

HOUSE BILL REPORT

ESHB 2295

As Passed House:

March 23, 2009

Title: An act relating to the organization of the department of social and health services.

Brief Description: Concerning the organization of the department of social and health services.

Sponsors: House Committee on Health & Human Services Appropriations (originally sponsored by Representatives Cody, Williams, Seaquist and Darneille).

Brief History:

Committee Activity:

Health & Human Services Appropriations: 2/26/09 [DPS];

Ways & Means: 3/2/09 [DPS(APPH)].

Floor Activity

Passed House: 3/23/09, 57-35.

Brief Summary of Engrossed Substitute Bill

- Requires the Department of Social and Health Services (DSHS) to have each of its administrations and divisions reorganize their regional delivery system into consistent boundaries.
- Requires the DSHS to adopt a rule specifying the number and geographic boundaries of its regional service delivery system.
- Eliminates the requirement of the DSHS to appoint an assistant secretary for the juvenile rehabilitation program.
- Stipulates that the number of regional support networks that may be established range from a minimum of three to not more than six.
- Requires at least the same percentage of administrative savings at the DSHS regional level and DSHS headquarters as will be achieved through the reduction in regional support networks.

HOUSE COMMITTEE ON HEALTH & HUMAN SERVICES APPROPRIATIONS

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

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives Pettigrew, Chair; Seaquist, Vice Chair; Appleton, Cody, Dickerson, Miloscia, Morrell, O'Brien, Roberts and Wood.

Minority Report: Do not pass. Signed by 5 members: Representatives Schmick, Ranking Minority Member; Alexander, Assistant Ranking Minority Member; Ericksen, Johnson and Walsh.

Staff: Carma Matti (786-7140)

HOUSE COMMITTEE ON WAYS & MEANS

Majority Report: The substitute bill by Committee on Health & Human Services Appropriations be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives Linville, Chair; Ericks, Vice Chair; Cody, Conway, Darneille, Haigh, Hunt, Hunter, Kagi, Kenney, Kessler, Pettigrew, Priest, Seaquist and Sullivan.

Minority Report: Do not pass. Signed by 7 members: Representatives Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Chandler, Hinkle, Ross and Schmick.

Staff: Carma Matti (786-7140)

Background:

The Department of Social and Health Services (DSHS or Department) was created in statute in 1970. The state agencies that were combined to create the new Department included the Department of Public Assistance, the Department of Institutions, the Department of Health, the Veteran's Rehabilitation Council, and the Division of Vocational Rehabilitation of the Coordinating Council on Occupational Education. As part of the initial implementation plan for combining the five state agencies into a single department, a regional organization plan was developed. The Department's regional boundaries were established in 1970 and have never been modified. They include two regions east of the crest of the Cascade mountain range and four regions west of the crest of the Cascade mountain range. There are currently 12 divisions within the Department that have regional offices to manage program operations and services. Nine of the divisions maintain six regional offices and three divisions maintain either three or four regional offices. The Secretary of the Department has broad authority in determining how many assistant secretary positions may be established, except the Legislature required in 1994 that one assistant secretary must be responsible for Juvenile Rehabilitation programs. Regional Support Networks are geographic service areas for the delivery of community based mental health services. There are currently 13 Regional Support Networks.

Summary of Engrossed Substitute Bill:

The DSHS must review the current regional delivery system and reorganize the various boundaries for each administration so that they are consistent with one another. The DSHS must adopt a rule that specifies one regional service delivery system and they must specify in

the rule the number of regions and the geographic boundaries. The requirement for the DSHS to appoint an assistant secretary to administer Juvenile Rehabilitation programs is eliminated. The number of Regional Support Networks that may be established is limited to a number between three and six.

Appropriation: None.

Fiscal Note: Requested on March 1, 2009.

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

Staff Summary of Public Testimony (Health & Human Services Appropriations):

(In support) It is good that this is coming from a place on how to serve people efficiently and with quality. There is extreme concern about the budget crisis and this approach makes much more sense than cutting services. This is a big and complex idea, but in an economy like this big ideas are needed. This should increase collaboration between systems such as Juvenile Rehabilitation, Children's Services, and the Economic Services Administration. Services have traditionally been offered in silos, such as mental health treatment and chemical dependency, even though they are often provided to the same person. With this restructuring there should be efficiencies that can be obtained on the contracting side as well as the administration side.

(With concerns) Counties are also looking at some restructuring and it is important that they are at the table while this is being looked at because they have a lot of interaction with the DSHS. This needs to be done in a way that protects as much of the services as possible.

(Neutral) This needs to be about how best to deliver services. This needs to recognize that administrative reductions are already being put on the table by the DSHS due to the budget crisis. The DSHS is an intensely dynamic organization. Perhaps the best way for reorganizing is not to put the geographical boundaries for each region in statute. Without a thorough look, it is difficult to know if three is the right number of regions or the right number of assistant secretaries. There are a lot of decisions that would need to be made about span of control, chain of command, and geography. These discussions should feed into the conversation about the right number of regions, the right number of assistant secretaries, and the right geographical boundaries. King County needs to be a region all by itself and requires that level of attention. Streamlining can change the service delivery so it must be carefully looked at before any final decisions are made. People who deliver the services need to be at the table making decisions. If budget is the push, putting this detail in statute could have consequences later. The most important thing is that client focus lines up with the restructuring so that citizens continue to know how to get the services they need. These are fundamental changes and should come out of the Governor's office.

(Opposed) None.

Staff Summary of Public Testimony (Ways & Means):

(In support) This seems like a sensible approach at a time when we may have to cut direct services. Government needs to be as efficient as possible. This bill is not coming out of a place where people dislike the Department of Social and Health Services (DSHS), but rather it looks at reducing duplication, increasing consolidation, and improving efficiency. Streamlining the public sector of government seems to make a lot of sense. In this difficult budget climate where cuts will have to be taken, it is important that before you begin cutting vital services that every possible administrative reduction is considered. If the Regional Support Network (RSN) was being built from the ground up today, there would not likely be 12-13 RSNs and consolidation is the right thing to do. There are some concerns that the DSHS timeline of 18 months to restructure the mental health system is too long and a faster timeline is required given the current nature of the budget climate.

(In support with concerns) As DSHS partners in service delivery, the counties would like to be at the table and part of the conversation as this bill moves forward. The mental health system is very diverse throughout the state and different counties have different priorities.

(Opposed) None.

Persons Testifying (Health & Human Services Appropriations): (In support) Representative Cody, prime sponsor; and Jonathan Rosenbaum, Service Employees International Union.

(With concerns) Laurie Lippold, Children's Home Society.

(Neutral) Rashi Gupta, Association of Counties; and Stan Marshburn, Department of Social and Health Services.

Persons Testifying (Ways & Means): (In support) Laurie Lippold, Children's Home Society; Jonathan Rosenblum, SEIU Healthcare 1199 Northwest; and Lonnie Johns-Brown, Washington State Society for Clinical Social Work.

(In support with concerns) Rashi Gupta, Washington State Association of Counties.

Persons Signed In To Testify But Not Testifying (Health & Human Services Appropriations): None.

Persons Signed In To Testify But Not Testifying (Ways & Means): None.