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**SUBSTITUTE SENATE BILL 5852**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Senate Human Services, Mental Health & Housing (originally sponsored by Senators Frockt, O'Ban, and Ranker)

AN ACT Relating to behavioral rehabilitation services; adding new sections to chapter 74.13 RCW; and creating a new section.

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

NEW SECTION. **Sec.**  The legislature finds that dependent children with high acuity behavioral and mental health needs require robust and consistent behavioral rehabilitation services in order to address their needs and ensure stable, permanent outcomes. However, behavioral rehabilitation services providers have seen their reimbursement rates from the state decrease over fifteen percent over the past decade. A reliable network of therapeutic foster care and residential care providers is critical to ensuring our highest needs children receive prompt and appropriate services, and that this can prevent the transition to more costly long-term mental health treatment. The legislature also finds that costs and demand for these services is constantly changing, and that the child welfare system must be equipped to address the changing needs of children, the community, and providers. Therefore, it is the intent of the legislature to restore behavioral rehabilitation services rates to appropriate levels and ensure that future rates address the real costs of care.

NEW SECTION. **Sec.**  A new section is added to chapter 74.13 RCW to read as follows:

(1) A governor's advisory committee on vendor rates is created, composed of nine members appointed by the governor. In addition, the secretary of the department of social and health services or his or her designee is an ex officio member of the committee. Members must be selected on the basis of their interest in problems related to the department of social and health services, and no less than two members must be licensed certified public accountants. The members shall serve at the pleasure of the governor. The governor shall select one member to serve as chair of the committee and he or she shall serve as such at the pleasure of the governor.

(2) The committee has the following powers and duties:

(a) Study and review the methods and procedures for establishing the rates or fees of all vendors of goods, services, and care purchased by the department of social and health services including all medical and welfare care and services;

(b) Provide each professional and trade association or other representative groups of each of the service areas the opportunity to present to the committee their evidence for justifying the methods of computing and the justification for the rates or fees they propose;

(c) Request vendors to provide the committee with an evaluation and justification of the method of establishing rates or fees;

(d) Prepare and submit a written report to the governor, at least sixty days prior to each session of the legislature, which contains its findings and recommendations concerning the methods and procedures for establishing rates or fees and the specific rates or fees that should be paid by the department of social and health services to the various designated vendors. This report must include the suggested effective dates of the recommended rates or fees when appropriate. The vendors shall furnish adequate documented evidence related to the cost of providing their particular services, care, or supplies in the form, to the extent, and at such times as the committee may determine. The chair of the committee has the same authority as provided in RCW 74.04.290 as it is now or hereafter amended.

NEW SECTION. **Sec.**  A new section is added to chapter 74.13 RCW to read as follows:

(1) For the 2015-2017 biennium reimbursement rates for behavioral rehabilitation services providers must be increased no less than fifteen and twenty-seven one-hundredths percent. Thereafter the rate must be adjusted annually as specified in subsection (3) of this section.

(2) The department shall create a differentiated rate in behavioral rehabilitation services for licensed group homes which provide residential services to children. The rate shall be set at one hundred fifty percent of the therapeutic foster care rate in behavioral rehabilitation services.

(3) Effective July 1, 2017, contracted rates for behavioral rehabilitation services must be adjusted as needed to reflect the costs of care for the provider. The costs must be determined by a licensed actuary and reviewed for errors by the governor's advisory committee on vendor rates pursuant to section 2 of this act.

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