

HOUSE BILL REPORT

SB 5228

As Reported by House Committee On:

Health Care & Wellness

Appropriations

Title: An act relating to providing occupational therapy services for persons with behavioral health disorders.

Brief Description: Providing occupational therapy services for persons with behavioral health disorders.

Sponsors: Senators Dhingra, Hunt, Keiser, Lovelett, Lovick, Nguyen, Valdez and Wilson, C..

Brief History:

Committee Activity:

Health Care & Wellness: 3/21/23, 3/22/23 [DP];

Appropriations: 3/31/23, 4/3/23 [DP].

Brief Summary of Bill

- Allows managed care organizations and behavioral health administrative services organizations to provide occupational therapy services to clients who have behavioral health disorders within available funding.
- Directs the Health Care Authority to add coverage for occupational therapy to the Medicaid State Plan by June 30, 2024.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: Do pass. Signed by 16 members: Representatives Riccelli, Chair; Bateman, Vice Chair; Schmick, Ranking Minority Member; Hutchins, Assistant Ranking Minority Member; Barnard, Bronoske, Davis, Graham, Harris, Macri, Mosbrucker, Orwall, Simmons, Stonier, Thai and Tharinger.

Staff: Ingrid Lewis (786-7293).

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Background:

Medicaid State Plan.

Medicaid is a program funded jointly by states and the federal government that provides health coverage to eligible low-income state residents and their families. The nature and scope of a state's Medicaid program is specified in the Medicaid State Plan (Plan) which is an agreement between the state and the federal government describing how the state will administer the program. The Health Care Authority (HCA) is the state agency that administers the Washington Medicaid program. The Plan contains a mixture of mandatory benefits required under federal law and optional benefits, which may be authorized on a case-by-case basis if the state is able to comply with program requirements, including making services available statewide, and a willingness to contribute the state portion of the funding. The state Plan must be approved by the Centers for Medicare and Medicaid Services in order to access federal Medicaid funds and may be amended as needed to reflect changes in state policy and federal law and regulation.

Managed Care Organizations and Behavioral Health Administrative Services Organizations.

Medicaid services are primarily delivered through contracted managed care systems. The HCA contracts with managed care organizations (MCOs) under a comprehensive risk contract to provide prepaid health care services to persons enrolled in a managed care Apple Health plan.

While most Medicaid clients receive behavioral health services through an MCO, behavioral health administrative service organizations (BHASOs) administer certain behavioral health services that are not covered by the MCO within a specific regional service area. The services provided by a BHASO include maintaining continuously available crisis response services, administering services related to the involuntary commitment of adults and minors, coordinating planning for persons transitioning from long-term commitments, maintaining an adequate network of evaluation and treatment services, and providing services to non-Medicaid clients in accordance with contract criteria.

Occupational Therapy.

Occupational therapy is a form of therapy used to help individuals develop, recover, improve, and maintain skills needed for daily living and working. The state Plan currently covers occupational therapy under several service modalities, but it is not covered in the section of the Plan that provides behavioral health services.

Summary of Bill:

Occupational therapy is added to the list of services that MCOs and BHASOs may provide to persons with behavioral health disorders who are enrolled in the Medicaid program, or who qualify for BHASO services, within funds appropriated by the Legislature. The HCA

must add coverage for occupational therapy for behavioral health clients to the Plan by June 30, 2024.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) Occupational therapists are an important part of a behavioral health team. Most occupational therapy occurs in inpatient settings where stays are short, and rehabilitation is not complete. Occupational therapy ensures that people with behavioral health issues engage in daily living which includes how and when to take medications and take care of their personal hygiene. Therapists help clients engage in activities that provide purpose and meaning, which supports long-term recovery. Occupational therapy ensures that people can stay stable in the community, alleviating the need for hospitalization.

Occupational therapy is provided if you have a physical health issue, but it is not if you have a mental health issue. This goes against the state's parity and integration goals.

(Opposed) None.

Persons Testifying: Senator Manka Dhingra, prime sponsor; Abigail Cooper, Downtown Emergency Service Center; Diane Norell, Washington Occupational Therapy Association; and Josephine Jarvis.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 29 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Stokesbary, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Corry, Assistant Ranking Minority Member; Berg, Chopp, Connors, Davis, Dye, Fitzgibbon, Hansen, Harris, Lekanoff, Pollet, Riccelli, Rude, Ryu, Sandlin, Schmick, Senn, Simmons, Slatter, Springer, Steele, Stonier and Tharinger.

Staff: Andrew Toulon (786-7178).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Health Care & Wellness:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) Permanent supportive housing is a life-changing opportunity for clients, but it can be a challenging transition after years of being homeless with a behavioral health condition. Clients must independently manage meal preparation, laundry, and basic household maintenance. These challenges are often exacerbated by mental illness, history of trauma, or brain injuries. Occupational therapists are specifically trained to bridge the gap between deficit and success, and help clients engage in activities that provide meaning and purpose. This bill will provide sustainable funding to continue occupational therapy services in community-based settings. This will result in cost savings by ensuring people can access the services they need in the community, instead of higher cost inpatient and institutional settings.

Occupational therapists are life therapists, assessing how well a person's physical, neurocognitive, developmental, and psychosocial capacities meet their life demands, and working toward maximizing their independence. After four months of working with an occupational therapist, one individual with autism and a recent head injury who was at risk of losing housing is now able to maintain a job, take his medications, get to appointments, and meet basic personal care needs that were previously very challenging. Another client who was an amputee with post-traumatic stress disorder was suffering from sleep disruption that caused him to miss medications and experience other challenges that resulted in readmission to the hospital after just a few weeks. Working with an occupational therapist to address his behavioral health needs, this client is now able to safely manage his routines at home with a lower risk of hospital readmission.

(Opposed) None.

Persons Testifying: Kate Baber, Downtown Emergency Service Center; David Cacanindin; and Josephine Jarvis.

Persons Signed In To Testify But Not Testifying: None.