

# SENATE BILL REPORT

## SB 5852

---

As Reported by Senate Committee On:  
Human Services, Mental Health & Housing, February 19, 2015

**Title:** An act relating to behavioral rehabilitation services.

**Brief Description:** Concerning reimbursement rates for behavioral rehabilitation services.

**Sponsors:** Senators Frockt, O'Ban and Ranker.

**Brief History:**

**Committee Activity:** Human Services, Mental Health & Housing: 2/10/15, 2/19/15 [DPS-WM].

---

### SENATE COMMITTEE ON HUMAN SERVICES, MENTAL HEALTH & HOUSING

**Majority Report:** That Substitute Senate Bill No. 5852 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators O'Ban, Chair; Miloscia, Vice Chair; Darneille, Ranking Minority Member; Hargrove.

**Staff:** Kevin Black (786-7747)

**Background:** Behavioral Rehabilitation Services (BRS) is a temporary intensive wraparound support and treatment program within the Children's Administration (CA) of the Department of Social and Health Services (DSHS) for youth with high-level service needs. BRS is used to stabilize youth in home or out of home and assist them in achieving their permanent plan.

Before the fiscal crisis began in Washington State in fiscal year 2009, there was a regular process by which the state conducted analysis of the cost of providing services. The Governor's Vendor Rate Committee supplied information to state agencies about cost increases vendors were experiencing and made recommendations for regularized increases tied to economic and other indicators. In fiscal year 2009, this committee was disbanded and regular rate increases were halted. CA vendors have not experienced a vendor rate increase since that time.

**Summary of Bill (Recommended Substitute):** DSHS must increase BRS rates for the 2015-17 biennium by no less than 15.27 percent, and thereafter adjust the rate annually to

---

*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.*

reflect the costs of care to the provider. Cost adjustments must be determined by a licensed actuary and reviewed for errors by the Governor's Advisory Committee on Vendor Rates.

DSHS must create a differentiated rate within behavioral rehabilitation services for licensed group homes which provide residential services for children. This rate must be set at 150 percent of the therapeutic foster care rate.

A Governor's Advisory Committee on Vendor Rates is established, composed of nine members appointed by the Governor plus the Secretary of DSHS or the Secretary's designee. At least two members must be certified public accountants. The members must serve at the pleasure of the Governor and the Governor must select the chair of the committee. The committee must study and review the methods and procedures for establishing the rates or fees of all vendors of goods, services, and care purchased by DSHS, including all medical and welfare care and services, and provide a report 60 days prior to each legislative session concerning the committee's findings and recommendations concerning procedures and specific rates. Professional and trade associations and vendors must be allowed to present proposed rates and fees to the committee and justifications for these proposals.

**EFFECT OF CHANGES MADE BY HUMAN SERVICES, MENTAL HEALTH & HOUSING COMMITTEE (Recommended Substitute):** Language is removed requiring DSHS to dedicate certain amounts of funding to BRS within appropriated funds.

**Appropriation:** \$69.6 million GF-S and \$50.4 million GF-federal are set aside in the 2015-17 biennium for behavioral rehabilitation services within appropriated funds to DSHS.

**Fiscal Note:** Requested on February 8, 2015.

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

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Original Bill:** PRO: The type of care provided by facilities like Ryther is unique and successful. They can't keep taking state kids at the current rates. For many kids, this kind of placement is their best option. If we can't do this, we will pay for it down the road, and with more expensive treatment. Ryther has been serving Washington's highest need children for 129 years. We have not received a rate increase since 2004. This is not sustainable, and has caused the availability of BRS placements to decline around the state. Our board is considering reducing availability. Negative outcomes if interventions are not successful include family and school disruption, serial foster care placements, expensive psychiatric hospitalizations, juvenile justice system involvement, heightened risk of suicide, and chronic illnesses as adults. Therapeutic foster homes receive nearly the same reimbursement as we receive, while not providing nearly the same level of care. We provide psychological and psychiatric care and an onsite school. A majority of our kids move to a lower level of care; many to permanent placements. Ryther gives youth a safe place to learn appropriate ways to handle life and to cope with mental illness, trauma, grief, and loss. It gives kids the tools to eventually be successful. Our foster daughter received wraparound treatment through BRS and I was given invaluable support. This bill should be a vehicle toward a solution that satisfies all parties.

CON: We are working with our providers. When differential rates are created there are a lot of IT costs. The large differential rate proposed would likely decrease availability of therapeutic foster homes compared to group home BRS providers, which goes against national best practice trends to place youth in least-restrictive placements. We are not opposed to recreating the Governor's Vendor Rate Committee, or to returning to forecasting BRS. BRS is one part of a placement continuum, including treatment foster homes and facility-based care. We do not have a placement crisis in BRS; we are still able to find placements. We want to find the least-restrictive, best fit for each child. Fifty-five percent of BRS kids are in group home or facility-based placements; we want to see more kids moving toward foster homes and permanency to meet our performance measures.

OTHER: Our association is unable to support this bill in its current form. We agree that the system is grossly underfunded at this point. My agency has closed two BRS programs since 2010, reducing 12 beds. We support rate increases, but don't agree that this can be accomplished within existing funds. In-home care providers would receive reduced support for their services if the BRS rates are increase within existing funds.

**Persons Testifying:** PRO: Senator Frockt, prime sponsor; Kim Kaiser, Karen Brady, Jon Brumbach, Ryther; Lisa Lester, adoptive parent; John Strehlow, citizen.

CON: Jennifer Strus, Jenny Heddin, DSHS.

OTHER: Brian Carroll, WA Assn. for Children and Families.