

# HOUSE BILL REPORT

## 2SHB 1916

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**As Passed House:**  
March 9, 2015

**Title:** An act relating to integrating administrative provisions for chemical dependency and mental health.

**Brief Description:** Integrating administrative provisions for chemical dependency and mental health.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Cody and Harris).

**Brief History:**

**Committee Activity:**

Health Care & Wellness: 2/13/15, 2/20/15 [DPS];  
Appropriations: 2/26/15, 2/27/15 [DP2S(w/o sub HCW)].

**Floor Activity:**

Passed House: 3/9/15, 57-41.

**Brief Summary of Second Substitute Bill**

- Recodifies provisions related to the administration of local substance use disorder programs into the community mental health system administration code.

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### HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 14 members: Representatives Cody, Chair; Riccelli, Vice Chair; Schmick, Ranking Minority Member; Harris, Assistant Ranking Minority Member; Caldier, Clibborn, DeBolt, Jinkins, Johnson, Moeller, Robinson, Short, Tharinger and Van De Wege.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Rodne.

**Staff:** Chris Blake (786-7392).

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### HOUSE COMMITTEE ON 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 second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Health Care & Wellness. Signed by 22 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Wilcox, Assistant Ranking Minority Member; Carlyle, Cody, Dunshee, Haler, Hansen, Hudgins, S. Hunt, Jinkins, Kagi, Lytton, MacEwen, Pettigrew, Sawyer, Schmick, Senn, Springer, Sullivan, Tharinger and Walkinshaw.

**Minority Report:** Do not pass. Signed by 10 members: Representatives Chandler, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Buys, Condotta, Dent, G. Hunt, Magendanz, Stokesbary, Taylor and Van Werven.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Fagan.

**Staff:** Andy Toulon (786-7178).

**Background:**

*Community Mental Health System.*

The Department of Social and Health Services (Department) contracts with regional support networks to oversee the delivery of mental health services for adults and children who suffer from mental illness or severe emotional disturbance. A regional support network may be a county, group of counties, or a nonprofit or for-profit entity. Currently, 10 of the 11 regional support networks are county-based; one is operated by a private entity.

Regional support networks are paid by the state on a capitation basis and funding is adjusted based on caseload. The regional support networks contract with local providers to provide an array of mental health services, monitor the activities of local providers, and oversee the distribution of funds under the state managed care plan.

Approximately 40 percent of the state's resources for community mental health services are supported by federal Medicaid funding. Receipt of these funds is conditioned upon compliance with federal requirements.

*Chemical Dependency Services.*

The Department contracts with counties to provide outpatient chemical dependency prevention, treatment, and support services, either directly or by subcontracting with certified providers. The Department determines chemical dependency service priorities for those activities funded by the Department.

*Behavioral Health System Integration.*

In 2014 the Legislature passed legislation that directs the Department to integrate the purchase of chemical dependency services and mental health services. The integrated services are to be provided primarily through managed care contracts which must begin by April 1, 2016. The integrated system will be administered on a regional level through entities called "behavioral health organizations."

**Summary of Second Substitute Bill:**

Administrative provisions related to state and local programs for substance use disorder services are recodified in the same chapter governing the administration of the community mental health program. The Department of Social and Health Services (Department) is designated as the state behavioral health authority which includes recognition as the single state agency for substance use disorders and the state mental health authority. References to the Division of Alcohol and Substance Abuse are changed to the Department.

Several of the Department's authorities related to substance use disorders are merged with its authority regarding mental health. These include:

- contracting, including entering into managed care contracts for behavioral health services and contracts with service providers to pay for behavioral health services;
- administering substance use disorder provisions related to federal funds;
- planning and maintaining substance use disorder prevention and treatment programs;
- coordinating behavioral health programs across jurisdictions;
- soliciting and accepting funds;
- keeping records and engaging in research; and
- managing property for the provision of substance use disorder treatment programs.

Mental health advisory boards established by behavioral health organizations are renamed "behavioral health advisory boards." Behavioral health advisory boards must include representation from consumers of both substance use disorder services and mental health services and their families.

The Department's licensing authority related to establishing minimum standards for licensed service providers is clarified to apply to behavioral health service providers, specifically, those licensed to provide mental health services, substance use disorder treatment services, or services to persons with co-occurring disorders. Provisions related to the regulation of substance use disorder treatment providers are made applicable to all behavioral health service providers, including approvals or denials of behavioral health service providers and appeal rights; advertisements; the duration of licenses; limitations on offered services beyond certified levels; Department inspection authority; and data collection.

Elements of substance use disorder programs are made requirements of programs administered by behavioral health organizations. These include required services, such as withdrawal management, residential treatment, and outpatient treatment, and optional services such as peer support, supported housing, supported employment, crisis diversion, and recovery support services. It is specified that the treatment is to be provided primarily through managed care contracts, except for services and funding provided through the Criminal Justice Treatment Account.

Substance use disorder program provisions are recodified in the same chapter of law as the community mental health program to continue the following:

- the Criminal Justice Treatment Account;
- the development of integrated comprehensive screening and assessment processes;
- the availability of chemical dependency treatment specialist services at the Children's Administration;
- local financial matching requirements;
- contracts to establish drug courts;

- the establishment of emergency patrols;
- the ability of clients to pay;
- the rights of minors related to outpatient substance use disorder treatment and referral procedures for outpatient and inpatient treatment;
- declarations related to opiate substitution treatment; and
- the selection of counties to provide intensive case management services.

The following provisions related to substance use disorder programs are repealed:

- directions to the Department to establish a discrete program for substance use disorders that is administered by a person with experience with substance use disorders and administering treatment services;
- requirements related to qualifications for facilities and programs receiving financial assistance and the allocation of unused financial assistance funds;
- establishment of an interdepartmental coordinating committee comprised of members of various state agencies;
- requirements related to the confidentiality of records of substance use disorder treatment programs;
- establishment of a program authorizing funds that ended in 2010 for methamphetamine addiction programs; and
- establishment of county alcoholism and other drug addiction boards the establishment and funding of county alcoholism and other drug addiction programs.

Provisions related to voluntary admissions and involuntary commitments to substance use disorder treatment programs remain in their current location in statute.

References to "chemical dependency" are changed to "substance use disorder." References to the "state mental health program" are changed to the "state behavioral health program." References to "behavioral health disorders" to "mental health disorder, substance use disorders, or both."

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect on April 1, 2016.

**Staff Summary of Public Testimony (Health Care & Wellness):**

(In support) Over the summer the Adult Behavioral Health System Task Force heard about the need to integrate the mental health and substance use disorder statutes. These changes are mostly administrative. This bill should enable the simplification of publicly funded behavioral health services and should save money.

The term "behavioral health disorders" should be replaced with "mental disorders or substance use disorders or both." There are technical amendments that should be considered. The term "counties" should be replaced with "behavioral health organizations" in several places. The term "early adopter" should be defined or the behavioral health organization definition should be referenced for the early adopters. Early adopters will not be government

entities and could potentially be subject to the business and occupations tax and that should be addressed.

(Opposed) This bill takes a step back from Washington's leadership on this issue. When chapter 70.96A RCW was passed, it made Washington a leader by recognizing alcoholism as a disease and not a moral failing or a crime. The federal government has relied on evidence gathered in Washington and each step toward blending behavioral health is a move away from evidence that saves money in health care and the chemical dependency system. Mental health disorders and substance use disorders are separate conditions, the programs for treatment are separate, and the evidence shows that treatment is effective when the systems stay separate.

In 1972 federal legislation recognized that the treatment of alcoholics and drug addicts was not adequate, professional, or effective in the mental health and the medical communities. Substance use disorders are illnesses and people deserve treatment. Chemical dependency providers realized that they needed a discrete system of care in a division of government that was led by somebody with knowledge in the substance use treatment system and that should remain. Integration means elimination and is a step backward.

**Staff Summary of Public Testimony (Appropriations):**

(In support) None.

(Opposed) Merging the chemical dependency statutes into the mental health statutes will do nothing to help people in accessing chemical dependency treatment services. Instead, it eliminates the state's discrete chemical dependency system that has been a leader across the country in treating people with alcoholism and drug addiction problems while saving the state money at the same time. Integration means coordination among the providers to treat the whole person, while recognizing the expertise of each provider. It should not mean the elimination of an entire chemical dependency system.

**Persons Testifying (Health Care & Wellness):** (In support) Representative Cody, prime sponsor; Gregory Robinson, Washington Community Mental Health Council; and Dave Knutson, Optum Health.

(Opposed) Carl Kester, Association of Addiction Programs; and Scott Munson, Association of Alcoholism and Addiction Programs.

**Persons Testifying (Appropriations):** Melissa Johnson, Association of Alcoholism and Addictions Programs.

**Persons Signed In To Testify But Not Testifying (Health Care & Wellness):** None.

**Persons Signed In To Testify But Not Testifying (Appropriations):** None.