

# SENATE BILL REPORT

## E2SHB 1290

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As Reported By Senate Committee On:  
Human Services & Corrections, March 31, 2005

**Title:** An act relating to community mental health services.

**Brief Description:** Modifying community mental health services provisions.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Cody, Bailey, Schual-Berke, Campbell, Morrell, Hinkle, Green, Appleton, Moeller, Haigh, Linville, Kenney, Wood and Santos).

**Brief History:** Passed House: 3/11/05, 84-10.

**Committee Activity:** Human Services & Corrections: 3/29/05, 3/31/05 [DPA-WM].

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### SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

**Majority Report:** Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators Hargrove, Chair; Regala, Vice Chair; Stevens, Ranking Minority Member; Brandland, Carrell, McAuliffe and Thibaudeau.

**Staff:** Fara Daun (786-7459)

**Background:** The Legislature established Regional Support Networks (RSN) in 1989 to develop local systems of care for persons with mental disorders. Counties or groups of counties were authorized to become RSNs, contract with licensed service providers, and deliver direct services. Fourteen RSNs were established to coordinate and deliver mental health services to persons with mental illness.

Since 1993, the Department of Social and Health Services (DSHS) has financed community mental health services through a federal 1915(b) waiver that provides services through a managed care model. During a recent wavier renewal process with the federal government, the Department of Social and Health Services and Regional Support Networks were notified they would be required to comply with additional requirements related to the management, delivery, and expenditure of federal funds on community mental health services.

**Summary of Amended Bill:** DSHS must establish a pilot procurement process for any county with a population over one million for the RSN in that county. It must preserve infrastructure and maximum funds for services. The maximum reserve fund balance must be consistent with federal requirements. The procurement process must, in addition to the requirements of RCW 71.24.035, define administrative costs and limit them to ten percent; require that existing collaboration between government bodies, law enforcement, and correctional agencies be maintained and improved; require continued collaboration with the county drug and alcohol coordinators and adherence to any department adopted integrated screening and assessment process; and provide the Secretary with the authority and a process

to hold both the RSN and any subcontractors accountable for accomplishing the provisions of the contract. The pilot will run from July 1, 2005 to June 30, 2007.

The regional support network selected in the pilot procurement process must contract with licensed service providers, operate as a provider if doing so is more efficient and cost-effective than contracting for services, monitor and perform biennial fiscal audits of licensed providers to ensure that providers meet the terms of their contracts, assure the special needs of minorities, the elderly, individuals with disabilities, children, and low-income persons within the statutory priorities, maintain patient tracking information; work with county authorities to ensure that policies do not result in an adverse shift of the mentally ill to correctional facilities; work with DSHS to expedite enrollment of eligible persons leaving confinement and coordinate services for persons leaving state hospitals. If the RSN is not the county, the RSN must work closely with the county designated mental health professional or county designated crisis responder to maximize appropriate placement of persons into community services.

DSHS must assure the availability of an adequate amount of community-based residential services. County operated mental health programs may be licensed as service providers, even if they aren't designated as a RSN. If a tribal authority requests to be a party to a private entity serving as a RSN, DSHS will determine the role and responsibilities of the RSN and the tribe.

Local advisory boards must include consumers, their families, county elected officials, and law enforcement.

DSHS, the Department of Corrections, the RSNs, institutions for mental diseases, and local jails must enter interlocal agreements to re-enroll or expedite enrollment in medical assistance and the RSNs for eligible persons leaving a correctionals facility or an institution for mental diseases in order maximize the number of persons leaving confinement with medical assistance in place.

The Joint Legislative and Executive Task Force on Mental Health is extended to June 30, 2007, and given oversight responsibilities for the reorganization of the community mental health system including a pre-procurement process.

**Amended Bill Compared to Original Bill:** The amended bill creates the procurement process as a 2-year pilot in any county with a population over 1 million persons and adds requirements for collaboration and cross-system cooperation. The amended bill requires not only reinstatement to medical assistance but also expedited eligibility determinations for persons leaving confinement in a correctional facility or an institution for mental diseases. The amended bill adds research and consensus based practices to evidence-based practices and adds promising or emerging practices where there are not evidence-based, research-based or consensus-based practices available, with definitions.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** After the state went to the regional support network system in 1989 it adopted a managed care model and the state did not reevaluate whether putting managed care into an RSN model was putting a square peg into a round hole. The 2000 Blueprint and the JLARC study both showed a lack of system-wide consistency in service delivery. Punishing the RSNs for mismanagement doesn't work because it hurts the persons the system is trying to protect. Inviting competition does work and for profit organizations can work, as exemplified by the hospital in Yakima which went from operating in the red to the black overnight with a 15-minute service guarantee. These can work; the key is in what is in the contract. Monitoring the impact on and use of the jail is important to have in the contract. Advisory boards provide a vital role in holding RSNs accountable and the community input is appreciated. The provision regarding DSHS approval of subcontracts was to provide openness in the process and give DSHS access to the contracts.

Healthy Options has been bid competitively for years and has been very successful. Having a statewide package of services should lower the tendency for counties with a state hospital to be a magnet for persons with mental illness although the location of the state hospital will still have some drawing impact. This bill doesn't jeopardize what is working.

The express inclusion of resilience and recovery is very encouraging and important. The advisory board should include 25 percent consumer representatives and include division of vocational rehabilitation representation. This provides a better opportunity to get more responsiveness to suggestions for innovation and new approaches. Clubhouses reduce hospitalizations. Consumers need to take responsibility for their recovery, for taking their medication and not acting in a criminal manner, but they need resources to do this, beyond a bed in an empty room.

Support the transformation to an outcome-based structure. Together with 5763 this provides a better structure. Support the continuation of the Mental Health Task Force. It is important to maintain consistency while building the improvements.

The suspend versus terminate is important but this falls short of the picture. While the language supporting evidence based practices is appreciated, the Senate language needs to be used. Evidence-based has a specific meaning and to be evidence based a practice must have been subject to multiple randomized double-blind studies and the bill, as drafted, contradicts itself when it supports clubhouses that are not an evidence-based practice.

**Testimony Against:** It is very concerning when a private entity is empowered to make a profit on the mentally ill. Consumers have no say in the mental health task force. North Sound RSN is a very good RSN and has excellent working relationship with the jails and with the county. The county is very fearful that this working relationship will be jeopardized.

Although there is much to like in this bill, the new RSN realignment needs to consider past working relationships and performance. Let the Mental Health Task Force evaluate the current structure and the performance. There needs to be an even playing field for the RSNs compete in the procurement process. Collaborations are working well in Pacific County, especially with chemical dependency. There is ongoing collaboration between the RSN, the jail, the Washington State Patrol, and the county. If the county language is removed, the RSN will lose the one-on-one working relationship. Concerned that a private corporation takes

away local access, especially where the local access is working. Concerned that the jail will become the dumping ground. RSNs that are doing their job should be exempted.

The department cannot support section 12 because of the fiscal note which was not in the governor's budget.

Concerned about the ability of for-profit companies to bid. The national record is not much better than the record in Washington, and that record includes the 138-day strike at West Seattle Psychiatric Hospital in King County. Need to use the existing infrastructure.

The Association of Counties has four remaining concerns: redefining the RSN to include any other entity recognized by the department in a procurement process, the change in who designates the CDMHP, the required make-up of what were formerly county/RSN mental health advisory boards to include elected officials and law enforcement; and the inclusion of an emergency clause that puts the changes into effect before the new system is created.

One of the major concerns to consumers is bringing in an HMO which will require them to change providers. A significant part of recovery is the relationship with one's treatment provider and this would throw that into limbo. An HMO would also cut out Rainbow House and other clubhouse models because they don't require enrollment in the RSN or Medicaid. The resources at clubhouses are available to any consumer who needs them.

**Who Testified:** PRO: Representative Eileen Cody, sponsor: Representative Bill Hinkle; Mona Keehn, Riverhouse; Lenora Warden, Rose House; Robin Arnold-Williams, DSHS Secretary; Laura Groshong, Clinical Social Work Society.

OTHER: Ann Christian, Washington Community Mental Health Council; Barbara Flye, SEIU #1199 NW.

CON: Marie Jubie, North Sound Mental Health Admin Board; Gary Williams, Whatcom County; Doug Barger, Adams County Sheriff's Office; Stephen Sultemeier, Pacific County Sheriff's Office; Gary Rose, Timberlands RSN; Jean Wessman, Washington State Association of Counties; Diana Ash, Rainbow Center, Whatcom County; Charles Albertson, Rainbow Center.