

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5705

Chapter 330, Laws of 2017

65th Legislature
2017 Regular Session

BEHAVIORAL HEALTH SERVICE PROVIDERS--LICENSING STANDARDS--INSPECTION
AND REVIEW--TRANSFERS

EFFECTIVE DATE: 7/23/2017

Passed by the Senate April 17, 2017
Yeas 49 Nays 0

CYRUS HABIB

President of the Senate

Passed by the House April 10, 2017
Yeas 98 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Approved May 16, 2017 11:41 AM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5705** as passed by Senate and the House of Representatives on the dates hereon set forth.

HUNTER G. GOODMAN

Secretary

FILED

May 16, 2017

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5705

AS AMENDED BY THE HOUSE

Passed Legislature - 2017 Regular Session

State of Washington 65th Legislature 2017 Regular Session

By Senate Ways & Means (originally sponsored by Senators Becker, O'Ban, Rivers, Bailey, Miloscia, Schoesler, Warnick, Brown, Zeiger, and Honeyford)

READ FIRST TIME 02/24/17.

1 AN ACT Relating to inspection and review of state contracted
2 behavioral health and recovery agencies; amending RCW 71.24.037; and
3 creating a new section.

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

5 NEW SECTION. **Sec. 1.** The state finds that the department should
6 not reduce the number of license violations found by field inspectors
7 for the purpose of allowing licensed behavioral health service
8 providers to avoid liability in a manner that permits the violating
9 service provider to continue to provide care at the risk of public
10 safety. The state also recognizes the need to prohibit fraudulent
11 transfers of licenses between licensed behavioral health service
12 providers found in violation of the terms of their license agreement
13 and their family members.

14 **Sec. 2.** RCW 71.24.037 and 2016 sp.s. c 29 s 505 are each amended
15 to read as follows:

16 (1) The secretary shall by rule establish state minimum standards
17 for licensed behavioral health service providers and services,
18 whether those service providers and services are licensed to provide
19 solely mental health services, substance use disorder treatment
20 services, or services to persons with co-occurring disorders.

1 (2) Minimum standards for licensed behavioral health service
2 providers shall, at a minimum, establish: Qualifications for staff
3 providing services directly to persons with mental disorders,
4 substance use disorders, or both, the intended result of each
5 service, and the rights and responsibilities of persons receiving
6 behavioral health services pursuant to this chapter. The secretary
7 shall provide for deeming of licensed behavioral health service
8 providers as meeting state minimum standards as a result of
9 accreditation by a recognized behavioral health accrediting body
10 recognized and having a current agreement with the department.

11 (3) Minimum standards for community support services and resource
12 management services shall include at least qualifications for
13 resource management services, client tracking systems, and the
14 transfer of patient information between behavioral health service
15 providers.

16 (4) The department may suspend, revoke, limit, restrict, or
17 modify an approval, or refuse to grant approval, for failure to meet
18 the provisions of this chapter, or the standards adopted under this
19 chapter. RCW 43.20A.205 governs notice of a license denial,
20 revocation, suspension, or modification and provides the right to an
21 adjudicative proceeding.

22 (5) No licensed behavioral health service provider may advertise
23 or represent itself as a licensed behavioral health service provider
24 if approval has not been granted, has been denied, suspended,
25 revoked, or canceled.

26 (6) Licensure as a behavioral health service provider is
27 effective for one calendar year from the date of issuance of the
28 license. The license must specify the types of services provided by
29 the behavioral health service provider that meet the standards
30 adopted under this chapter. Renewal of a license must be made in
31 accordance with this section for initial approval and in accordance
32 with the standards set forth in rules adopted by the secretary.

33 (7) Licensure as a licensed behavioral health service provider
34 must specify the types of services provided that meet the standards
35 adopted under this chapter. Renewal of a license must be made in
36 accordance with this section for initial approval and in accordance
37 with the standards set forth in rules adopted by the secretary.

38 (8) Licensed behavioral health service providers may not provide
39 types of services for which the licensed behavioral health service
40 provider has not been certified. Licensed behavioral health service

1 providers may provide services for which approval has been sought and
2 is pending, if approval for the services has not been previously
3 revoked or denied.

4 (9) The department periodically shall inspect licensed behavioral
5 health service providers at reasonable times and in a reasonable
6 manner.

7 (10) Upon petition of the department and after a hearing held
8 upon reasonable notice to the facility, the superior court may issue
9 a warrant to an officer or employee of the department authorizing him
10 or her to enter and inspect at reasonable times, and examine the
11 books and accounts of, any licensed behavioral health service
12 provider refusing to consent to inspection or examination by the
13 department or which the department has reasonable cause to believe is
14 operating in violation of this chapter.

15 (11) The department shall maintain and periodically publish a
16 current list of licensed behavioral health service providers.

17 (12) Each licensed behavioral health service provider shall file
18 with the department upon request, data, statistics, schedules, and
19 information the department reasonably requires. A licensed behavioral
20 health service provider that without good cause fails to furnish any
21 data, statistics, schedules, or information as requested, or files
22 fraudulent returns thereof, may have its license revoked or
23 suspended.

24 (13) The department shall use the data provided in subsection
25 (12) of this section to evaluate each program that admits children to
26 inpatient substance use disorder treatment upon application of their
27 parents. The evaluation must be done at least once every twelve
28 months. In addition, the department shall randomly select and review
29 the information on individual children who are admitted on
30 application of the child's parent for the purpose of determining
31 whether the child was appropriately placed into substance use
32 disorder treatment based on an objective evaluation of the child's
33 condition and the outcome of the child's treatment.

34 (14) Any settlement agreement entered into between the department
35 and licensed behavioral health service providers to resolve
36 administrative complaints, license violations, license suspensions,
37 or license revocations may not reduce the number of violations
38 reported by the department unless the department concludes, based on
39 evidence gathered by inspectors, that the licensed behavioral health
40 service provider did not commit one or more of the violations.

1 (15) In cases in which a behavioral health service provider that
2 is in violation of licensing standards attempts to transfer or sell
3 the behavioral health service provider to a family member, the
4 transfer or sale may only be made for the purpose of remedying
5 license violations and achieving full compliance with the terms of
6 the license. Transfers or sales to family members are prohibited in
7 cases in which the purpose of the transfer or sale is to avoid
8 liability or reset the number of license violations found before the
9 transfer or sale. If the department finds that the owner intends to
10 transfer or sell, or has completed the transfer or sale of, ownership
11 of the behavioral health service provider to a family member solely
12 for the purpose of resetting the number of violations found before
13 the transfer or sale, the department may not renew the behavioral
14 health service provider's license or issue a new license to the
15 behavioral health service provider.

Passed by the Senate April 17, 2017.

Passed by the House April 10, 2017.

Approved by the Governor May 16, 2017.

Filed in Office of Secretary of State May 16, 2017.

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