, such as federal funds from the families first coronavirus response act and the American rescue plan act.

(c) Grants provided under this subsection may be used to provide on-site care, care delivered via telehealth, and referrals to and payments for services provided off-site. Recipients may use funds distributed in this subsection to reimburse other providers or facilities for the cost of care. Only free clinics may use grants provided under this subsection to cover general operating costs, including staffing, supplies, and equipment purchases.

(d) The agency shall employ fund allocation approaches that engage community residents, organizations, and leaders in identifying priorities and implementing projects and initiatives that reflect community values and priorities. At a minimum, this must include consultation with community health boards and organizations that advocate for access to health care for uninsured state residents.

(e) Recipients of the amounts provided in this subsection must submit reports to the authority on the use of grant funds, including data about utilization of services. The authority shall prepare and post on its website an annual report detailing the amount of funds disbursed and aggregating information submitted by recipients.

(f) The authority may retain no more than three percent of the amounts provided in this subsection for administrative costs.

(g) As used in this subsection, "free clinics" mean private, nonprofit, community, or faith-based organizations that provide medical, dental, and mental health services at little or no cost to uninsured and underinsured people through the use of volunteer health professionals, community volunteers, and partnerships with other health providers.

(67) $123,000 of the general fund—state appropriation for fiscal year 2022, $46,000 of the general fund—state appropriation for fiscal year 2023, and $743,000 of the general fund—federal appropriation are provided solely for the implementation of Substitute House Bill No. 1348 (incarcerated persons/medical).

(68) $1,350,000 of the general fund—state appropriation for fiscal year 2023 and $2,570,000 of the general fund—federal appropriation are provided solely for the implementation of House Bill No. 1096 (nonmedicare plans).

(69) Within the amounts provided in this section, sufficient funding is provided for the authority to implement Second Substitute House Bill No. 1325 (behavioral health/youth).

(70) $184,000 of the general fund—state appropriation for fiscal year 2022 and $175,000 of the general fund—state appropriation for fiscal year 2023 are provided solely for the implementation of Engrossed Substitute House Bill No. 1196 (audio-only telemedicine).

(71) $232,000 of the general fund—state appropriation for fiscal year 2022, $300,000 of the general fund—state appropriation for fiscal year 2023, and $599,000 of the general fund—federal appropriation are provided solely for reimbursement for a social worker as part of the medical assistance home health benefit.

(72) $1,303,000 of the general fund—state appropriation for fiscal year 2022 and $285,000 of the general fund—state appropriation for fiscal year 2023 are provided solely for the implementation of Engrossed Substitute Senate Bill No. 5203 (generic prescription drugs).

(73) $18,669,000 from the Indian health improvement reinvestment account is provided solely for Indian health improvement advisory plan projects, programs, and activities authorized by RCW 43.71B.030.

(74) $434,000 of the general fund—state appropriation for fiscal year 2022 and $489,000 of the general fund—state appropriation for fiscal year 2023 are provided solely for the authority to partner with the department of social and health services to create surge capacity in acute care hospitals by supporting non-citizens who are both in acute care hospitals awaiting discharge and on the department of social and health services waitlist for services. The amounts provided in this subsection are for the authority to cover the cost of medical assistance for 20 new non-citizen clients.

(75) $25,000 of the general fund—state appropriation for fiscal year 2022 and $25,000 of the general fund—federal appropriation are provided solely for the authority to develop an implementation plan to incorporate medical and psychiatric respite care as statewide medicaid benefits. The plan must include an analysis of the cost effectiveness of providing medical and psychiatric respite care benefits for medicaid enrollees. In developing the plan, the authority shall consult with interested stakeholders, including medicaid managed care organizations, community health centers, organizations providing respite care, and hospitals. Amounts provided in this subsection may be used for staff support and one-time contracting. No later than January 15, 2022, the authority shall report its findings to the relevant committees of the legislature, the office of the governor, and the office of financial management.

(76) $281,000 of the general fund—state appropriation for fiscal year 2022, $192,000 of the general fund—state appropriation for fiscal year 2023, and $803,000 of the general fund—federal appropriation are provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 5304 (reentry services).

(77)(a) The authority shall assess the feasibility and fiscal impacts of an 1115 medicaid waiver to extend continuous eligibility for apple health covered children ages zero through five as a component of school readiness. The authority may seek support for the analysis. Prior to submitting the waiver application, the authority shall provide a status update no later than September 30, 2021, to the governor and fiscal committees of the legislature.

(b) $6,090,000 of the general fund—state appropriation for fiscal year 2023 and $6,125,000 of the general fund—federal appropriation are provided solely for the authority to extend continuous eligibility for apple health to children ages zero to six with income at or below 215 percent of the federal poverty level. The centers for medicare and medicaid services must approve the 1115 medicaid waiver prior to the implementation of this policy.

(78) $500,000 of the general fund—state appropriation for fiscal year 2023 is provided solely for the perinatal support warm line to provide peer support, resources, and referrals to new and expectant parents and people in the emotional transition to parenthood experiencing, or at risk of, postpartum depression or other mental health issues.

(79) Sufficient funding is provided to remove the asset test from the medicare savings program review process.

(80) $77,000 of the general fund—state appropriation for fiscal year 2022 and $286,000 of the general fund—state appropriation for fiscal year 2023 are provided solely for implementation of Substitute House Bill No. 1728 (insulin work group reauth.). If the bill is not enacted by June 30, 2022, the amounts provided in this subsection shall lapse.

(81) Sufficient funding is provided to eliminate the mid-certification review process for the aged, blind, or disabled and housing and essential needs referral programs.

(82) $103,000 of the general fund—state appropriation for fiscal year 2022, $253,000 of the general fund—state appropriation for fiscal year 2023, and $2,724,000 of the general fund—federal appropriation are provided solely for the authority to procure an electronic consent management solution for patients and health care providers to exchange health-related information and are subject to the conditions, limitations, and review requirements of section 701 of this act.

(83) $1,788,000 of the general fund—state appropriation for fiscal year 2022, $1,788,000 of the general fund—state appropriation for fiscal year 2023, and $994,000 of the general fund—federal appropriation are provided solely for electronic health record expansion that must be based on the operational and technical needs necessary to implement the national 988 system and are subject to the conditions, limitations, and review requirements of section 701 of this act. As a condition of funding under this subsection, the authority must complete all reporting required under RCW 71.24.898.

(84) $3,250,000 of the general fund—state appropriation for fiscal year 2023 is provided solely for the authority to make information technology system and provider network upgrades necessary for the anticipated expansion of medicaid equivalent health care coverage for uninsured adults with incomes up to 138 percent of the federal poverty level regardless of immigration status in collaboration with the department of social and health services and is subject to the conditions, limitations, and review provided in section 701 of this act.

(85) $10,406,000 of the general fund—state appropriation for fiscal year 2023 and $10,715,000 of the general fund—federal appropriation are provided solely to maintain and increase access for children's dental services for medicaid enrolled patients through increased provider rates beginning January 1, 2023. Within the amounts provided in this subsection, the authority must increase the medical assistance rates for children's dental services that are reimbursed solely at the existing medical assistance rates on a fee-for-service basis as follows:

(a) Increase the rates for codes for the access to baby and child dentistry (ABCD) program by 40 percent;

(b) Increase the rates for codes for children's dental program rates for persons aged zero to 20 years old that have a corresponding ABCD code to the current ABCD code rate, plus an additional 10 percent rate increase; and

(c) Increase the rates for codes for children's dental program rates for persons aged zero to 20 years old without a corresponding ABCD code to 70 percent of the medical assistance rates on a fee-for-service basis for adult dental services in effect on January 1, 2022. This increase does not apply to codes with rates already greater than 70 percent of the adult dental services rate.

(86) $250,000 of the general fund—state appropriation for fiscal year 2023 and $250,000 of the general fund—federal appropriation are provided solely for the authority to conduct a feasibility study for planning, design, implementation, and administration of a case management solution that supports acquisition, storage, and retrieval of data and data analysis pursuant to *Trueblood, et al. v. Department of Social and Health Services, et al.,* United States district court for the western district of Washington, cause no. 14-cv-00178-MJP.

(87) $56,000 of the general fund—state appropriation for fiscal year 2022 and $1,548,000 of the general fund—state appropriation for fiscal year 2023 are provided solely for health information technology and evaluations necessary to support the 1115 demonstration waiver as it relates to institutions for mental diseases and are subject to the conditions, limitations, and review requirements of section 701 of this act.

(88) $272,000 of the general fund—state appropriation for fiscal year 2023 and $149,000 of the general fund—federal appropriation are provided solely to align services provided through both fee-for-service and managed care to the bright futures guidelines, or a comparable schedule, for early and periodic screening, diagnosis, and treatment beginning January 1, 2023.

(89) $3,174,000 of the general fund—state appropriation for fiscal year 2023 is provided solely for implementation of Substitute Senate Bill No. 5745 (personal needs allowance). If the bill is not enacted by June 30, 2022, the amount provided in this subsection shall lapse.

(90) $297,000 of the general fund—state appropriation for fiscal year 2023 is provided solely for implementation of Substitute Senate Bill No. 5589 (primary care spending). If the bill is not enacted by June 30, 2022, the amount provided in this subsection shall lapse.

(91) $1,460,000 of the general fund—state appropriation for fiscal year 2023 is provided solely for implementation of Second Substitute Senate Bill No. 5532 (Rx drug affordability board). If the bill is not enacted by June 30, 2022, the amount provided in this subsection shall lapse.

(92) $61,000 of the general fund—state appropriation for fiscal year 2023 and $183,000 of the general fund—federal appropriation are provided solely for implementation of Second Substitute Senate Bill No. 5736 (minors/behavioral health). If the bill is not enacted by June 30, 2022, the amounts provided in this subsection shall lapse.

(93) $250,000 of the general fund—state appropriation for fiscal year 2023 is provided solely for the authority to design a standardized payment methodology for a palliative care benefit for the state medicaid program and the employee and retiree benefits programs. The authority may contract with a third party to design the palliative care model and complete the work required in this subsection.

(94) Within the amounts appropriated in this section, the authority shall develop a state plan amendment, rules, and payment policies; complete necessary system changes related to payment processing and provider enrollment; and update managed care contracts and provider communications in anticipation of providing an adult acupuncture benefit.

(95) Within the amounts appropriated in this section, the authority shall develop a state plan amendment, rules, and payment policies; complete necessary system changes related to payment processing and provider enrollment; and update managed care contracts and provider communications in anticipation of providing an adult chiropractic benefit.

(96) $640,000 of the general fund—state appropriation for fiscal year 2023 and $655,000 of the general fund—federal appropriation are provided solely for a 20 percent rate increase, effective January 1, 2023, for in-home private duty nursing agencies.

(97) $180,000 of the general fund—state appropriation for fiscal year 2023 and $187,000 of the general fund—federal appropriation are provided solely for a 10 percent rate increase, effective January 1, 2023, for private duty nursing in medically intensive children's group home settings.

(98) $140,000 of the general fund—state appropriation for fiscal year 2023 and $266,000 of the general fund—federal appropriation are provided solely for a 10 percent rate increase, effective January 1, 2023, for home health services.

(99)(a) $50,000 of the general fund—state appropriation for fiscal year 2022 and $150,000 of the general fund—state appropriation for fiscal year 2023 are provided solely for the authority to provide a report on psilocybin services ((~~wellness and opportunities~~)) in consultation with ((~~stakeholders~~)) the psilocybin task force as described in this subsection.

(b) The director of the authority, or the director's designee, must chair the ((~~stakeholder group~~)) task force.

(c) The ((~~stakeholder group~~)) task force must include, but not be limited to, the following members:

(i) The secretary of the department of health or the secretary's designee;

(ii) The director of the liquor and cannabis board or the director's designee; and

(iii) ((~~The director of the department of agriculture or the director's designee; and~~

~~(iv)~~)) As appointed by the director of the authority, or the director's designee:

(A) A military veteran, or representative of an organization that advocates on behalf of military veterans, with knowledge of psilocybin;

(B) Up to two recognized indigenous practitioners with knowledge of the use of psilocybin or other psychedelic compounds in their communities;

(C) An individual with expertise in disability rights advocacy;

(D) A ((~~member of the nursing profession with knowledge of psilocybin;~~

~~(E) A psychologist with knowledge of psilocybin;~~

~~(F) A mental health counselor, marriage and family therapist, or social worker with knowledge of psilocybin;~~

~~(G) A physician with knowledge of psilocybin;~~

~~(H) A health researcher with expertise in health equity;~~

~~(I) A representative of the cannabis industry with knowledge of regulation of~~)) public health practitioner;

(E) Two psychologists with knowledge of psilocybin, experience in mental and behavioral health, or experience in palliative care;

(F) Two mental health counselors, marriage and family therapists, or social workers with knowledge of psilocybin, experience in mental and behavioral health, or experience in palliative care;

(G) Two physicians with knowledge of psilocybin, experience in mental and behavioral health, or experience in palliative care;

(H) A health researcher with expertise in health equity or conducting research with psilocybin;

(I) A pharmacologist with expertise in psychopharmacology;

(J) A representative of the cannabis industry with knowledge of regulation of medical cannabis and the cannabis businesses in Washington;

((~~(J)~~)) (K) An advocate from the LGBTQIA community with knowledge of the experience of behavioral health issues within that community;

((~~(K)~~))(L) A member of the psychedelic medicine alliance of Washington; and

((~~(L)~~)) (M) Up to two members with lived experience of utilizing psilocybin.

(d) The authority must convene the first meeting of the ((~~stakeholder group~~)) task force no later than June 30, ((~~2022~~)) 2023.

(e) The authority must provide a preliminary brief report to the governor and appropriate committees of the legislature by December 1, ((~~2022~~)) 2023, focusing on (f)((~~(i), (ii), and (iii)~~)) of this subsection, and a final report by December 1, ((~~2023~~)) 2024. The authority may form subcommittees within the ((~~stakeholder group~~)) task force and adopt procedures necessary to facilitate its work.

(f) The duties of the authority in consultation with the ((~~stakeholder group~~)) task force shall include, but not be limited to, the following activities:

(i) ((~~Review the Oregon health authority's proposed rules for the regulation of psilocybin and assess the impact the adoption of substantially similar laws and rules or Senate Bill No. 5660 would have in Washington state, and identify specific areas where a different approach may be necessary or desirable;~~

~~(ii) Review systems and procedures established by the liquor and cannabis board to monitor manufacturing, testing, and tracking of cannabis to determine suitability and adaptations required for use with psilocybin if Washington adopts legislation substantially similar to the Oregon psilocybin services act or Senate Bill No. 5660;~~

~~(iii) Review the social opportunity program proposed in Senate Bill No. 5660 for the purpose of recommending improvements or enhancements to promote equitable access to a potential legal psilocybin industry within an operable administrative framework;~~

~~(iv) Assess functional requirements of Senate Bill No. 5660 that would exceed the expertise and capacity of the department of health and identify opportunities for development or collaboration with other state agencies and entities to meet the requirements; and~~

~~(v) Discuss options to integrate licensed behavioral health professionals into the practice of psilocybin therapy under the framework of Senate Bill No. 5660 where appropriate~~)) Reviewing the available clinical information around specific clinical indications for use of psilocybin, including what co-occurring diagnoses or medical and family histories may exclude a person from use of psilocybin. Any review of clinical information should:

(A) Discuss populations excluded from existing clinical trials;

(B) Discuss factors considered when approval of a medical intervention is approved;

(C) Consider the diversity of participants in clinical trials and the limitations of each study when applying learnings to the population at large; and

(D) Identify gaps in the clinical research for the purpose of identifying opportunities for investment by the state for the University of Washington or Washington State University or both to consider studying.

(ii) Reviewing and discussing regulatory structures for clinical use of psilocybin in Washington and other jurisdictions nationally and globally. This should include discussing how various regulatory structures do or do not address concerns around public health and safety the group has identified.

(g) The department of health, liquor and cannabis board, and department of agriculture must provide subject matter expertise and support to ((~~stakeholder group~~)) the task force and any subcommittee meetings ((~~of the stakeholder group~~)). For the department of health, subject matter expertise includes an individual or individuals with knowledge and experience with rule making, with the regulation of health professionals, and with the regulation of health facilities.

(h) Meetings of the ((~~stakeholder group~~)) task force under this section shall be open to participation by members of the public.

(i) ((~~Stakeholder group~~)) Task force members participating on behalf of an employer, governmental entity, or other organization are not entitled to be reimbursed for travel expenses if they are elected officials or are participating on behalf of an employer, governmental entity, or other organization. Any reimbursement for other nonlegislative members is subject to chapter 43.03 RCW.

(100) $24,600,000 of the coronavirus state fiscal recovery fund—federal appropriation is provided solely for the authority to provide one-time funding to community health centers paid under either APM3 or APM4 that experienced overpayments because of COVID-19 service-related reductions or had funds withheld due to missing targeted benchmarks because of extraordinary community pandemic response needs in calendar year 2020.

(101) $250,000 of the general fund—state appropriation for fiscal year 2023 and $250,000 of the general fund—federal appropriation are provided solely for project management and contracting to assist the authority with post-eligibility review planning in anticipation of the end of the COVID-19 public health emergency.

(102) $40,000 of the general fund—state appropriation for fiscal year 2022, $40,000 of the general fund—state appropriation for fiscal year 2023, $80,000 of the general fund—federal appropriation, and $320,000 of the telebehavioral access account—state appropriation are provided solely for additional staff support for the mental health referral service for children and teens.

(103)(a) $2,087,000 of the general fund—state appropriation for fiscal year 2023 is provided solely for the authority to establish a two-year grant program for reimbursement for services to patients up to age 18 provided by community health workers in primary care clinics whose patients are significantly comprised of pediatric patients enrolled in medical assistance under chapter 74.09 RCW beginning January 1, 2023. Community health workers funded under this subsection may provide outreach, informal counseling, and social supports for health-related social needs. The authority shall seek a state plan amendment or federal demonstration waiver should they determine these services are eligible for federal matching funds. Within the amounts provided within this subsection, the authority will provide an initial report to the governor and appropriate committees of the legislature by January 1, 2024, and a final report by January 1, 2025. The report shall include, but not be limited to, the quantitative impacts of the grant program, how many community health workers are participating in the grant program, how many clinics these community health workers represent, how many clients are being served, and evaluation of any measurable health outcomes identified in the planning period prior to January 2023.

(b) In collaboration with key stakeholders including pediatric primary care clinics and medicaid managed care organizations, the authority shall explore longer term, sustainable reimbursement options for the integration of community health workers in primary care to address the health-related social needs of families, including approaches to incorporate federal funding.

(104)(a) No more than $156,707,000 of the general fund—federal appropriation and no more than $60,942,000 of the general fund—local appropriation may be expended for an outpatient directed payment program.

(b) The authority shall:

(i) Design the program to support the state's access and other quality of care goals and to not increase general fund—state expenditures;

(ii) Seek approval from the centers for medicare and medicaid services to create a medicaid outpatient directed payment program for hospital outpatient services provided to medicaid program managed care recipients by University of Washington medical center and harborview medical center;

(iii) Upon approval, direct managed care organizations to make payments to eligible providers at levels required to ensure enrollees have timely access to critical high-quality care as allowed under 42 C.F.R. 438.6(c); and

(iv) Increase medicaid payments for hospital outpatient services provided by University of Washington medical center and harborview medical center to the average payment received from commercial payers.

(c) Any incremental costs incurred by the authority in the development, implementation, and maintenance of this program shall be the responsibility of the participating hospitals.

(d) Participating hospitals shall retain the full amount of payments provided under this program.

(e) Participating hospitals will provide the local funds to fund the required nonfederal contribution.

(f) This program shall be effective as soon as administratively possible.

((~~(106)~~)) (105) $16,000 of the general fund—state appropriation for fiscal year 2022, $31,000 of the general fund—state appropriation for fiscal year 2023, and $420,000 of the general fund—federal appropriation are provided solely for a technology solution for an authoritative client identifier, or master person index, for state programs within the health and human services coalition to uniformly identify clients across multiple service delivery systems. The coalition will clearly identify all state programs impacted by and all fund sources used in development and implementation of this project. This subsection is subject to the conditions, limitations, and review requirements of section 701 of this act.

((~~(107)~~)) (106) $5,000 of the general fund—state appropriation for fiscal year 2022, $22,000 of the general fund—state appropriation for fiscal year 2023, and $75,000 of the general fund—federal appropriation are provided solely for implementation of Second Substitute Senate Bill No. 5664 (forensic competency hearings). If the bill is not enacted by June 30, 2022, the amounts provided in this subsection shall lapse.

((~~(108)~~)) (107)(a) $3,735,000 of the general fund—state appropriation for fiscal year 2023 and $14,075,000 of the general fund—federal appropriation are provided solely for the authority to provide coverage for all federal food and drug administration-approved HIV antiviral drugs without prior authorization beginning January 1, 2023.

(b) Beginning January 1, 2023, upon initiation or renewal of a contract with the authority to administer a medicaid managed care plan, a managed health care system shall provide coverage without prior authorization for all federal food and drug administration-approved HIV antiviral drugs.

(c) By December 1, 2022, and annually thereafter, the authority must submit to the fiscal committees of the legislature the projected and actual expenditures and percentage of medicaid clients who switch to a new drug class without prior authorization as described in (a) and (b) of this subsection.

((~~(109)~~)) (108)(a) $200,000 of the general fund—state appropriation for fiscal year 2023 is provided solely for the authority, in consultation with the office of the insurance commissioner, to complete an analysis of the cost to implement a fertility treatment benefit as described in the department of health's December 2021 mandated benefit sunrise review.

(b) The authority must contract with one or more consultants to:

(i) Obtain utilization and cost data from the state to provide an estimate of aggregate utilization and cost impacts of fertility treatment coverage for medicaid recipients, expressed as total annual cost and as a per member per month cost for plan years 2024 through 2027; and

(ii) Obtain utilization and cost data from the public employees benefits board and school employees benefits board programs to provide an estimate of aggregate utilization and cost impacts of fertility treatment coverage, expressed as total annual cost and as a per member per month cost for plan years 2024 through 2027.

(c) The analysis must include, but is not limited to, a utilization and cost analysis of each of the following services:

(i) Infertility diagnosis;

(ii) Fertility medications;

(iii) Intrauterine insemination;

(iv) In vitro fertilization; and

(v) Egg freezing.

(d) The authority must report the findings of the analysis to the governor and appropriate committees of the legislature by June 30, 2023.

((~~(110)~~)) (109)(a) $2,000,000 of the general fund—state appropriation for fiscal year 2023 is provided solely for one-time grants for eligible clinics to establish behavioral health integration in primary care clinics for children and adolescents. The authority may award grants of up to $200,000 per clinic.

(b) Recipients may use grants under this subsection for:

(i) Training to create operational workflows that promote team-based care and evidence-based practices;

(ii) System development to implement universal screening of patients using standardized assessment tools;

(iii) Development of a registry to track patient outcomes;

(iv) Behavioral health professional recruitment and retainment;

(v) Psychiatric supervision recruitment and retainment for consultation services for the behavioral health integration program;

(vi) Partnership development with community mental health centers for referral of patients with higher level needs;

(vii) Information technology infrastructure, including electronic health record adjustments and registry creation; and

(viii) Physical space modifications to accommodate additional staff.

(c) To be eligible for grants under this subsection, clinics must have:

(i) At least 35 percent of their total patients enrolled in medicaid. Priority for funding must be given to clinics with the highest proportion of patients enrolled in medicaid;

(ii) A primary care advocate or proponent of the behavioral health integration program;

(iii) Support for the behavioral health integration program at the highest level of clinic leadership;

(iv) An arrangement for psychiatric consultation and supervision;

(v) A team-based approach to care, including the primary care provider, behavioral health professional, psychiatric consultant, patient, and patient's family; and

(vi) A plan to:

(A) Hire a behavioral health professional to be located within the clinic;

(B) Create a registry that monitors patient engagement and symptom improvement;

(C) Implement universal screening for behavioral health needs;

(D) Provide care coordination with schools, emergency departments, hospitals, and other points of care; and

(E) Ensure closed-loop referrals to specialty behavioral health care when indicated, as well as engagement in specialty treatment as clinically indicated.

((~~(111)~~)) (110) $55,000 of the general fund—state appropriation for fiscal year 2023 and $122,000 of the general fund—federal appropriation are provided solely to implement Second Substitute House Bill No. 1860 (behavioral health discharge). If the bill is not enacted by June 30, 2022, the amounts provided in this subsection shall lapse.

((~~(112)~~)) (111) $300,000 of the general fund—state appropriation for fiscal year 2022 and $300,000 of the general fund—state appropriation for fiscal year 2023 are provided solely for the Bree collaborative to support collaborative learning and targeted technical assistance for quality improvement initiatives.

((~~(113)~~)) (112)(a) $500,000 of the general fund—state appropriation for fiscal year 2023 and $1,500,000 of the general fund—federal appropriation are provided solely for the authority, in consultation with the health and human services enterprise coalition, community-based organizations, health plans, accountable communities of health, and safety net providers, to determine the cost and implementation impacts of a statewide community information exchange (CIE). A CIE platform must serve as a tool for addressing the social determinants of health, defined as nonclinical community and social factors such as housing, food security, transportation, financial strain, and interpersonal safety, that affect health, functioning, and quality-of-life outcomes.

(b) Prior to issuing a request for proposals or beginning this project, the authority must work with stakeholders in (a) of this subsection to determine which platforms already exist within the Washington public and private health care system to determine interoperability needs and fiscal impacts to both the state and impacted providers and organizations that will be using a single statewide community information exchange platform.

(c) This subsection is subject to the conditions, limitations, and review requirements of section 701 of this act.

((~~(114)~~)) (113) $226,000 of the general fund—state appropriation for fiscal year 2023, $1,072,000 of the general fund—private/local appropriation, and $2,588,000 of the general fund—federal appropriation are provided solely to implement Engrossed Substitute House Bill No. 1866 (supportive housing). If the bill is not enacted by June 30, 2022, the amounts provided in this subsection shall lapse.

((~~(115)~~)) (114) $8,000,000 of the general fund—state appropriation for fiscal year 2023 is provided solely for one-time bridge grants to hospitals in financial distress. To qualify for these grants, a hospital must:

(a) Be located in Washington;

(b) Serve individuals enrolled in state and federal medical assistance programs;

(c) Continue to maintain a medicaid population at similar utilization levels as in calendar year 2021;

(d) Be necessary for an adequate provider network for the medicaid program;

(e) Demonstrate a plan for long-term financial sustainability; and

(f) Meet one of the following criteria:

(i) Lack adequate cash-on-hand to remain financially solvent;

(ii) Have experienced financial losses during hospital fiscal year 2021; or

(iii) Be at risk of bankruptcy.

((~~(116)~~)) (115) The authority shall consider evidence-based recommendations from the Oregon health evidence review commission when making coverage decisions for the treatment of pediatric autoimmune neuropsychiatric disorders associated with streptococcal infections and pediatric acute-onset neuropsychiatric syndrome.

NEW SECTION. **Sec.**  (1) The department has the duties, functions, and powers specified under this chapter and the powers necessary or proper to enable the department to carry out its duties, functions, and powers under this chapter. The jurisdiction, supervision, duties, functions, and powers of the department extend to any person that produces, processes, transports, delivers, sells, or purchases a psilocybin product in this state or that provides a psilocybin service in this state. The department may sue and be sued.

(2) The duties, functions, and powers of the department specified in this chapter include the following:

(a) To examine, publish, and distribute to the public available medical, psychological, and scientific studies, research, and other information relating to the safety and efficacy of psilocybin in treating mental health conditions, including but not limited to addiction, depression, anxiety disorders, and end-of-life psychological distress, and the potential for psilocybin to promote community, address trauma, and enhance physical and mental wellness;

(b) To adopt, amend, or repeal rules necessary to carry out the intent and provisions of this chapter, including rules that the department considers necessary to protect the public health and safety;

(c) To exercise all powers incidental, convenient, or necessary to enable the department to administer or carry out this chapter or any other law of this state that charges the department with a duty, function, or power related to psilocybin products and psilocybin services. Powers described in this subsection include, but are not limited to:

(i) Issuing subpoenas;

(ii) Compelling the attendance of witnesses;

(iii) Administering oaths;

(iv) Certifying official acts;

(v) Taking depositions as provided by law;

(vi) Compelling the production of books, payrolls, accounts, papers, records, documents, and testimony; and

(vii) Establishing fees for any licenses created under this chapter provided that any fee established by the department is reasonably calculated to not exceed the cost of the activity for which the fee is charged;

(d) To adopt rules prohibiting advertising psilocybin products to the public;

(e) To adopt rules regulating and prohibiting advertising psilocybin services in a manner:

(i) That is appealing to minors;

(ii) That promotes excessive use;

(iii) That promotes illegal activity;

(iv) That violates the code of professional conduct for psilocybin service facilitators formulated by the department; or

(v) That otherwise presents a significant risk to public health and safety.

(3) The department may not:

(a) Require that a psilocybin product be manufactured by means of chemical synthesis;

(b) Prohibit the use of naturally grown mushrooms that meet quality and safety standards; or

(c) Mandate the use of patented products or procedures.

(4) The jurisdiction, supervision, duties, functions, and powers held by the department under this section are not shared by the pharmacy quality assurance commission under chapter 18.64 RCW.

NEW SECTION. **Sec.**  (1) Medical professionals licensed by the state of Washington shall not be subject to adverse licensing action for recommending psilocybin treatments available under this chapter to a patient if a full assessment has been completed, however a medical practitioner must properly evaluate a patient's condition and comply with the applicable standard of care in doing so.

(2) A psilocybin patient is protected from criminal, civil, or adverse licensing action in Washington state for the mere use of psilocybin.

NEW SECTION. **Sec.**  (1) By July 1, 2028, the department must develop a registry for individuals over the age of 21 who are interested in using psilocybin approved under this chapter.

(2) The department must develop rules to implement this section.

NEW SECTION. **Sec.**  The liquor and cannabis board shall assist and cooperate with the department and the department of agriculture to the extent necessary to carry out the duties of the departments under this chapter.

NEW SECTION. **Sec.**  The department of agriculture shall assist and cooperate with the department to the extent necessary for the department to carry out the duties under this chapter.

NEW SECTION. **Sec.**  The department of agriculture may possess, test, and dispose of psilocybin products.

NEW SECTION. **Sec.**  (1) The department, the department of agriculture, and the liquor and cannabis board may not refuse to perform any duty under this chapter on the basis that manufacturing, distributing, dispensing, possessing, or using psilocybin products is prohibited by federal law.

(2) The department may not revoke or refuse to issue or renew a license or permit under this chapter on the basis that manufacturing, distributing, dispensing, possessing, or using psilocybin products is prohibited by federal law.

NEW SECTION. **Sec.**  A person may not sue the department, the department of agriculture, the liquor and cannabis board, a member of the liquor and cannabis board, or any employee of these entities, for performing or omitting to perform any duty, function, or power of the entity set forth under this chapter or in any other law of this state requiring these entities to perform a duty, function, or power related to psilocybin products.

NEW SECTION. **Sec.**  Subject to any applicable provisions of RCW 10.105.010 and 69.50.505 and chapter 34.05 RCW, any state officer, board, commission, corporation, institution, department, or other state body, and any local officer, board, commission, institution, department, or other local government body, that is authorized by the statutory laws of this state to perform a duty, function, or power with respect to a psilocybin product, may purchase, possess, seize, or dispose of the psilocybin product as the state officer, board, commission, corporation, institution, department, or other state body, or the local officer, board, commission, institution, department, or other local government body, considers necessary to ensure compliance with and enforce the applicable statutory law or any rule adopted under the applicable statutory law.

NEW SECTION. **Sec.**  In case of invasion, disaster, insurrection, or riot, or imminent danger of invasion, disaster, insurrection, or riot, the governor may, for the duration of the invasion, disaster, insurrection, or riot, or imminent danger, immediately and without notice suspend, in the area involved, any license or permit issued under this chapter.

NEW SECTION. **Sec.**  (1) Psilocybin-producing fungi is:

(a) An agricultural commodity for the purposes of RCW 84.34.020 and an accessory use for the purposes of RCW 36.70A.177;

(b) A crop for purposes of "farmland" and "farm product" as those terms are defined under RCW 7.48.310; and

(c) An agricultural activity for the purposes of RCW 7.48.305.

(2) The following are not permitted uses on land designated for exclusive farm use:

(a) A new dwelling used in conjunction with a psilocybin-producing fungi crop;

(b) A farm stand used in conjunction with a psilocybin-producing fungi crop; and

(c) Subject to subsection (3) of this section, a commercial activity carried on in conjunction with a psilocybin-producing fungi crop.

(3) The operation of a psilocybin service center may be carried on in conjunction with a psilocybin-producing fungi crop.

(4) A county may allow the manufacture of psilocybin products as a farm use on land zoned for farm or forest use in the same manner as the manufacture of psilocybin products is allowed in exclusive farm use zones under this section.

NEW SECTION. **Sec.**  (1) The department of agriculture may not exercise authority over psilocybin products or a licensee, except as provided by the department in rule.

(2) In exercising its authority under chapter 15.130 RCW, the department of agriculture may not:

(a) Establish standards for psilocybin products as a food additive, as defined under RCW 15.130.110;

(b) Consider psilocybin products to be an adulterant, unless the concentration of a psilocybin product exceeds acceptable levels established by the department by rule; or

(c) Apply or enforce RCW 15.130.140 and 15.130.200 through 15.130.230 to psilocybin products.

NEW SECTION. **Sec.**  (1) Subject to subsection (2) of this section, information is exempt from public disclosure under chapter 42.56 RCW if the information is:

(a) Personally identifiable information;

(b) The address of a premises for any license that has been issued or for which an applicant has proposed licensure under this chapter;

(c) Related to the security plan or the operational plan for a premises for which a license has been issued or for which an applicant has proposed licensure under this chapter; or

(d) Related to any record that the department determines contains proprietary information of a licensee under this chapter.

(2) The exemption from public disclosure as provided by this section does not apply to:

(a) The name of an individual listed on an application, if the individual is a direct owner of the business operating or to be operated under the license; or

(b) A request for information if the request is made by a law enforcement agency.

(3) For purposes of subsection (2)(a) of this section, an individual is not a direct owner of the business operating or to be operated under the license if:

(a) The direct owner of the business operating or to be operated under the license is a legal entity; and

(b) The individual is merely a general partner, limited partner, member, shareholder, or other direct or indirect owner of the legal entity.

NEW SECTION. **Sec.**  An employer in the state of Washington may not discriminate against an employee for receiving psilocybin services if sanctioned under this chapter absent the employee's visible impairment at work and may not test an employee for the presence of psilocybin unless they exhibit clear, observable symptoms of impairment.

**Sec.**  RCW 7.48.310 and 2009 c 200 s 3 are each amended to read as follows:

For the purposes of RCW 7.48.305 only:

(1) "Agricultural activity" means a condition or activity which occurs on a farm in connection with the commercial production of farm products and includes, but is not limited to, marketed produce at roadside stands or farm markets; noise; odors; dust; fumes; operation of machinery and irrigation pumps; movement, including, but not limited to, use of current county road ditches, streams, rivers, canals, and drains, and use of water for agricultural activities; ground and aerial application of seed, fertilizers, conditioners, and plant protection products; keeping of bees for production of agricultural or apicultural products; the manufacture of psilocybin as defined under section 5 of this act and if allowed this chapter; employment and use of labor; roadway movement of equipment and livestock; protection from damage by wildlife; prevention of trespass; construction and maintenance of buildings, fences, roads, bridges, ponds, drains, waterways, and similar features and maintenance of stream banks and watercourses; and conversion from one agricultural activity to another, including a change in the type of plant-related farm product being produced. The term includes use of new practices and equipment consistent with technological development within the agricultural industry.

(2) "Farm" means the land, buildings, freshwater ponds, freshwater culturing and growing facilities, and machinery used in the commercial production of farm products.

(3) "Farmland" means land or freshwater ponds devoted primarily to the production, for commercial purposes, of livestock, freshwater aquacultural, or other farm products. "Farmland" includes the premises in which psilocybin is manufactured.

(4) "Farm product" means those plants and animals useful to humans and includes, but is not limited to, forages and sod crops, dairy and dairy products, poultry and poultry products, livestock, including breeding, grazing, and recreational equine use, fruits, vegetables, flowers, seeds, grasses, trees, freshwater fish and fish products, apiaries and apiary products, psilocybin, equine and other similar products, or any other product which incorporates the use of food, feed, fiber, or fur.

(5) "Forest practice" means any activity conducted on or directly pertaining to forestland, as that term is defined in RCW 76.09.020, and relating to growing, harvesting, or processing timber. The term "forest practices" includes, but is not limited to, road and trail construction, final and intermediate harvesting, precommercial thinning, reforestation, fertilization, prevention and suppression of diseases and insects, salvage of trees, brush control, and owning land where trees may passively grow until one of the preceding activities is deemed timely by the owner.

**Sec.**  RCW 49.60.180 and 2020 c 52 s 10 are each amended to read as follows:

It is an unfair practice for any employer:

(1) To refuse to hire any person because of age, sex, marital status, sexual orientation, race, creed, color, national origin, citizenship or immigration status, honorably discharged veteran or military status, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability, unless based upon a bona fide occupational qualification: PROVIDED, That the prohibition against discrimination because of such disability shall not apply if the particular disability prevents the proper performance of the particular worker involved: PROVIDED, That this section shall not be construed to require an employer to establish employment goals or quotas based on sexual orientation.

(2) To discharge or bar any person from employment because of age, sex, marital status, sexual orientation, race, creed, color, national origin, citizenship or immigration status, honorably discharged veteran or military status, use of psilocybin services if sanctioned under chapter 18.--- RCW (the new chapter created in section 26 of this act) in the absence of visible impairment at work, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability.

(3) To discriminate against any person in compensation or in other terms or conditions of employment because of age, sex, marital status, sexual orientation, race, creed, color, national origin, citizenship or immigration status, honorably discharged veteran or military status, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability: PROVIDED, That it shall not be an unfair practice for an employer to segregate washrooms or locker facilities on the basis of sex, or to base other terms and conditions of employment on the sex of employees where the commission by regulation or ruling in a particular instance has found the employment practice to be appropriate for the practical realization of equality of opportunity between the sexes.

(4) To print, or circulate, or cause to be printed or circulated any statement, advertisement, or publication, or to use any form of application for employment, or to make any inquiry in connection with prospective employment, which expresses any limitation, specification, or discrimination as to age, sex, marital status, sexual orientation, race, creed, color, national origin, citizenship or immigration status, honorably discharged veteran or military status, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability, or any intent to make any such limitation, specification, or discrimination, unless based upon a bona fide occupational qualification: PROVIDED, Nothing contained herein shall prohibit advertising in a foreign language.

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

NEW SECTION. **Sec.**  Sections 1 through 7 and 9 through 22 of this act constitute a new chapter in Title 18 RCW.

NEW SECTION. **Sec.**  Sections 6 and 8 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect immediately.

**--- END ---**