

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1650

Chapter 323, Laws of 2001

(partial veto)

57th Legislature
2001 Regular Legislative Session

COMMUNITY MENTAL HEALTH SERVICES

EFFECTIVE DATE: 7/22/01

Passed by the House April 19, 2001
Yeas 93 Nays 0

FRANK CHOPP
Speaker of the House of Representatives

CLYDE BALLARD
Speaker of the House of Representatives

Passed by the Senate April 18, 2001
Yeas 42 Nays 0

BRAD OWEN
President of the Senate

Approved May 15, 2001, with the
exception of sections 5, 6, 7 and 20,
which are vetoed.

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

We, Timothy A. Martin and Cynthia Zehnder, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1650** as passed by the House of Representatives and the Senate on the dates hereon set forth.

CYNTHIA ZEHNDER
Chief Clerk

TIMOTHY A. MARTIN
Chief Clerk

FILED

May 15, 2001 - 2:47 p.m.

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1650

AS AMENDED BY THE SENATE

Passed Legislature - 2001 Regular Session

State of Washington 57th Legislature 2001 Regular Session

By House Committee on Health Care (originally sponsored by Representatives Cody, Alexander, Tokuda, Mulliken, Doumit, Schual-Berke, Edwards and Kagi)

Read first time 02/20/2001. Referred to Committee on .

1 AN ACT Relating to community mental health services; amending RCW
2 71.24.015, 71.24.025, 71.24.030, 71.24.035, 71.24.037, 71.24.045,
3 71.24.049, 71.24.155, 71.24.160, 71.24.250, 71.24.400, and 71.24.405;
4 reenacting and amending RCW 71.24.300; adding new sections to chapter
5 71.24 RCW; and creating a new section.

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

7 **Sec. 1.** RCW 71.24.015 and 1999 c 214 s 7 are each amended to read
8 as follows:

9 It is the intent of the legislature to establish a community mental
10 health program which shall help people experiencing mental illness to
11 retain a respected and productive position in the community. This will
12 be accomplished through programs which provide for:

13 (1) Access to mental health services for adults of the state who
14 are acutely mentally ill, chronically mentally ill, or seriously
15 disturbed and children of the state who are acutely mentally ill,
16 severely emotionally disturbed, or seriously disturbed, which services
17 recognize the special needs of underserved populations, including
18 minorities, children, the elderly, disabled, and low-income persons.
19 Access to mental health services shall not be limited by a person's

1 history of confinement in a state, federal, or local correctional
2 facility. It is also the purpose of this chapter to promote the early
3 identification of mentally ill children and to ensure that they receive
4 the mental health care and treatment which is appropriate to their
5 developmental level. This care should improve home, school, and
6 community functioning, maintain children in a safe and nurturing home
7 environment, and should enable treatment decisions to be made in
8 response to clinical needs in accordance with sound professional
9 judgment while also recognizing parents' rights to participate in
10 treatment decisions for their children;

11 (2) Accountability of efficient and effective services through
12 state of the art outcome and performance measures and statewide
13 standards for monitoring client and system outcomes, performance, and
14 reporting of information. These processes shall be designed so as to
15 maximize the use of available resources for direct care of people with
16 a mental illness;

17 (3) Minimum service delivery standards;

18 (4) Priorities for the use of available resources for the care of
19 the mentally ill consistent with the priorities defined in the statute;

20 (5) Coordination of services within the department, including those
21 divisions within the department that provide services to children,
22 between the department and the office of the superintendent of public
23 instruction, and among state mental hospitals, county authorities,
24 community mental health services, and other support services, which
25 shall to the maximum extent feasible also include the families of the
26 mentally ill, and other service providers; and

27 (6) Coordination of services aimed at reducing duplication in
28 service delivery and promoting complementary services among all
29 entities that provide mental health services to adults and children.

30 It is the policy of the state to encourage the provision of a full
31 range of treatment and rehabilitation services in the state for mental
32 disorders. The legislature intends to encourage the development of
33 county-based and county-managed mental health services with adequate
34 local flexibility to assure eligible people in need of care access to
35 the least-restrictive treatment alternative appropriate to their needs,
36 and the availability of treatment components to assure continuity of
37 care. To this end, counties are encouraged to enter into joint
38 operating agreements with other counties to form regional systems of
39 care which integrate planning, administration, and service delivery

1 duties assigned to counties under chapters 71.05 and 71.24 RCW to
2 consolidate administration, reduce administrative layering, and reduce
3 administrative costs.

4 It is further the intent of the legislature to integrate the
5 provision of services to provide continuity of care through all phases
6 of treatment. To this end the legislature intends to promote active
7 engagement with mentally ill persons and collaboration between families
8 and service providers.

9 NEW SECTION. **Sec. 2.** A new section is added to chapter 71.24 RCW
10 to read as follows:

11 The department shall operate the community mental health service
12 delivery system authorized under this chapter within the following
13 constraints:

14 (1) The full amount of federal funds for mental health services,
15 plus qualifying state expenditures as appropriated in the biennial
16 operating budget, shall be appropriated to the department each year in
17 the biennial appropriations act to carry out the provisions of the
18 community mental health service delivery system authorized in this
19 chapter.

20 (2) The department may expend funds defined in subsection (1) of
21 this section in any manner that will effectively accomplish the outcome
22 measures defined in section 5 of this act.

23 (3) The department shall implement strategies that accomplish the
24 outcome measures identified in section 5 of this act that are within
25 the funding constraints in this section.

26 (4) The department shall monitor expenditures against the
27 appropriation levels provided for in subsection (1) of this section.

28 NEW SECTION. **Sec. 3.** A new section is added to chapter 71.24 RCW
29 to read as follows:

30 (1) The department shall ensure the coordination of allied services
31 for mental health clients. The department shall implement strategies
32 for resolving organizational, regulatory, and funding issues at all
33 levels of the system, including the state, the regional support
34 networks, and local service providers.

35 (2) The department shall propose, in operating budget requests,
36 transfers of funding among programs to support collaborative service
37 delivery to persons who require services from multiple department

1 programs. The department shall report annually to the appropriate
2 committees of the senate and house of representatives on actions and
3 projects it has taken to promote collaborative service delivery.

4 NEW SECTION. **Sec. 4.** A new section is added to chapter 71.24 RCW
5 to read as follows:

6 It is the intent of the legislature that the community mental
7 health service delivery system focus on maintaining mentally ill
8 individuals in the community. The program shall be evaluated and
9 managed through a limited number of performance measures designed to
10 hold each regional support network accountable for program success.

11 *NEW SECTION. **Sec. 5.** A new section is added to chapter 71.24 RCW
12 to read as follows:

13 *(1) The department, in collaboration with a work group appointed by*
14 *the secretary and made up of consumers, advocates, service providers,*
15 *and representatives of regional support networks, shall develop*
16 *performance measures for use in evaluating and managing the community*
17 *mental health service delivery system authorized under this chapter.*
18 *The performance measures shall be consistent with the provisions of RCW*
19 *71.24.405(3) which may include but are not limited to:*

20 *(a) Access to services;*

21 *(b) Quality and appropriateness of care;*

22 *(c) Outcome measures; including, but not limited to:*

23 *(i) Consumer change over time;*

24 *(ii) Consumer perception of hope for the future;*

25 *(iii) Percent of consumers who have safe and stable housing;*

26 *(iv) Percent of adults employed for one or more days in the last*
27 *thirty days;*

28 *(v) Percent of consumers without a jail or detention stay;*

29 *(vi) Percent of available school days attended in the past thirty*
30 *days;*

31 *(vii) Percent of consumers without a psychiatric hospitalization;*
32 *and*

33 *(d) Structure and plan management.*

34 *(2) The department shall require that service providers and*
35 *regional support networks collect uniform performance measure*
36 *information and report it to the department regularly. The department*
37 *shall develop benchmarks that compare performance measure information*

1 from all regional support networks and providers to provide a clear
2 indication of the most effective regional support networks and
3 providers. Benchmark information shall be published quarterly and
4 provided to the legislature, the governor, regional support networks,
5 and all providers of mental health services.

6 *Sec. 5 was vetoed. See message at end of chapter.

7 ***NEW SECTION.** Sec. 6. A new section is added to chapter 71.24 RCW
8 to read as follows:

9 Every regional support network and mental health services provider
10 shall be evaluated using the criteria in section 5 of this act.

11 *Sec. 6 was vetoed. See message at end of chapter.

12 ***NEW SECTION.** Sec. 7. A new section is added to chapter 71.24 RCW
13 to read as follows:

14 The department shall provide a report to the appropriate committees
15 of the legislature on the development, implementation, and achievement
16 of the performance measures by regional support networks and service
17 providers on an annual basis, no later than June 30th of each year,
18 beginning in 2002. The report shall include how the department is
19 using the outcome measure information obtained under section 5 of this
20 act to manage the community mental health service delivery system.

21 *Sec. 7 was vetoed. See message at end of chapter.

22 **Sec. 8.** RCW 71.24.025 and 1999 c 10 s 2 are each amended to read
23 as follows:

24 Unless the context clearly requires otherwise, the definitions in
25 this section apply throughout this chapter.

26 (1) "Acutely mentally ill" means a condition which is limited to a
27 short-term severe crisis episode of:

28 (a) A mental disorder as defined in RCW 71.05.020 or, in the case
29 of a child, as defined in RCW 71.34.020;

30 (b) Being gravely disabled as defined in RCW 71.05.020 or, in the
31 case of a child, a gravely disabled minor as defined in RCW 71.34.020;
32 or

33 (c) Presenting a likelihood of serious harm as defined in RCW
34 71.05.020 or, in the case of a child, as defined in RCW 71.34.020.

35 (2) "Available resources" means funds appropriated for the purpose
36 of providing community mental health programs under RCW 71.24.045,
37 federal funds, except those provided according to Title XIX of the

1 Social Security Act, and state funds appropriated under this chapter or
2 chapter 71.05 RCW by the legislature during any biennium for the
3 purpose of providing residential services, resource management
4 services, community support services, and other mental health services.
5 This does not include funds appropriated for the purpose of operating
6 and administering the state psychiatric hospitals, except as negotiated
7 according to RCW 71.24.300(1)(~~(d)~~) (e).

8 (3) "Child" means a person under the age of eighteen years.

9 (4) "Chronically mentally ill adult" means an adult who has a
10 mental disorder and meets at least one of the following criteria:

11 (a) Has undergone two or more episodes of hospital care for a
12 mental disorder within the preceding two years; or

13 (b) Has experienced a continuous psychiatric hospitalization or
14 residential treatment exceeding six months' duration within the
15 preceding year; or

16 (c) Has been unable to engage in any substantial gainful activity
17 by reason of any mental disorder which has lasted for a continuous
18 period of not less than twelve months. "Substantial gainful activity"
19 shall be defined by the department by rule consistent with Public Law
20 92-603, as amended.

21 (5) "Community mental health program" means all mental health
22 services, activities, or programs using available resources.

23 (6) "Community mental health service delivery system" means public
24 or private agencies that provide services specifically to persons with
25 mental disorders as defined under RCW 71.05.020 and receive funding
26 from public sources.

27 (7) "Community support services" means services authorized,
28 planned, and coordinated through resource management services
29 including, at (~~least~~) a minimum, assessment, diagnosis, emergency
30 crisis intervention available twenty-four hours, seven days a week,
31 prescreening determinations for mentally ill persons being considered
32 for placement in nursing homes as required by federal law, screening
33 for patients being considered for admission to residential services,
34 diagnosis and treatment for acutely mentally ill and severely
35 emotionally disturbed children discovered under screening through the
36 federal Title XIX early and periodic screening, diagnosis, and
37 treatment program, investigation, legal, and other nonresidential
38 services under chapter 71.05 RCW, case management services, psychiatric
39 treatment including medication supervision, counseling, psychotherapy,

1 assuring transfer of relevant patient information between service
2 providers, and other services determined by regional support
3 networks(~~(, and maintenance of a patient tracking system for~~
4 ~~chronically mentally ill adults and severely emotionally disturbed~~
5 ~~children)~~)).

6 (8) "County authority" means the board of county commissioners,
7 county council, or county executive having authority to establish a
8 community mental health program, or two or more of the county
9 authorities specified in this subsection which have entered into an
10 agreement to provide a community mental health program.

11 (9) "Department" means the department of social and health
12 services.

13 (10) "Licensed service provider" means an entity licensed according
14 to this chapter or chapter 71.05 RCW or an entity deemed to meet state
15 minimum standards as a result of accreditation by a recognized
16 behavioral health accrediting body recognized and having a current
17 agreement with the department, that meets state minimum standards or
18 individuals licensed under chapter 18.57, 18.71, 18.83, or 18.79 RCW,
19 as it applies to registered nurses and advanced registered nurse
20 practitioners.

21 (11) "Mental health services" means all services provided by
22 regional support networks and other services provided by the state for
23 the mentally ill.

24 (12) "Mentally ill persons" and "the mentally ill" mean persons and
25 conditions defined in subsections (1), (4), (17), and (18) of this
26 section.

27 (13) "Regional support network" means a county authority or group
28 of county authorities recognized by the secretary that enter into joint
29 operating agreements to contract with the secretary pursuant to this
30 chapter.

31 (14) "Residential services" means a complete range of residences
32 and supports authorized by resource management services and which may
33 involve a facility, a distinct part thereof, or services which support
34 community living, for acutely mentally ill persons, chronically
35 mentally ill adults, severely emotionally disturbed children, or
36 seriously disturbed adults determined by the regional support network
37 to be at risk of becoming acutely or chronically mentally ill. The
38 services shall include at least evaluation and treatment services as
39 defined in chapter 71.05 RCW, acute crisis respite care, long-term

1 adaptive and rehabilitative care, and supervised and supported living
2 services, and shall also include any residential services developed to
3 service mentally ill persons in nursing homes. Residential services
4 for children in out-of-home placements related to their mental disorder
5 shall not include the costs of food and shelter, except for children's
6 long-term residential facilities existing prior to January 1, 1991.

7 (15) "Resource management services" mean the planning,
8 coordination, and authorization of residential services and community
9 support services administered pursuant to an individual service plan
10 for: (a) Acutely mentally ill adults and children; (b) chronically
11 mentally ill adults; (c) severely emotionally disturbed children; or
12 (d) seriously disturbed adults determined solely by a regional support
13 network to be at risk of becoming acutely or chronically mentally ill.
14 Such planning, coordination, and authorization shall include mental
15 health screening for children eligible under the federal Title XIX
16 early and periodic screening, diagnosis, and treatment program.
17 Resource management services include seven day a week, twenty-four hour
18 a day availability of information regarding mentally ill adults' and
19 children's enrollment in services and their individual service plan to
20 county-designated mental health professionals, evaluation and treatment
21 facilities, and others as determined by the regional support network.

22 (16) "Secretary" means the secretary of social and health services.

23 (17) "Seriously disturbed person" means a person who:

24 (a) Is gravely disabled or presents a likelihood of serious harm to
25 himself or herself or others, or to the property of others, as a result
26 of a mental disorder as defined in chapter 71.05 RCW;

27 (b) Has been on conditional release status, or under a less
28 restrictive alternative order, at some time during the preceding two
29 years from an evaluation and treatment facility or a state mental
30 health hospital;

31 (c) Has a mental disorder which causes major impairment in several
32 areas of daily living;

33 (d) Exhibits suicidal preoccupation or attempts; or

34 (e) Is a child diagnosed by a mental health professional, as
35 defined in chapter 71.34 RCW, as experiencing a mental disorder which
36 is clearly interfering with the child's functioning in family or school
37 or with peers or is clearly interfering with the child's personality
38 development and learning.

1 (18) "Severely emotionally disturbed child" means a child who has
2 been determined by the regional support network to be experiencing a
3 mental disorder as defined in chapter 71.34 RCW, including those mental
4 disorders that result in a behavioral or conduct disorder, that is
5 clearly interfering with the child's functioning in family or school or
6 with peers and who meets at least one of the following criteria:

7 (a) Has undergone inpatient treatment or placement outside of the
8 home related to a mental disorder within the last two years;

9 (b) Has undergone involuntary treatment under chapter 71.34 RCW
10 within the last two years;

11 (c) Is currently served by at least one of the following child-
12 serving systems: Juvenile justice, child-protection/welfare, special
13 education, or developmental disabilities;

14 (d) Is at risk of escalating maladjustment due to:

15 (i) Chronic family dysfunction involving a mentally ill or
16 inadequate caretaker;

17 (ii) Changes in custodial adult;

18 (iii) Going to, residing in, or returning from any placement
19 outside of the home, for example, psychiatric hospital, short-term
20 inpatient, residential treatment, group or foster home, or a
21 correctional facility;

22 (iv) Subject to repeated physical abuse or neglect;

23 (v) Drug or alcohol abuse; or

24 (vi) Homelessness.

25 (19) "State minimum standards" means minimum requirements
26 established by rules adopted by the secretary and necessary to
27 implement this chapter for: (a) Delivery of mental health services;
28 (b) licensed service providers for the provision of mental health
29 services; (c) residential services; and (d) community support services
30 and resource management services.

31 (20) "Tribal authority," for the purposes of this section and RCW
32 71.24.300 only, means: The federally recognized Indian tribes and the
33 major Indian organizations recognized by the secretary insofar as these
34 organizations do not have a financial relationship with any regional
35 support network that would present a conflict of interest.

36 **Sec. 9.** RCW 71.24.030 and 1999 c 10 s 3 are each amended to read
37 as follows:

1 The secretary is authorized to make grants to and/or purchase
2 services from counties or combinations of counties in the establishment
3 and operation of community mental health programs.

4 **Sec. 10.** RCW 71.24.035 and 1999 c 10 s 4 are each amended to read
5 as follows:

6 (1) The department is designated as the state mental health
7 authority.

8 (2) The secretary (~~may~~) shall provide for public, client, and
9 licensed service provider participation in developing the state mental
10 health program, developing contracts with regional support networks,
11 and any waiver request to the federal government under medicaid.

12 (3) The secretary shall provide for participation in developing the
13 state mental health program for children and other underserved
14 populations, by including representatives on any committee established
15 to provide oversight to the state mental health program.

16 (4) The secretary shall be designated as the county authority if a
17 county fails to meet state minimum standards or refuses to exercise
18 responsibilities under RCW 71.24.045.

19 (5) The secretary shall:

20 (a) Develop a biennial state mental health program that
21 incorporates county biennial needs assessments and county mental health
22 service plans and state services for mentally ill adults and children.
23 The secretary may also develop a six-year state mental health plan;

24 (b) Assure that any regional or county community mental health
25 program provides access to treatment for the county's residents in the
26 following order of priority: (i) The acutely mentally ill; (ii)
27 chronically mentally ill adults and severely emotionally disturbed
28 children; and (iii) the seriously disturbed. Such programs shall
29 provide:

30 (A) Outpatient services;

31 (B) Emergency care services for twenty-four hours per day;

32 (C) Day treatment for mentally ill persons which includes training
33 in basic living and social skills, supported work, vocational
34 rehabilitation, and day activities. Such services may include
35 therapeutic treatment. In the case of a child, day treatment includes
36 age-appropriate basic living and social skills, educational and
37 prevocational services, day activities, and therapeutic treatment;

1 (D) Screening for patients being considered for admission to state
2 mental health facilities to determine the appropriateness of admission;

3 (E) Employment services, which may include supported employment,
4 transitional work, placement in competitive employment, and other work-
5 related services, that result in mentally ill persons becoming engaged
6 in meaningful and gainful full or part-time work. Other sources of
7 funding such as the division of vocational rehabilitation may be
8 utilized by the secretary to maximize federal funding and provide for
9 integration of services;

10 (F) Consultation and education services; and

11 (G) Community support services;

12 (c) Develop and adopt rules establishing state minimum standards
13 for the delivery of mental health services pursuant to RCW 71.24.037
14 including, but not limited to:

15 (i) Licensed service providers. The secretary shall provide for
16 deeming of compliance with state minimum standards for those entities
17 accredited by recognized behavioral health accrediting bodies
18 recognized and having a current agreement with the department;

19 (ii) Regional support networks; and

20 (iii) ~~((Residential and))~~ Inpatient services, evaluation and
21 treatment services and facilities under chapter 71.05 RCW, resource
22 management services, and community support services;

23 (d) Assure that the special needs of minorities, the elderly,
24 disabled, children, and low-income persons are met within the
25 priorities established in this section;

26 (e) Establish a standard contract or contracts, consistent with
27 state minimum standards, which shall be used ~~((by the))~~ in contracting
28 with regional support networks or counties. The standard contract
29 shall include a maximum fund balance, which shall not exceed ten
30 percent;

31 (f) Establish, to the extent possible, a standardized auditing
32 procedure which minimizes paperwork requirements of county authorities
33 and licensed service providers. The audit procedure shall focus on the
34 outcomes of service and not the processes for accomplishing them;

35 (g) Develop and maintain an information system to be used by the
36 state, counties, and regional support networks that includes a tracking
37 method which allows the department and regional support networks to
38 identify mental health clients' participation in any mental health
39 service or public program on an immediate basis. The information

1 system shall not include individual patient's case history files.
2 Confidentiality of client information and records shall be maintained
3 as provided in this chapter and in RCW 71.05.390, 71.05.400, 71.05.410,
4 71.05.420, 71.05.430, and 71.05.440. The design of the system and the
5 data elements to be collected shall be reviewed by the work group
6 appointed by the secretary under section 5(1) of this act and
7 representing the department, regional support networks, service
8 providers, consumers, and advocates. The data elements shall be
9 designed to provide information that is needed to measure performance
10 and achieve the service outcomes identified in section 5 of this act;

11 (h) License service providers who meet state minimum standards;

12 (i) Certify regional support networks that meet state minimum
13 standards;

14 (j) Periodically (~~inspect~~) monitor the compliance of certified
15 regional support networks and their network of licensed service
16 providers for compliance with the contract between the department, the
17 regional support network, and federal and state rules at reasonable
18 times and in a reasonable manner;

19 (k) Fix fees to be paid by evaluation and treatment centers to the
20 secretary for the required inspections;

21 (l) Monitor and audit counties, regional support networks, and
22 licensed service providers as needed to assure compliance with
23 contractual agreements authorized by this chapter; and

24 (m) Adopt such rules as are necessary to implement the department's
25 responsibilities under this chapter.

26 (6) The secretary shall use available resources only for regional
27 support networks.

28 (7) Each certified regional support network and licensed service
29 provider shall file with the secretary, on request, such data,
30 statistics, schedules, and information as the secretary reasonably
31 requires. A certified regional support network or licensed service
32 provider which, without good cause, fails to furnish any data,
33 statistics, schedules, or information as requested, or files fraudulent
34 reports thereof, may have its certification or license revoked or
35 suspended.

36 (8) The secretary may suspend, revoke, limit, or restrict a
37 certification or license, or refuse to grant a certification or license
38 for failure to conform to: (a) The law; (b) applicable rules and
39 regulations; (c) applicable standards; or (d) state minimum standards.

1 (9) The superior court may restrain any regional support network or
2 service provider from operating without certification or a license or
3 any other violation of this section. The court may also review,
4 pursuant to procedures contained in chapter 34.05 RCW, any denial,
5 suspension, limitation, restriction, or revocation of certification or
6 license, and grant other relief required to enforce the provisions of
7 this chapter.

8 (10) Upon petition by the secretary, and after hearing held upon
9 reasonable notice to the facility, the superior court may issue a
10 warrant to an officer or employee of the secretary authorizing him or
11 her to enter at reasonable times, and examine the records, books, and
12 accounts of any regional support network or service provider refusing
13 to consent to inspection or examination by the authority.

14 (11) Notwithstanding the existence or pursuit of any other remedy,
15 the secretary may file an action for an injunction or other process
16 against any person or governmental unit to restrain or prevent the
17 establishment, conduct, or operation of a regional support network or
18 service provider without certification or a license under this chapter.

19 (12) The standards for certification of evaluation and treatment
20 facilities shall include standards relating to maintenance of good
21 physical and mental health and other services to be afforded persons
22 pursuant to this chapter and chapters 71.05 and 71.34 RCW, and shall
23 otherwise assure the effectuation of the purposes of these chapters.

24 (13)(a) The department, in consultation with affected parties,
25 shall establish a distribution formula that reflects county needs
26 assessments based on the number of persons who are acutely mentally
27 ill, chronically mentally ill, severely emotionally disturbed children,
28 and seriously disturbed. The formula shall take into consideration the
29 impact on counties of demographic factors in counties which result in
30 concentrations of priority populations as set forth in subsection
31 (5)(b) of this section. These factors shall include the population
32 concentrations resulting from commitments under chapters 71.05 and
33 71.34 RCW to state psychiatric hospitals, as well as concentration in
34 urban areas, at border crossings at state boundaries, and other
35 significant demographic and workload factors.

36 (b) The formula shall also include a projection of the funding
37 allocations that will result for each county, which specifies
38 allocations according to priority populations, including the allocation
39 for services to children and other underserved populations.

1 (14) The secretary shall assume all duties assigned to the
2 nonparticipating counties under chapters 71.05, 71.34, and 71.24 RCW.
3 Such responsibilities shall include those which would have been
4 assigned to the nonparticipating counties under regional support
5 networks.

6 The regional support networks, or the secretary's assumption of all
7 responsibilities under chapters 71.05, 71.34, and 71.24 RCW, shall be
8 included in all state and federal plans affecting the state mental
9 health program including at least those required by this chapter, the
10 medicaid program, and P.L. 99-660. Nothing in these plans shall be
11 inconsistent with the intent and requirements of this chapter.

12 (15) The secretary shall:

13 (a) Disburse funds for the regional support networks within sixty
14 days of approval of the biennial contract. The department must either
15 approve or reject the biennial contract within sixty days of receipt.

16 (b) Enter into biennial contracts with regional support networks.
17 The contracts shall be consistent with available resources. No
18 contract shall be approved that does not include progress toward
19 meeting the goals of this chapter by taking responsibility for: (i)
20 Short-term commitments; (ii) residential care; and (iii) emergency
21 response systems.

22 (c) Allocate one hundred percent of available resources to the
23 regional support networks in accordance with subsection (13) of this
24 section.

25 (d) Notify regional support networks of their allocation of
26 available resources at least sixty days prior to the start of a new
27 biennial contract period.

28 (e) Deny funding allocations to regional support networks based
29 solely upon formal findings of noncompliance with the terms of the
30 regional support network's contract with the department. Written
31 notice and at least thirty days for corrective action must precede any
32 such action. In such cases, regional support networks shall have full
33 rights to appeal under chapter 34.05 RCW.

34 ~~((f) Identify in its departmental biennial operating and capital
35 budget requests the funds requested by regional support networks to
36 implement their responsibilities under this chapter.))~~

37 (16) The department, in cooperation with the state congressional
38 delegation, shall actively seek waivers of federal requirements and
39 such modifications of federal regulations as are necessary to allow

1 federal medicaid reimbursement for services provided by free-standing
2 evaluation and treatment facilities certified under chapter 71.05 RCW.
3 The department shall periodically report its efforts to the ((health
4 care and corrections)) appropriate committees of the senate and the
5 ((human services committee of the)) house of representatives.

6 ((~~(17) The secretary shall establish a task force to examine the
7 recruitment, training, and compensation of qualified mental health
8 professionals in the community, which shall include the advantages and
9 disadvantages of establishing a training academy, loan forgiveness
10 program, or educational stipends offered in exchange for commitments of
11 employment in mental health.~~))

12 **Sec. 11.** RCW 71.24.037 and 1999 c 10 s 5 are each amended to read
13 as follows:

14 (1) The secretary shall by rule establish state minimum standards
15 for licensed service providers and services.

16 (2) Minimum standards for licensed service providers shall, at a
17 minimum, establish: Qualifications for staff providing services
18 directly to mentally ill persons, the intended result of each service,
19 and the rights and responsibilities of persons receiving mental health
20 services pursuant to this chapter. The secretary shall provide for
21 deeming of licensed service providers as meeting state minimum
22 standards as a result of accreditation by a recognized behavioral
23 health accrediting body recognized and having a current agreement with
24 the department.

25 (3) ~~((Minimum standards for residential services shall be based on
26 clients' functional abilities and not solely on their diagnoses,
27 limited to health and safety, staff qualifications, and program
28 outcomes. Minimum standards for residential services shall be
29 developed in collaboration with consumers, families, counties,
30 regulators, and residential providers serving the mentally ill. The
31 minimum standards shall encourage the development of broad range
32 residential programs, including integrated housing and cross systems
33 programs where appropriate, and shall not unnecessarily restrict
34 programming flexibility.~~

35 ~~(4))~~ Minimum standards for community support services and resource
36 management services shall include at least qualifications for resource
37 management services, client tracking systems, and the transfer of
38 patient information between service providers.

1 **Sec. 12.** RCW 71.24.045 and 1992 c 230 s 5 are each amended to read
2 as follows:

3 The county authority shall:

4 (1) Contract as needed with licensed service providers. The county
5 authority may, in the absence of a licensed service provider entity,
6 become a licensed service provider entity pursuant to minimum standards
7 required for licensing by the department for the purpose of providing
8 services not available from licensed service providers;

9 (2) Operate as a licensed service provider if it deems that doing
10 so is more efficient and cost effective than contracting for services.
11 When doing so, the county authority shall comply with rules promulgated
12 by the secretary that shall provide measurements to determine when a
13 county provided service is more efficient and cost effective;

14 (3) Monitor and perform biennial fiscal audits of licensed service
15 providers who have contracted with the county to provide services
16 required by this chapter. The monitoring and audits shall be performed
17 by means of a formal process which insures that the licensed service
18 providers and professionals designated in this subsection meet the
19 terms of their contracts(~~(, including the minimum standards of service~~
20 ~~delivery as established by the department));~~

21 (4) Assure that the special needs of minorities, the elderly,
22 disabled, children, and low-income persons are met within the
23 priorities established in this chapter;

24 (5) Maintain patient tracking information in a central location as
25 required for resource management services and the department's
26 information system;

27 (6) Use not more than two percent of state-appropriated community
28 mental health funds, which shall not include federal funds, to
29 administer community mental health programs under RCW 71.24.155:
30 PROVIDED, That county authorities serving a county or combination of
31 counties whose population is one hundred twenty-five thousand or more
32 may be entitled to sufficient state-appropriated community mental
33 health funds to employ up to one full-time employee or the equivalent
34 thereof in addition to the two percent limit established in this
35 subsection when such employee is providing staff services to a county
36 mental health advisory board;

37 (7) Coordinate services for individuals who have received services
38 through the community mental health system and who become patients at
39 a state mental hospital.

1 **Sec. 13.** RCW 71.24.049 and 1999 c 10 s 6 are each amended to read
2 as follows:

3 By January 1st of each odd-numbered year, the ((~~county authority~~))
4 regional support network shall identify: (1) The number of children in
5 each priority group, as defined by this chapter, who are receiving
6 mental health services funded in part or in whole under this chapter,
7 (2) the amount of funds under this chapter used for children's mental
8 health services, (3) an estimate of the number of unserved children in
9 each priority group, and (4) the estimated cost of serving these
10 additional children and their families.

11 **Sec. 14.** RCW 71.24.155 and 1987 c 505 s 65 are each amended to
12 read as follows:

13 Grants shall be made by the department to ((~~counties~~)) regional
14 support networks for community mental health programs totaling not less
15 than ninety-five percent of available resources. The department may
16 use up to forty percent of the remaining five percent to provide
17 community demonstration projects, including early intervention or
18 primary prevention programs for children, and the remainder shall be
19 for emergency needs and technical assistance under this chapter.

20 **Sec. 15.** RCW 71.24.160 and 1989 c 205 s 7 are each amended to read
21 as follows:

22 The ((~~county authority~~)) regional support networks shall make
23 satisfactory showing to the secretary that state funds shall in no case
24 be used to replace local funds from any source being used to finance
25 mental health services prior to January 1, 1990.

26 **Sec. 16.** RCW 71.24.250 and 1982 c 204 s 14 are each amended to
27 read as follows:

28 The ((~~county authority~~)) regional support network may accept and
29 expend gifts and grants received from private, county, state, and
30 federal sources.

31 **Sec. 17.** RCW 71.24.300 and 1999 c 214 s 8 and 1999 c 10 s 9 are
32 each reenacted and amended to read as follows:

33 A county authority or a group of county authorities whose combined
34 population is no less than forty thousand may enter into a joint
35 operating agreement to form a regional support network. Upon the

1 request of a tribal authority or authorities within a regional support
2 network the joint operating agreement or the county authority shall
3 allow for the inclusion of the tribal authority to be represented as a
4 party to the regional support network. The roles and responsibilities
5 of the county and tribal authorities shall be determined by the terms
6 of that agreement including a determination of membership on the
7 governing board and advisory committees, the number of tribal
8 representatives to be party to the agreement, and the provisions of law
9 and shall assure the provision of culturally competent services to the
10 tribes served. The state mental health authority may not determine the
11 roles and responsibilities of county authorities as to each other under
12 regional support networks by rule, except to assure that all duties
13 required of regional support networks are assigned and that counties
14 and the regional support network do not duplicate functions and that a
15 single authority has final responsibility for all available resources
16 and performance under the regional support network's contract with the
17 secretary.

18 (1) Regional support networks shall submit an overall six-year
19 operating and capital plan, timeline, and budget and submit progress
20 reports and an updated two-year plan biennially thereafter, to assure
21 within available resources all of the following duties:

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

25 (b) Assume the powers and duties of county authorities within its
26 area as described in RCW 71.24.045 (1) through (7).

27 (c) Administer and provide for the availability of all
28 investigation, transportation, court-related, and other services
29 provided by the state or counties pursuant to chapter 71.05 RCW.

30 ~~((e))~~ (d) Provide within the boundaries of each regional support
31 network evaluation and treatment services for at least eighty-five
32 percent of persons detained or committed for periods up to seventeen
33 days according to chapter 71.05 RCW. Regional support networks with
34 populations of less than one hundred fifty thousand may contract to
35 purchase evaluation and treatment services from other networks.
36 Insofar as the original intent of serving persons in the community is
37 maintained, the secretary is authorized to approve exceptions on a
38 case-by-case basis to the requirement to provide evaluation and
39 treatment services within the boundaries of each regional support

1 network. Such exceptions are limited to contracts with neighboring or
2 contiguous regions.

3 ~~((d))~~ (e) Administer a portion of funds appropriated by the
4 legislature to house mentally ill persons in state institutions from
5 counties within the boundaries of any regional support network, with
6 the exception of persons currently confined at, or under the
7 supervision of, a state mental hospital pursuant to chapter 10.77 RCW,
8 and provide for the care of all persons needing evaluation and
9 treatment services for periods up to seventeen days according to
10 chapter 71.05 RCW in appropriate residential services, which may
11 include state institutions. The regional support networks shall
12 reimburse the state for use of state institutions at a rate equal to
13 that assumed by the legislature when appropriating funds for such care
14 at state institutions during the biennium when reimbursement occurs.
15 The secretary shall submit a report to the appropriate committees of
16 the senate and house of representatives on the efforts to implement
17 this section by October 1, 2002. The duty of a state hospital to
18 accept persons for evaluation and treatment under chapter 71.05 RCW is
19 limited by the responsibilities assigned to regional support networks
20 under this section.

21 ~~((e))~~ (f) Administer and provide for the availability of all
22 other mental health services, which shall include patient counseling,
23 day treatment, consultation, education services, employment services as
24 defined in RCW 71.24.035, and mental health services to children as
25 provided in this chapter designed to achieve the outcomes specified in
26 section 5 of this act.

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

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

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

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

7 (5) Regional support networks shall assume all duties specified in
8 their plans and joint operating agreements through biennial contractual
9 agreements with the secretary. ~~((Such contracts may include agreements
10 to provide periods of stable community living and work or other day
11 activities for specific chronically mentally ill persons who have
12 completed commitments at state hospitals on ninety-day or one hundred
13 eighty-day civil commitments or who have been residents at state
14 hospitals for no less than one hundred eighty days within the previous
15 year. Periods of stable community living may involve acute care in
16 local evaluation and treatment facilities but may not involve use of
17 state hospitals.))~~

18 (6) Counties or groups of counties participating in a regional
19 support network are not subject to RCW 71.24.045(6).

20 (7) ~~((As part of each biennial plan, each regional support network
21 shall establish and submit to the state, procedures and agreements to
22 assure access to sufficient additional local evaluation and treatment
23 facilities to meet the requirements of this chapter while reducing
24 short-term admissions to state hospitals. These shall be commitments
25 to construct and operate, or contract for the operation of,
26 freestanding evaluation and treatment facilities or agreements with
27 local evaluation and treatment facilities which shall include (a)
28 required admission and treatment for short-term inpatient care for any
29 person enrolled in community support or residential services, (b)
30 discharge planning procedures, (c) limitations on admissions or
31 transfers to state hospitals, (d) adequate psychiatric supervision, (e)
32 prospective payment methods, and (f) contractual assurances regarding
33 referrals to local evaluation and treatment facilities from regional
34 support networks.~~

35 ~~(8))~~ Regional support networks may receive technical assistance
36 from the housing trust fund and may identify and submit projects for
37 housing and housing support services to the housing trust fund
38 established under chapter 43.185 RCW. Projects identified or submitted
39 under this subsection must be fully integrated with the regional

1 support network six-year operating and capital plan, timeline, and
2 budget required by subsection (1) of this section.

3 **Sec. 18.** RCW 71.24.400 and 1999 c 10 s 10 are each amended to read
4 as follows:

5 The legislature finds that the current complex set of federal,
6 state, and local rules and regulations, audited and administered at
7 multiple levels, which affect the community mental health service
8 delivery system, focus primarily on the process of providing mental
9 health services and do not sufficiently address consumer and system
10 outcomes. The legislature finds that the department and the community
11 mental health service delivery system must make ongoing efforts to
12 achieve the purposes set forth in RCW 71.24.015 related to reduced
13 administrative layering, duplication, elimination of process measures
14 not specifically required by the federal government for the receipt of
15 federal funds, and reduced administrative costs.

16 **Sec. 19.** RCW 71.24.405 and 1999 c 10 s 11 are each amended to read
17 as follows:

18 The department shall establish a ((single)) comprehensive and
19 collaborative ((project)) effort within regional support networks and
20 with local mental health service providers aimed at creating innovative
21 and streamlined community mental health service delivery systems, in
22 order to carry out the purposes set forth in RCW 71.24.400 and to
23 capture the diversity of the community mental health service delivery
24 system.

25 The ((project)) department must accomplish the following:

26 (1) Identification, review, and cataloging of all rules,
27 regulations, duplicative administrative and monitoring functions, and
28 other requirements that currently lead to inefficiencies in the
29 community mental health service delivery system and, if possible,
30 eliminate the requirements;

31 (2) The systematic and incremental development of a single system
32 of accountability for all federal, state, and local funds provided to
33 the community mental health service delivery system. Systematic
34 efforts should be made to include federal and local funds into the
35 single system of accountability;

36 (3) The elimination of process regulations and related contract and
37 reporting requirements. In place of the regulations and requirements,

1 a set of outcomes for mental health adult and children clients
2 according to chapter 71.24 RCW must be used to measure the performance
3 of mental health service providers and regional support networks. Such
4 outcomes shall focus on stabilizing out-of-home and hospital care,
5 increasing stable community living, increasing age-appropriate
6 activities, achieving family and consumer satisfaction with services,
7 and system efficiencies;

8 (4) Evaluation of the feasibility of contractual agreements between
9 the department of social and health services and regional support
10 networks and mental health service providers that link financial
11 incentives to the success or failure of mental health service providers
12 and regional support networks to meet outcomes established for mental
13 health service clients;

14 (5) The involvement of mental health consumers and their
15 representatives (~~((in the pilot projects))~~). Mental health consumers and
16 their representatives will be involved in the development of outcome
17 standards for mental health clients (~~((and other related aspects of the
18 pilot projects))~~) under section 5 of this act; and

19 (6) An independent evaluation component to measure the success of
20 the (~~((projects))~~) department in fully implementing the provisions of RCW
21 71.24.400 and this section.

22 ****NEW SECTION. Sec. 20. The legislature finds that an excessive
23 amount of public funds are spent on administrative activities in the
24 community mental health system. The department of social and health
25 services shall develop a plan to reduce administrative expenses in the
26 community mental health system, including the mental health division,
27 to no more than ten percent of available funds. The plan shall
28 identify and prioritize core administrative functions that must be
29 continued to comply with federal or state statutes. The department
30 shall submit their plan to the appropriate committees of the senate and
31 house of representatives no later than December 15, 2001. The plan
32 shall assume an implementation date of July 1, 2003.***

33 ****Sec. 20 was vetoed. See message at end of chapter.***

Passed the House April 19, 2001.

Passed the Senate April 18, 2001.

Approved by the Governor May 15, 2001, with the exception of
certain items that were vetoed.

Filed in Office of Secretary of State May 15, 2001.

1 Note: Governor's explanation of partial veto is as follows:

1 "I am returning herewith, without my approval as to sections 5, 6,
2 7, and 20, Substitute House Bill No. 1650 entitled:

3 "AN ACT Relating to community mental health services;"

4 Substitute House Bill No. 1650 implements several recommendations
5 of a recent performance audit of the community mental health system by
6 the Joint Legislative Audit and Review Committee (JLARC). I support
7 those recommendations relating to funding flexibility, performance
8 measurement, and other improvements. I also support the bill's goal of
9 minimizing administrative expenses at all levels of the mental health
10 system.

11 Section 5 of the bill would have required the Department of Social
12 and Health Services (DSHS), to collaborate with others, including
13 Regional Support Networks and community treatment providers, to develop
14 performance measures for use in evaluating and managing the mental
15 health system. I strongly support this recommendation. However,
16 developing these measures and designing the data system they will
17 require would cost over \$1 million. The budget adopted by the House
18 includes this funding, but the Senate budget does not. Without
19 assurance of funding, I am unwilling to let this requirement become
20 law.

21 Sections 6 and 7 of the bill would have required use of the
22 performance measures in section 5 to evaluate programs and make reports
23 to the legislature. Without section 5, sections 6 and 7 have no
24 meaning.

25 If, during the special session, the legislature chooses to enact
26 sections 5, 6, and 7, with funding assured, I will gladly sign those
27 sections because I support their intent.

28 Section 20 of the bill would have required DSHS to develop a plan
29 to reduce mental health system administrative expenses, including in
30 the Regional Support Networks and community-based treatment providers,
31 to ten percent of available funds, and submit the plan to the
32 legislature by December 15, 2001, with an assumed implementation date
33 of July 1, 2003.

34 Minimizing administrative costs is an important goal for any
35 program. But the Secretary of DSHS advises me that developing a
36 realistic plan to achieve that goal for the mental health system as a
37 whole will take longer than seven months, in part because it requires
38 the active participation of mental health providers and Regional
39 Support Networks.

40 The legislature's intent to see a plan implemented in July 2003
41 allows enough time to develop such a plan properly. Therefore, I have
42 vetoed section 20 and direct DSHS to work with appropriate stakeholders
43 to complete the plan, and make recommendations to me and to the
44 legislature by October 1, 2002.

45 For these reasons, I have vetoed sections 5, 6, 7, and 20 of
46 Substitute House Bill No. 1650.

47 With the exception of sections 5, 6, 7, and 20, Substitute House
48 Bill No. 1650 is approved."