

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 1519

Chapter 320, Laws of 2013

63rd Legislature
2013 Regular Session

SERVICE COORDINATION ORGANIZATIONS--ACCOUNTABILITY MEASURES

EFFECTIVE DATE: 07/28/13

Passed by the House April 22, 2013
Yeas 90 Nays 5

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 17, 2013
Yeas 46 Nays 0

BRAD OWEN

President of the Senate

Approved May 21, 2013, 2:26 p.m.

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 1519** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

May 21, 2013

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE HOUSE BILL 1519

AS AMENDED BY THE SENATE

Passed Legislature - 2013 Regular Session

State of Washington 63rd Legislature 2013 Regular Session

By House Appropriations (originally sponsored by Representatives
Cody, Green, Jinkins, Ryu, and Pollet)

READ FIRST TIME 03/01/13.

1 AN ACT Relating to establishing accountability measures for service
2 coordination organizations; amending RCW 70.96A.320, 71.24.330, and
3 74.39A.090; adding a new section to chapter 74.09 RCW; and adding a new
4 chapter to Title 70 RCW.

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

6 NEW SECTION. **Sec. 1.** The definitions in this section apply
7 throughout this chapter unless the context clearly requires otherwise.

8 (1) "Authority" means the health care authority.

9 (2) "Department" means the department of social and health
10 services.

11 (3) "Emerging best practice" or "promising practice" means a
12 program or practice that, based on statistical analyses or a well-
13 established theory of change, shows potential for meeting the evidence-
14 based or research-based criteria, which may include the use of a
15 program that is evidence-based for outcomes other than those listed in
16 this section.

17 (4) "Evidence-based" means a program or practice that has been
18 tested in heterogeneous or intended populations with multiple
19 randomized, or statistically controlled evaluations, or both; or one

1 large multiple site randomized, or statistically controlled evaluation,
2 or both, where the weight of the evidence from a systemic review
3 demonstrates sustained improvements in at least one outcome.
4 "Evidence-based" also means a program or practice that can be
5 implemented with a set of procedures to allow successful replication in
6 Washington and, when possible, is determined to be cost-beneficial.

7 (5) "Research-based" means a program or practice that has been
8 tested with a single randomized, or statistically controlled
9 evaluation, or both, demonstrating sustained desirable outcomes; or
10 where the weight of the evidence from a systemic review supports
11 sustained outcomes as described in this subsection but does not meet
12 the full criteria for evidence-based.

13 (6) "Service coordination organization" or "service contracting
14 entity" means the authority and department, or an entity that may
15 contract with the state to provide, directly or through subcontracts,
16 a comprehensive delivery system of medical, behavioral, long-term care,
17 or social support services, including entities such as regional support
18 networks as defined in RCW 71.24.025, managed care organizations that
19 provide medical services to clients under chapter 74.09 RCW, counties
20 providing chemical dependency services under chapters 74.50 and 70.96A
21 RCW, and area agencies on aging providing case management services
22 under chapter 74.39A RCW.

23 NEW SECTION. **Sec. 2.** (1) The authority and the department shall
24 base contract performance measures developed under section 3 of this
25 act on the following outcomes when contracting with service contracting
26 entities: Improvements in client health status and wellness; increases
27 in client participation in meaningful activities; reductions in client
28 involvement with criminal justice systems; reductions in avoidable
29 costs in hospitals, emergency rooms, crisis services, and jails and
30 prisons; increases in stable housing in the community; improvements in
31 client satisfaction with quality of life; and reductions in population-
32 level health disparities.

33 (2) The performance measures must demonstrate the manner in which
34 the following principles are achieved within each of the outcomes under
35 subsection (1) of this section:

36 (a) Maximization of the use of evidence-based practices will be
37 given priority over the use of research-based and promising practices,

1 and research-based practices will be given priority over the use of
2 promising practices. The agencies will develop strategies to identify
3 programs that are effective with ethnically diverse clients and to
4 consult with tribal governments, experts within ethnically diverse
5 communities and community organizations that serve diverse communities;

6 (b) The maximization of the client's independence, recovery, and
7 employment;

8 (c) The maximization of the client's participation in treatment
9 decisions; and

10 (d) The collaboration between consumer-based support programs in
11 providing services to the client.

12 (3) In developing performance measures under section 3 of this act,
13 the authority and the department shall consider expected outcomes
14 relevant to the general populations that each agency serves. The
15 authority and the department may adapt the outcomes to account for the
16 unique needs and characteristics of discrete subcategories of
17 populations receiving services, including ethnically diverse
18 communities.

19 (4) The authority and the department shall coordinate the
20 establishment of the expected outcomes and the performance measures
21 between each agency as well as each program to identify expected
22 outcomes and performance measures that are common to the clients
23 enrolled in multiple programs and to eliminate conflicting standards
24 among the agencies and programs.

25 (5) The authority and the department shall establish timelines and
26 mechanisms for service contracting entities to report data related to
27 performance measures and outcomes, including phased implementation of
28 public reporting of outcome and performance measures in a form that
29 allows for comparison of performance measures and levels of improvement
30 between geographic regions of Washington.

31 NEW SECTION. **Sec. 3.** By September 1, 2014:

32 (1) The authority shall adopt performance measures to determine
33 whether service contracting entities are achieving the outcomes
34 described in section 2 of this act for clients enrolled in medical
35 managed care programs operated according to Title XIX or XXI of the
36 federal social security act.

1 (2) The department shall adopt performance measures to determine
2 whether service contracting entities are achieving the outcomes
3 described in section 2 of this act for clients receiving mental health,
4 long-term care, or chemical dependency services.

5 NEW SECTION. **Sec. 4.** By July 1, 2015, the authority and the
6 department shall require that contracts with service coordination
7 organizations include provisions requiring the adoption of the outcomes
8 and performance measures developed under this chapter and mechanisms
9 for reporting data to support each of the outcomes and performance
10 measures.

11 NEW SECTION. **Sec. 5.** (1) By December 1, 2014, the department and
12 the authority shall report jointly to the legislature on the expected
13 outcomes and the performance measures. The report must identify the
14 performance measures and the expected outcomes established for each
15 program, the relationship between the performance measures and expected
16 improvements in client outcomes, mechanisms for reporting outcomes and
17 measuring performance, and options for applying the performance
18 measures and expected outcomes development process to other health and
19 social service programs.

20 (2) By December 1, 2016, the department and the authority shall
21 report to the legislature on the incorporation of the performance
22 measures into contracts with service coordination organizations and
23 progress toward achieving the identified outcomes.

24 NEW SECTION. **Sec. 6.** The outcomes and performance measures
25 established pursuant to this chapter do not establish a standard of
26 care in any civil action brought by a recipient of services. The
27 failure of a service coordination organization to meet the outcomes and
28 performance measures established pursuant to this chapter does not
29 create civil liability on the part of the service coordination
30 organization in a claim brought by a recipient of services.

31 NEW SECTION. **Sec. 7.** A new section is added to chapter 74.09 RCW
32 to read as follows:

33 The authority shall incorporate the expected outcomes and criteria
34 to measure the performance of service coordination organizations as

1 provided in chapter 70.-- RCW (the new chapter created in section 11 of
2 this act) into contracts with managed care organizations that provide
3 services to clients under this chapter.

4 **Sec. 8.** RCW 70.96A.320 and 1990 c 151 s 9 are each amended to read
5 as follows:

6 (1) A county legislative authority, or two or more counties acting
7 jointly, may establish an alcoholism and other drug addiction program.
8 If two or more counties jointly establish the program, they shall
9 designate one county to provide administrative and financial services.

10 (2) To be eligible for funds from the department for the support of
11 the county alcoholism and other drug addiction program, the county
12 legislative authority shall establish a county alcoholism and other
13 drug addiction board under RCW 70.96A.300 and appoint a county
14 alcoholism and other drug addiction program coordinator under RCW
15 70.96A.310.

16 (3) The county legislative authority may apply to the department
17 for financial support for the county program of alcoholism and other
18 drug addiction. To receive financial support, the county legislative
19 authority shall submit a plan that meets the following conditions:

- 20 (a) It shall describe the services and activities to be provided;
- 21 (b) It shall include anticipated expenditures and revenues;
- 22 (c) It shall be prepared by the county alcoholism and other drug
23 addiction program board and be adopted by the county legislative
24 authority;
- 25 (d) It shall reflect maximum effective use of existing services and
26 programs; and
- 27 (e) It shall meet other conditions that the secretary may require.

28 (4) The county may accept and spend gifts, grants, and fees, from
29 public and private sources, to implement its program of alcoholism and
30 other drug addiction.

31 (5) The department shall require that any agreement to provide
32 financial support to a county that performs the activities of a service
33 coordination organization for alcoholism and other drug addiction
34 services must incorporate the expected outcomes and criteria to measure
35 the performance of service coordination organizations as provided in
36 chapter 70.-- RCW (the new chapter created in section 11 of this act).

1 (6) The county may subcontract for detoxification, residential
2 treatment, or outpatient treatment with treatment programs that are
3 approved treatment programs. The county may subcontract for other
4 services with individuals or organizations approved by the department.

5 (~~(6)~~) (7) To continue to be eligible for financial support from
6 the department for the county alcoholism and other drug addiction
7 program, an increase in state financial support shall not be used to
8 supplant local funds from a source that was used to support the county
9 alcoholism and other drug addiction program before the effective date
10 of the increase.

11 **Sec. 9.** RCW 71.24.330 and 2008 c 261 s 6 are each amended to read
12 as follows:

13 (1)(a) Contracts between a regional support network and the
14 department shall include mechanisms for monitoring performance under
15 the contract and remedies for failure to substantially comply with the
16 requirements of the contract including, but not limited to, financial
17 penalties, termination of the contract, and reprocurement of the
18 contract.

19 **(b) The department shall incorporate the criteria to measure the**
20 **performance of service coordination organizations into contracts with**
21 **regional support networks as provided in chapter 70.-- RCW (the new**
22 **chapter created in section 11 of this act).**

23 (2) The regional support network procurement processes shall
24 encourage the preservation of infrastructure previously purchased by
25 the community mental health service delivery system, the maintenance of
26 linkages between other services and delivery systems, and maximization
27 of the use of available funds for services versus profits. However, a
28 regional support network selected through the procurement process is
29 not required to contract for services with any county-owned or operated
30 facility. The regional support network procurement process shall
31 provide that public funds appropriated by the legislature shall not be
32 used to promote or deter, encourage, or discourage employees from
33 exercising their rights under Title 29, chapter 7, subchapter II,
34 United States Code or chapter 41.56 RCW.

35 (3) In addition to the requirements of RCW 71.24.035, contracts
36 shall:

1 (a) Define administrative costs and ensure that the regional
2 support network does not exceed an administrative cost of ten percent
3 of available funds;

4 (b) Require effective collaboration with law enforcement, criminal
5 justice agencies, and the chemical dependency treatment system;

6 (c) Require substantial implementation of department adopted
7 integrated screening and assessment process and matrix of best
8 practices;

9 (d) Maintain the decision-making independence of designated mental
10 health professionals;

11 (e) Except at the discretion of the secretary or as specified in
12 the biennial budget, require regional support networks to pay the state
13 for the costs associated with individuals who are being served on the
14 grounds of the state hospitals and who are not receiving long-term
15 inpatient care as defined in RCW 71.24.025;

16 (f) Include a negotiated alternative dispute resolution clause; and

17 (g) Include a provision requiring either party to provide one
18 hundred eighty days' notice of any issue that may cause either party to
19 voluntarily terminate, refuse to renew, or refuse to sign a mandatory
20 amendment to the contract to act as a regional support network. If
21 either party decides to voluntarily terminate, refuse to renew, or
22 refuse to sign a mandatory amendment to the contract to serve as a
23 regional support network they shall provide ninety days' advance notice
24 in writing to the other party.

25 **Sec. 10.** RCW 74.39A.090 and 2004 c 141 s 3 are each amended to
26 read as follows:

27 (1) The legislature intends that any staff reassigned by the
28 department as a result of shifting of the reauthorization
29 responsibilities by contract outlined in this section shall be
30 dedicated for discharge planning and assisting with discharge planning
31 and information on existing discharge planning cases. Discharge
32 planning, as directed in this section, is intended for residents and
33 patients identified for discharge to long-term care pursuant to RCW
34 70.41.320, 74.39A.040, and 74.42.058. The purpose of discharge
35 planning is to protect residents and patients from the financial
36 incentives inherent in keeping residents or patients in a more

1 expensive higher level of care and shall focus on care options that are
2 in the best interest of the patient or resident.

3 (2) The department shall contract with area agencies on aging:

4 (a) To provide case management services to consumers receiving home
5 and community services in their own home; and

6 (b) To reassess and reauthorize home and community services in home
7 or in other settings for consumers consistent with the intent of this
8 section:

9 (i) Who have been initially authorized by the department to receive
10 home and community services; and

11 (ii) Who, at the time of reassessment and reauthorization, are
12 receiving home and community services in their own home.

13 (3) In the event that an area agency on aging is unwilling to enter
14 into or satisfactorily fulfill a contract or an individual consumer's
15 need for case management services will be met through an alternative
16 delivery system, the department is authorized to:

17 (a) Obtain the services through competitive bid; and

18 (b) Provide the services directly until a qualified contractor can
19 be found.

20 (4)(a) The department shall include, in its oversight and
21 monitoring of area agency on aging performance, assessment of case
22 management roles undertaken by area agencies on aging in this section.
23 The scope of oversight and monitoring includes, but is not limited to,
24 assessing the degree and quality of the case management performed by
25 area agency on aging staff for elderly and (~~disabled~~) persons with
26 disabilities in the community.

27 (b) The department shall incorporate the expected outcomes and
28 criteria to measure the performance of service coordination
29 organizations into contracts with area agencies on aging as provided in
30 chapter 70.-- RCW (the new chapter created in section 11 of this act).

31 (5) Area agencies on aging shall assess the quality of the in-home
32 care services provided to consumers who are receiving services under
33 the medicaid personal care, community options programs entry system or
34 chore services program through an individual provider or home care
35 agency. Quality indicators may include, but are not limited to, home
36 care consumers satisfaction surveys, how quickly home care consumers
37 are linked with home care workers, and whether the plan of care under

1 RCW 74.39A.095 has been honored by the agency or the individual
2 provider.

3 (6) The department shall develop model language for the plan of
4 care established in RCW 74.39A.095. The plan of care shall be in clear
5 language, and written at a reading level that will ensure the ability
6 of consumers to understand the rights and responsibilities expressed in
7 the plan of care.

8 NEW SECTION. **Sec. 11.** Sections 1 through 6 of this act constitute
9 a new chapter in Title 70 RCW.

Passed by the House April 22, 2013.

Passed by the Senate April 17, 2013.

Approved by the Governor May 21, 2013.

Filed in Office of Secretary of State May 21, 2013.