

# SENATE BILL REPORT

## SB 6013

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As Reported by Senate Committee On:  
Human Services & Corrections, January 17, 2018  
Ways & Means, February 6, 2018

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

**Brief Description:** Concerning behavioral rehabilitation services.

**Sponsors:** Senators Frockt, Darneille, Keiser, Palumbo, Kuderer and Hasegawa.

**Brief History:**

**Committee Activity:** Human Services & Corrections: 1/09/18, 1/17/18 [DP-WM, DNP].  
Ways & Means: 1/30/18, 2/06/18 [DPS, w/oRec].

**Brief Summary of First Substitute Bill**

- Requires the Department of Children, Youth, and Families (DCYF) to facilitate a workgroup to design a rate payment methodology for Behavioral Rehabilitation Services (BRS) that is based on actual costs of care.
- Requires the Caseload Forecast Council (CFC) to forecast the number of youth expected to receive BRS while involved in the foster care system.
- Requires BRS placements to be forecasted and budgeted as maintenance level costs.

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### SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

**Majority Report:** Do pass and be referred to Committee on Ways & Means.

Signed by Senators Darneille, Chair; Dhingra, Vice Chair; O'Ban, Ranking Member; Carlyle, Frockt and Walsh.

**Minority Report:** Do not pass.

Signed by Senator Miloscia.

**Staff:** Brandon Popovac (786-7465)

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*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.*

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## SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 6013 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair; Braun, Ranking Member; Bailey, Becker, Billig, Brown, Carlyle, Conway, Darneille, Fain, Hasegawa, Hunt, Keiser, Mullet, Palumbo, Pedersen, Ranker, Rivers, Van De Wege, Wagoner and Warnick.

**Minority Report:** That it be referred without recommendation.

Signed by Senator Schoesler.

**Staff:** Maria Hovde (786-7474)

**Background:** BRS is a temporary intensive wrap-around support and treatment program administered by 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 a permanent plan or a less intensive service. Effective July 1, 2018, BRS and other functions of the CA will be absorbed by the newly created DCYF.

Before 2009, the state used a regular process to analyze the cost of providing services. The Governor's Vendor Rate Committee monitored cost increases experienced by vendors and made recommendations for rate increases tied to economic and other indicators. In fiscal year 2009, this committee was disbanded and regular rate increases were halted. Later, the 2015-2017 operating budget increased rates by 3 percent in each fiscal year of the 2015-2017 fiscal biennium. Also in 2017, CA implemented an add-on rate of \$750 per child to the current rate paid to any of the facility-based BRS providers.

CFC is charged with forecasting entitlement caseloads for the State of Washington, along with other caseloads as directed by the Legislature. CFC meets several times a year to adopt official forecasts that provide the basis of the Governor's maintenance level budget, and are used by the Legislature in the development of the omnibus biennial appropriations act.

**Summary of Bill (First Substitute):** DCYF must facilitate a workgroup to design a rate payment methodology for BRS that is based on actual costs of care provided for such services. The workgroup may consider the findings of a contracted rate analysis in designing the methodology. DCYF must report the findings of the workgroup to the Legislature by November 30, 2018.

The CFC must forecast the number of youth expected to receive BRS. BRS placements must be forecasted and budgeted as maintenance level costs.

### **EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (First Substitute):**

- Requires DCYF to facilitate a workgroup to design a rate payment methodology for BRS that is based on actual costs of care.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony on Original Bill (Human Services & Corrections):**  
PRO: Dozens of children eligible for BRS are being placed out of state, with some children staying overnight in hotels instead of receiving in-patient care services because of facility closures. The bill represents a conversation piece for this legislative year and moving into the next budget year. The CFC may have recommendations to make sure rates are reasonable prior to a February meeting.

The BRS-eligible youth population has been forgotten by the public and requires a lot of resources and services to move out of the dependency system. 2009 brought about a 10 percent reduction in BRS rates due to recession. With exception of recent rate increases, BRS rates stayed the same. Residential facility costs have gone up while reimbursement rate remains low. Some organizations are losing money without adequate number of kids in the program and are forced to close, losing over 170 beds in the last eight to nine years. There are 70 to 75 BRS youth placed out of state now. An increase in rates to a manageable level for residential providers would stop bleeding and closures. Rate increases should be for the residential BRS providers since BRS foster care rates are manageable in comparison. The fiscal note might be too high if rates are adjusted for both foster and residential BRS beds.

We are losing foster parent potential without residential BRS beds. BRS youth get moved around so much that their records and IPs are inaccurate, and most have not completed a medication trial or have incomplete psych evaluations. Sometimes a child placed out of state is not told until the last minute and must leave with only half of their luggage with only a custodian of the state.

We need funding and services that are sustainable and consistent, and it is difficult to recruit and retain qualified staff at current rates. Specialized BRS programs are more available out of state. The number of kids sent out of state corresponds to the number of beds lost over time.

There are examples of successes from youth served by BRS facilities. All residential BRS providers have to report to CA a certain number of statistics regarding kids. A vast majority of kids served by BRS facilities end up in permanency—with a relative, adoption, or foster care. The cost of business for BRS facilities is \$411 per day, with reimbursement at \$248 per day.

Youth can get evidence-based and professional treatment with BRS providers. BRS youth are the state's fiduciary responsibility. Current reimbursement rates are at 60 percent. Hotel stays are ten times the cost of current BRS reimbursement rates. Accurate BRS rate forecasting is needed.

**Persons Testifying (Human Services & Corrections):** PRO: Senator David Frockt, Prime Sponsor; Nick Federici, Pioneer Human Services; Brian Carroll, Washington Association for Children and Families; John Hindman, Morning Star Boys Ranch; Karen Brady, Ryther; Karl Quackenbush, Ryther, Child Center Board President; Colleen Calkins, Ryther, League President; Amber Millard, Breakthrough.

**Persons Signed In To Testify But Not Testifying (Human Services & Corrections):** No one.

**Staff Summary of Public Testimony on Original Bill (Ways & Means):** *The committee recommended a different version of the bill than what was heard.* PRO: Since 2009, the state has lost 170 beds for these children. Currently 60 to 70 youth are housed out of state and 195 in hotels. We need to figure out a long-term solution. This bill would result in the reimbursement rates more accurately reflecting the actual costs of providing services to these children. Most of these children are severely traumatized as a result of abuse and neglect and they experience multiple failed placements before receiving behavioral rehabilitation services. Failure to fund will cost more in the long run. Providers cannot tolerate underfunding any longer and without additional funders they have no ability to increase capacity. There is a crisis at hand. The number of beds are declining and there are significant start-up costs if providers want to expand capacity. Funding in the Governor's budget brings group homes in line with facilities but for many providers this still falls far below actual costs.

**Persons Testifying (Ways & Means):** PRO: Senator David Frockt, Prime Sponsor; Amber McPhee Millard, Breakthrough; Karl Quackenbush, Ryther Child Center; John Hindman, Morning Star Boys Ranch; Brian Carroll, Secret Harbor, Washington Association for Children and Families.

**Persons Signed In To Testify But Not Testifying (Ways & Means):** No one.