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**SUBSTITUTE HOUSE BILL 1609**

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**State of Washington**

**52nd Legislature**

**1991 Regular Session**

**By** House Committee on Human Services (originally sponsored by Representatives Leonard, Winsley, Riley, Brekke, R. King, Anderson, Phillips, Dellwo, Spanel, Haugen, Hine, Jones, Pruitt, Basich, R. Johnson, Van Luven, Wang, Valle, Inslee, Belcher, Sheldon and O'Brien).

Read first time February 18, 1991.

1 AN ACT Relating to mental health services for children; amending  
2 RCW 71.24.049 and 71.24.300; adding a new chapter to Title 71 RCW;  
3 creating a new section; making an appropriation; and declaring an  
4 emergency.

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

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that because  
7 of limited service capacity and the lack of collaboration among child-  
8 serving systems and the focus on acute and chronic mental illness in  
9 providing mental health services in Washington state, mental health  
10 services for children must be expanded and reoriented to better meet  
11 each child's unique needs. The legislature further finds that because  
12 children with emotional disturbances come into contact with multiple  
13 child-serving systems, such as schools, child welfare programs, and  
14 mental health providers, a distinct collaborative system must be  
15 established to adequately meet their needs. The legislature further

1 finds that recent federal mandates relating to the early periodic  
2 screening, diagnosis, and treatment component of the medicaid program  
3 provide an opportunity to reform the delivery of children's mental  
4 health services in Washington state.

5 (2) It is the policy of the state of Washington to provide mental  
6 health services to children in a manner that recognizes and meets each  
7 child's unique needs and involves all of the child-serving systems that  
8 each child has contact with. The legislature intends to encourage the  
9 development of community-based interagency collaborative efforts to  
10 plan for and provide mental health services to children in a manner  
11 that coordinates existing categorical children's mental health programs  
12 and funding. The legislature further intends that children's mental  
13 health services be provided in a manner that meets each child's needs,  
14 is sensitive to the unique cultural circumstances of children of color,  
15 eliminates duplicative case management, and to the greatest extent  
16 possible, blends categorical funding to offer more service options to  
17 each child. The legislature further intends that criteria be developed  
18 and implemented for the use of early periodic screening, diagnosis, and  
19 treatment services that include authorized treatment plans for  
20 medicaid-eligible children in need of mental health services and other  
21 cost control mechanisms.

22 NEW SECTION. **Sec. 2.** Unless the context clearly requires  
23 otherwise, the definitions in this section apply throughout this  
24 chapter.

25 (1) "Agency" means a state or local governmental entity or a  
26 private not-for-profit organization.

27 (2) "Child" means a person under twenty-one years of age.

28 (3) "County authority" means the board of county commissioners,  
29 county council, or county executive.

1 (4) "Department" means the department of social and health  
2 services.

3 (5) "Early periodic screening, diagnosis, and treatment" means the  
4 component of the federal medicaid program established pursuant to 42  
5 U.S.C. Sec. 1396d(r).

6 (6) "Regional support network" means a county authority or group of  
7 county authorities that have entered into contracts with the secretary  
8 pursuant to chapter 71.24 RCW.

9 (7) "Secretary" means the secretary of social and health services.

10 PART I

11 INVENTORY OF CHILDREN'S MENTAL HEALTH SERVICES

12 NEW SECTION. **Sec. 3.** (1) The office of financial management  
13 shall provide the following information to the appropriate committees  
14 of the legislature on or before December 1, 1991, and update such  
15 information biennially thereafter:

16 (a) An inventory of state and federally funded programs providing  
17 mental health services to children in Washington state. For purposes  
18 of the inventory, "children's mental health services" shall be broadly  
19 construed to include services related to children's mental health  
20 provided through education, children and family services, juvenile  
21 justice, mental health, health care, and developmental disabilities  
22 programs, such as: The primary intervention program; treatment foster  
23 care; the fair start program; therapeutic child care and day treatment  
24 for children in the child protective services system, as provided in  
25 RCW 74.14B.040; family reconciliation services counseling, as provided  
26 in chapter 13.32A RCW; the community mental health services act, as  
27 provided in chapter 71.24 RCW; mental health services for minors, as  
28 provided in chapter 71.34 RCW; the medical assistance program, limited

1 casualty program for the medically needy and children's health program,  
2 as provided in chapter 74.09 RCW; counseling for delinquent children,  
3 as provided in RCW 72.05.170; child welfare services, as provided in  
4 chapter 74.13 RCW; and services to emotionally disturbed and mentally  
5 ill children, as provided in chapter 74.14A RCW.

6 (b) For each program or service inventoried pursuant to (a) of this  
7 subsection:

8 (i) Statutory authority;

9 (ii) Level and source of funding;

10 (iii) Agency administering the service and description of how  
11 services are delivered;

12 (iv) Programmatic or financial eligibility criteria;

13 (v) Characteristics of, and number of children served;

14 (vi) Number of children of color served, by race and nationality,  
15 and number and type of minority mental health providers, by race and  
16 nationality, in each regional support network area, to the extent such  
17 information is available;

18 (vii) Amount of program or service funding distributed to each  
19 county or school district in the state during the biennium ending June  
20 30, 1991, to the extent such information is available; and

21 (viii) Statutory changes necessary to remove categorical  
22 restrictions in the program or service, including federal statutory or  
23 regulatory changes.

24 (2) The office of financial management shall develop a plan and  
25 criteria for the use of early periodic screening, diagnosis, and  
26 treatment services for medicaid-eligible children in need of mental  
27 health services. The plan shall include at least the following  
28 components:

29 (a) Criteria for screening and referral for development of a  
30 treatment plan;

1 (b) Criteria for development of treatment plans or prior  
2 authorization for receipt of mental health treatment services;

3 (c) Qualifications for children's mental health providers;

4 (d) Mechanisms to ensure that federal medicaid matching funds are  
5 obtained for services inventoried pursuant to subsection (1) of this  
6 section, to the greatest extent practicable; and

7 (e) Other cost control mechanisms, such as prospective or capitated  
8 payments for mental health services.

9 In developing the plan, the office of financial management shall  
10 provide an opportunity for comment by the major child-serving systems  
11 and regional support networks. The plan shall be submitted to  
12 appropriate committees of the legislature on or before December 1,  
13 1991.

14 PART II

15 CHILDREN'S MENTAL HEALTH SERVICES DELIVERY SYSTEMS

16 NEW SECTION. **Sec. 4.** (1) On or before January 1, 1992, each  
17 regional support network, or county authority in counties that have not  
18 established a regional support network, shall initiate a local planning  
19 effort to develop a children's mental health services delivery system  
20 and act as lead agency, in implementation and administration of such  
21 system.

22 (2) Representatives of the following agencies or organizations and  
23 the following individuals shall participate in the local planning  
24 effort:

25 (a) Representatives of the department of social and health services  
26 in the following program areas: Children and family services, medical  
27 care, mental health, juvenile rehabilitation, and developmental  
28 disabilities;

- 1 (b) The juvenile courts;
- 2 (c) The public health department or health district;
- 3 (d) The school districts;
- 4 (e) The educational service district serving schools in the county;
- 5 (f) Head start or early childhood education and assistance
- 6 programs;
- 7 (g) Parents of children in need of mental health services;
- 8 (h) Children's services providers including minority mental health
- 9 providers; and
- 10 (i) Parents of children of color.

11 (3) The following information shall be developed through the local  
12 planning effort and submitted to the secretary as provided in section  
13 6 of this act:

14 (a) A supplement to the county's January 1, 1991, children's mental  
15 health services report prepared pursuant to RCW 71.24.049 to include  
16 the following data:

17 (i) The number of children in need of mental health services in the  
18 county or counties covered by the local planning effort, including  
19 children in school and children receiving services through the  
20 department of social and health services division of children and  
21 family services, division of developmental disabilities, and division  
22 of juvenile rehabilitation, grouped by severity of their mental  
23 illness;

24 (ii) The number of such children that are underserved or unserved;

25 (iii) The continuum of nonresidential and residential services  
26 needed to meet the mental health needs of children in the county or  
27 counties covered by the local planning effort and the extent to which  
28 those services are currently provided; and

29 (iv) The supply of children's mental health specialists in the  
30 county or counties covered by the local planning effort.

1 (b) A children's mental health services delivery plan that includes  
2 a description of the following:

3 (i) Children that will be served, giving consideration to children  
4 who are at significant risk of experiencing mental illness, as well as  
5 those already experiencing mental illness;

6 (ii) Services that will be provided, including prevention and  
7 identification services;

8 (iii) How a lead case manager for each child will be identified;

9 (iv) How funding for existing services will be coordinated to  
10 create more flexibility in meeting children's needs. Such funding  
11 shall include the services and programs inventoried pursuant to section  
12 3(1) of this act;

13 (v) How the children's mental health delivery system will  
14 incorporate the elements of the early periodic screening, diagnosis,  
15 and treatment services plan developed pursuant to section 3 of this  
16 act; and

17 (vi) How the children's mental health delivery system will  
18 coordinate with the regional support network information system  
19 developed pursuant to RCW 71.24.035(5)(g).

20 (4) In developing the children's mental health services delivery  
21 plan, every effort shall be made to reduce duplication in service  
22 delivery and promote complementary services among all entities that  
23 provide children's services related to mental health.

24 (5) The children's mental health services delivery plan shall  
25 assure that the needs of children of color are met through at least the  
26 following mechanisms:

27 (a) Designing outreach initiatives, services, and modes of service  
28 provision to meet the unique needs of children of color;

29 (b) Ensuring that services to children of color are culturally  
30 relevant and acceptable, as well as linguistically accessible; and

1 (c) Increasing the role of minority mental health providers in the  
2 children's mental health delivery system through contracts and  
3 subcontracts with minority providers and affirmative action employment  
4 efforts.

5 NEW SECTION. **Sec. 5.** All counties wishing to implement their  
6 children's mental health services delivery plan as provided in section  
7 4 of this act on August 1, 1992, shall submit their plan to the  
8 department on or before April 1, 1992. Counties wishing to implement  
9 their children's mental health services delivery plan as provided in  
10 section 4 of this act on July 1, 1993, shall submit their plan to the  
11 department on or before March 1, 1993.

12 NEW SECTION. **Sec. 6.** The secretary shall have the following  
13 powers and duties related to the development and implementation of  
14 children's mental health delivery systems:

15 (1) To contract with regional support networks, or county  
16 authorities in counties that have not established a regional support  
17 network, for implementation of a children's mental health services  
18 delivery system. No contract shall be approved that does not include  
19 progress towards meeting the intent and purposes of this chapter by  
20 providing evidence of:

21 (a) Written interagency agreements between the regional support  
22 network, or county authority in a county that has not established a  
23 regional support network, and each agency participating in the  
24 children's mental health services delivery plan developed in accordance  
25 with section 4 of this act, which agreement specifies the role of the  
26 participating agency and is binding on that agency; and

27 (b) Assurances that the children's mental health delivery system  
28 will incorporate the elements of the early periodic screening,



1 diagnosis, and treatment services plan developed pursuant to section 3  
2 of this act.

3 (2) To provide, either directly or by contract, technical  
4 assistance to regional support networks and county authorities to  
5 develop children's mental health services delivery plans; and

6 (3) To be designated as the county authority if a regional support  
7 network, or county authority in a county that has not established a  
8 regional support network, fails to submit a children's mental health  
9 services delivery plan pursuant to sections 4 and 5 of this act.

10 NEW SECTION. **Sec. 7.** (1) Five percent of the state general  
11 fund budget of each agency participating in a children's mental health  
12 delivery system attributable to those programs and services inventoried  
13 pursuant to section 3(1) of this act shall be allocated by the office  
14 of financial management to a pooled account of flexible funds to meet  
15 the needs of children that cannot be met through categorical programs.  
16 An agency five percent allotment shall be in cash or a fixed level of  
17 treatment or counseling services equivalent in value to their allotment  
18 obligation. Children's mental health services provided through the  
19 medical assistance program or the limited casualty program for the  
20 medically needy shall be exempt from the allotment requirement in order  
21 to maximize the availability of federal matching funds for children's  
22 mental health services. For counties implementing their system on  
23 August 1, 1992, five percent shall be computed based upon the state  
24 general fund appropriation to that agency for the period of July 1,  
25 1992, through June 30, 1993. For counties implementing their system  
26 on August 1, 1993, five percent shall be computed based upon the state  
27 general fund appropriation to that agency for the period of July 1,  
28 1993, through June 30, 1995.

1 (2) The pooled account shall be used only after a determination has  
2 been made that the particular service needed by an individual child  
3 cannot be provided through existing categorical programs or other  
4 community services. Funds contributed to the pooled account shall be  
5 exempt from existing statutory or regulatory restrictions on their use.

6 (3) The regional support network, or county authority in a county  
7 that has not established a regional support network, is responsible for  
8 administration of the pooled account.

9 **Sec. 8.** RCW 71.24.049 and 1986 c 274 s 6 are each amended to read  
10 as follows:

11 (1) By January 1, 1987, and each odd-numbered year thereafter, the  
12 county authority shall identify: (1) The number of children in each  
13 priority group, as defined by this chapter, who are receiving mental  
14 health services funded in part or in whole under this chapter, (2) the  
15 amount of funds under this chapter used for children's mental health  
16 services, (3) an estimate of the number of unserved children in each  
17 priority group, and (4) the estimated cost of serving these additional  
18 children and their families.

19 (2) Each county authority in counties that have not established a  
20 regional support network, shall determine the percentage of persons in  
21 need of mental health services that children represent in the county.  
22 Each county authority in counties that have not established a regional  
23 support network shall provide assurances in its children's mental  
24 health services delivery plan that a percentage of its funding received  
25 through this chapter, equivalent to the percentage of persons in need  
26 of mental health services who are children in the county shall be  
27 allocated to children's mental health services.

1       **Sec. 9.** RCW 71.24.300 and 1989 c 205 s 5 are each amended to read  
2 as follows:

3       A county authority or a group of county authorities whose combined  
4 population is no less than forty thousand may enter into a joint  
5 operating agreement to form a regional support network. The roles and  
6 responsibilities of county authorities shall be determined by the terms  
7 of that agreement and the provisions of law. The state mental health  
8 authority may not determine the roles and responsibilities of county  
9 authorities as to each other under regional support networks by rule,  
10 except to assure that all duties required of regional support networks  
11 are assigned and that a single authority has final responsibility for  
12 all available resources and performance under the regional support  
13 network's contract with the secretary.

14       (1) Regional support networks shall within three months of  
15 recognition submit an overall six-year operating and capital plan,  
16 timeline, and budget and submit progress reports and an updated two-  
17 year plan biennially thereafter, to assume within available resources  
18 all of the following duties by July 1, 1995, instead of those presently  
19 assigned to counties under RCW 71.24.045(1):

20       (a) Administer and provide for the availability of all resource  
21 management services, residential services, and community support  
22 services.

23       (b) Administer and provide for the availability of all  
24 investigation, transportation, court-related, and other services  
25 provided by the state or counties pursuant to chapter 71.05 RCW.

26       (c) By July 1, 1993, provide within the boundaries of each regional  
27 support network evaluation and treatment services for at least eighty-  
28 five percent of persons detained or committed for periods up to  
29 seventeen days according to chapter 71.05 RCW. Regional support  
30 networks with populations of less than one hundred fifty thousand may

1 contract to purchase evaluation and treatment services from other  
2 networks. For regional support networks that are created after June  
3 30, 1991, the requirements of (c) of this subsection must be met by  
4 July 1, 1995.

5 (d) By July 1, 1993, administer a portion of funds appropriated by  
6 the legislature to house mentally ill persons in state institutions  
7 from counties within the boundaries of any regional support network,  
8 with the exception of mentally ill offenders, and provide for the care  
9 of all persons needing evaluation and treatment services for periods up  
10 to seventeen days according to chapter 71.05 RCW in appropriate  
11 residential services, which may include state institutions. The  
12 regional support networks shall reimburse the state for use of state  
13 institutions at a rate equal to that assumed by the legislature when  
14 appropriating funds for such care at state institutions during the  
15 biennium when reimbursement occurs. The duty of a state hospital to  
16 accept persons for evaluation and treatment under chapter 71.05 RCW is  
17 limited by the responsibilities assigned to regional support networks  
18 under this section. For regional support networks that are created  
19 after June 30, 1991, the requirements of (d) of this subsection must be  
20 met by July 1, 1995.

21 (e) Administer and provide for the availability of all other mental  
22 health services, which shall include patient counseling, day treatment,  
23 consultation, education services, and mental health services to  
24 children as provided in this chapter.

25 (f) Establish standards and procedures for reviewing individual  
26 service plans and determining when that person may be discharged from  
27 resource management services.

28 (2) Regional support networks shall assume all duties assigned to  
29 county authorities by this chapter and chapter 71.05 RCW.

1 (3) A regional support network may request that any state-owned  
2 land, building, facility, or other capital asset which was ever  
3 purchased, deeded, given, or placed in trust for the care of the  
4 mentally ill and which is within the boundaries of a regional support  
5 network be made available to support the operations of the regional  
6 support network. State agencies managing such capital assets shall  
7 give first priority to requests for their use pursuant to this chapter.

8 (4) Each regional support network shall appoint a mental health  
9 advisory board which shall review and provide comments on plans and  
10 policies developed under this chapter. The composition of the board  
11 shall be broadly representative of the demographic character of the  
12 region and the mentally ill persons served therein. Length of terms of  
13 board members shall be determined by the regional support network.

14 (5) Regional support networks shall assume all duties specified in  
15 their plans and joint operating agreements through biennial contractual  
16 agreements with the secretary.

17 (6) Counties or groups of counties participating in a regional  
18 support network are not subject to RCW 71.24.045(7). The office of  
19 financial management shall consider information gathered in studies  
20 required in this chapter and information about the experience of other  
21 states to propose a mental health services administrative cost lid to  
22 the 1991 legislature which shall include administrative costs of  
23 licensed service providers, the state psychiatric hospitals and the  
24 department.

25 (7) The first regional support network contract may include a pilot  
26 project to: Establish standards and procedures for (a) making  
27 referrals for comprehensive medical examinations and treatment programs  
28 for those whose mental illness is caused or exacerbated by organic  
29 disease, and (b) training staff in recognizing the relationship between  
30 mental illness and organic disease.

1       (8) Each regional support network shall determine the percentage of  
2 persons in need of mental health services that children represent in  
3 the county or counties served by the regional support network. Each  
4 regional support network shall provide assurances in its children's  
5 mental health services delivery plan that a percentage of its funding  
6 received through this chapter equivalent to the percentage of persons  
7 in need of mental health services who are children in the county or  
8 counties served by the regional support network shall be allocated to  
9 children's mental health services.

10       NEW SECTION. Sec. 10.       (1) Local governments in areas served by  
11 regional support networks shall provide local matching funds, in the  
12 form of cash, materials, supplies, or physical facilities, for the  
13 children's mental health services delivery system, in an amount equal  
14 to twenty percent of their regional support network's funding allocated  
15 to children's mental health services pursuant to RCW 71.24.300(8).

16       (2) In counties that have not established regional support  
17 networks, each county authority shall provide matching funds, in the  
18 form of cash, materials, supplies, or physical facilities, for the  
19 children's mental health services delivery system in an amount equal to  
20 twenty percent of that county's funding allocated to children's mental  
21 health services pursuant to RCW 71.24.049(2).

22       NEW SECTION. Sec. 11.       The sum of two million dollars, or as  
23 much thereof as may be necessary, is appropriated for the period  
24 beginning July 1, 1992, and ending June 30, 1993, from the general fund  
25 to the department of social and health services, solely for case  
26 management and mental health services through the early periodic  
27 screening, diagnosis, and treatment component of the medical assistance  
28 program and limited casualty program for the medically needy.

1        NEW SECTION.    **Sec. 12.**        Part headings as used in this act do not  
2 constitute any part of the law.

3        NEW SECTION.    **Sec. 13.**        Sections 1 through 7 and 10 of this act  
4 shall constitute a new chapter in Title 71 RCW.

5        NEW SECTION.    **Sec. 14.**        If any provision of this act or its  
6 application to any person or circumstance is held invalid, the  
7 remainder of the act or the application of the provision to other  
8 persons or circumstances is not affected.

9        NEW SECTION.    **Sec. 15.**        This act is necessary for the immediate  
10 preservation of the public peace, health, or safety, or support of the  
11 state government and its existing public institutions, and shall take  
12 effect immediately.