
SUBSTITUTE HOUSE BILL 2642

State of Washington

66th Legislature

2020 Regular Session

By House Health Care & Wellness (originally sponsored by Representatives Davis, Cody, Chopp, Harris, Leavitt, Caldier, Smith, Goodman, Orwall, Thai, Macri, Stonier, Schmick, Tharinger, Riccelli, Robinson, Griffey, Graham, Appleton, Callan, Irwin, Bergquist, Lekanoff, Barkis, Senn, Doglio, Walen, Peterson, Ormsby, and Pollet)

READ FIRST TIME 02/07/20.

1 AN ACT Relating to removing health coverage barriers to accessing
2 substance use disorder treatment services; adding a new section to
3 chapter 41.05 RCW; adding a new section to chapter 48.43 RCW; adding
4 a new section to chapter 71.24 RCW; and creating new sections.

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

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

7 (a) Substance use disorder is a treatable brain disease from
8 which people recover;

9 (b) Electing to go to addiction treatment is an act of great
10 courage; and

11 (c) When people with substance use disorder are provided rapid
12 access to quality treatment within their window of willingness, they
13 recover.

14 (2) The legislature therefore intends to ensure that there is no
15 wrong door for individuals accessing substance use disorder treatment
16 services by requiring coverage, and prohibiting barriers created by
17 prior authorization and premature utilization management review when
18 persons with substance use disorders are ready or urgently in need of
19 treatment services.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 41.05
2 RCW to read as follows:

3 (1) Except as provided in subsection (2) of this section, a
4 health plan offered to employees and their covered dependents under
5 this chapter issued or renewed on or after January 1, 2021, may not
6 require an enrollee to obtain prior authorization for substance use
7 disorder treatment services if:

8 (a) The health care provider is licensed or certified under Title
9 18 RCW;

10 (b) The treatment is within the health care provider's scope of
11 practice; and

12 (c) The health care provider is employed by a residential
13 treatment facility licensed by the department of health under RCW
14 71.24.037 to provide withdrawal management services or inpatient
15 substance use disorder treatment services.

16 (2) (a) A health plan offered to employees and their covered
17 dependents under this chapter issued or renewed on or after January
18 1, 2021, must:

19 (i) Provide coverage for no less than two business days,
20 including an extension to allow for any intervening weekend days or
21 holidays, in a state-licensed substance use disorder residential
22 treatment facility prior to conducting a utilization review; and

23 (ii) Provide coverage for no less than three days in state-
24 licensed withdrawal management programs prior to conducting a
25 utilization review.

26 (b) The health plan may not require an enrollee to obtain prior
27 authorization for withdrawal management services or residential
28 substance use disorder treatment as a condition for payment of
29 services, prior to the times specified in (a) of this subsection.
30 Once the times specified in (a) of this subsection have passed, the
31 health plan may initiate utilization management review procedures if
32 the program providing services requests continuing substance use
33 disorder treatment services.

34 (c) (i) The substance use disorder residential treatment facility
35 or the withdrawal management program must provide an enrollee's
36 health plan with notice of admission as soon as practicable after
37 admitting the enrollee, but not later than twenty-four hours after
38 admitting the enrollee. The time notification does not reduce the
39 requirements established in (a) of this subsection.

1 (ii) The facility providing the services shall provide the health
2 plan with notification of admission, initial assessment, and the
3 initial treatment plan within two business days of admission,
4 including an extension to allow for any intervening weekend days or
5 holidays.

6 (iii) Upon receipt of the materials in (c)(ii) of this
7 subsection, the plan may initiate the medical necessity review
8 process based on the American society of addiction medicine criteria.
9 If a health plan determines, within one business day of receiving the
10 materials, that the admission to the facility was not medically
11 necessary or clinically appropriate, the health plan is not required
12 to pay the facility for the services delivered after the initial
13 admission periods specified in (a) of this subsection, subject to the
14 conclusion of any filed appeals of the adverse benefit determination.
15 If the health plan's medical necessity review is completed more than
16 one business day after the receipt of the materials and the review
17 determines that the admission to the facility was not medically
18 necessary or clinically appropriate, the health plan must pay for the
19 services delivered following the health plan's receipt of the
20 materials in (c)(ii) of this subsection until the time at which the
21 review has been completed.

22 (3)(a) The treating provider shall determine the patient's need
23 for continuing care and justification of treatment placement after
24 stabilization, based on the American society of addiction medicine
25 criteria for determining medical necessity with documentation
26 recorded in the patient's medical record.

27 (b) If the health plan covers out-of-network services, and the
28 enrollee is admitted to an out-of-network facility or program located
29 in Washington, the health plan must pay for a covered mode of
30 transfer to an in-network facility or program without requiring
31 payment or cost sharing from the enrollee. Transport must be provided
32 by an in-network transportation provider.

33 (c) A health plan is not required to cover transportation from an
34 out-of-state treatment program or facility if the enrollee elects to
35 transfer to an in-state, in-network treatment program or facility.

36 (4) If the facility providing the services is not in the
37 enrollee's network:

38 (a) The health plan is not responsible for reimbursing the
39 facility at a greater rate than would be paid had the facility been
40 in the enrollee's network; and

1 (b) The facility may not balance bill, as defined in RCW
2 48.43.005.

3 (5) When a patient is at an addiction stabilization facility and
4 the treatment plan approved by the health plan involves placement in
5 a different facility or at a lower level of care, the care
6 coordination unit of the health plan shall work with the current
7 provider to make arrangements for a seamless transfer as soon as
8 possible to an appropriate and available facility. The health plan
9 shall continue to cover the cost of care at the current facility
10 until the seamless transfer to the appropriate facility or level of
11 treatment is complete. A seamless transfer to an appropriate level of
12 care may include same day or next day appointments for outpatient
13 care, but does not include nontreatment services, such as housing
14 services. If placement with a provider that offers proper medically
15 necessary or clinically appropriate care in the health plan's network
16 is not available, the health plan shall continue to pay the addiction
17 stabilization facility until such an alternate arrangement is made.

18 (6) Nothing in this section applies to a facility providing
19 services outside of Washington state.

20 (7) For the purposes of this section:

21 (a) "Addiction stabilization services" means intensive services
22 provided by a residential treatment facility licensed to provide
23 withdrawal management or inpatient addiction treatment and include
24 twenty-four hour observation and supervision; physical and mental
25 health screening; substance use disorder assessment; counseling and
26 education on treatment and recovery resources and supports; treatment
27 placement or discharge planning; family education and assistance;
28 recovery medications as an adjunct to treatment; and aftercare
29 planning and referral to collaborating providers, including programs
30 that specialize in medication-assisted treatment.

31 (b) "Substance use disorder treatment services" means early
32 intervention services for substance use disorder treatment; substance
33 use disorder evaluation; outpatient services, including individual
34 and group counseling, case management, and medication-assisted
35 therapies; intensive outpatient and partial hospitalization services;
36 intensive inpatient and long-term residential treatment.

37 (c) "Withdrawal management services" means twenty-four hour
38 medically managed or medically monitored detoxification and
39 assessment and treatment referral for adults or adolescents

1 withdrawing from drugs, which may include induction on medications
2 for addiction recovery.

3 NEW SECTION. **Sec. 3.** A new section is added to chapter 48.43
4 RCW to read as follows:

5 (1) Except as provided in subsection (2) of this section, a
6 health plan issued or renewed on or January 1, 2021, may not require
7 an enrollee to obtain prior authorization for substance use disorder
8 treatment services if:

9 (a) The health care provider is licensed or certified under Title
10 18 RCW;

11 (b) The treatment is within the health care provider's scope of
12 practice; and

13 (c) The health care provider is employed by a residential
14 treatment facility licensed by the department of health under RCW
15 71.24.037 to provide withdrawal management services or inpatient
16 substance use disorder treatment services.

17 (2)(a) A health plan issued or renewed on or after January 1,
18 2021, must:

19 (i) Provide coverage for no less than two business days,
20 including an extension to allow for any intervening weekend days or
21 holidays, in a state-licensed substance use disorder residential
22 treatment facility prior to conducting a utilization review; and

23 (ii) Provide coverage for no less than three days in state-
24 licensed withdrawal management programs prior to conducting a
25 utilization review.

26 (b) The health plan may not require an enrollee to obtain prior
27 authorization for withdrawal management services or residential
28 substance use disorder treatment as a condition for payment of
29 services, prior to the times specified in (a) of this subsection.
30 Once the times specified in (a) of this subsection have passed, the
31 health plan may initiate utilization management review procedures if
32 the program providing services requests continuing substance use
33 disorder treatment services.

34 (c)(i) The substance use disorder residential treatment facility
35 or the withdrawal management program must provide an enrollee's
36 health plan with notice of admission as soon as practicable after
37 admitting the enrollee, but not later than twenty-four hours after
38 admitting the enrollee. The time notification does not reduce the
39 requirements established in (a) of this subsection.

1 (ii) The facility providing the services shall provide the health
2 plan with notification of admission, initial assessment, and the
3 initial treatment plan within two business days of admission,
4 including an extension to allow for any intervening weekend days or
5 holidays.

6 (iii) Upon receipt of the materials in (c)(ii) of this
7 subsection, the plan may initiate the medical necessity review
8 process based on the American society of addiction medicine criteria.
9 If a health plan determines, within one business day of receiving the
10 materials, that the admission to the facility was not medically
11 necessary or clinically appropriate, the health plan is not required
12 to pay the facility for the services delivered after the initial
13 admission periods specified in (a) of this subsection, subject to the
14 conclusion of any filed appeals of the adverse benefit determination.
15 If the health plan's medical necessity review is completed more than
16 one business day after the receipt of the materials and the review
17 determines that the admission to the facility was not medically
18 necessary or clinically appropriate, the health plan must pay for the
19 services delivered following the health plan's receipt of the
20 materials in (c)(ii) of this subsection until the time at which the
21 review has been completed.

22 (3)(a) The treating provider shall determine the patient's need
23 for continuing care and justification of treatment placement after
24 stabilization, based on American society of addiction medicine
25 criteria for determining medical necessity with documentation
26 recorded in the patient's medical record.

27 (b) If the health plan covers out-of-network services, and the
28 enrollee is admitted to an out-of-network facility or program located
29 in Washington, the health plan must pay for a covered mode of
30 transfer to an in-network facility or program without requiring
31 payment or cost sharing from the enrollee. Transport must be provided
32 by an in-network transportation provider.

33 (c) A health plan is not required to cover transportation from an
34 out-of-state treatment program or facility if the enrollee elects to
35 transfer to an in-state, in-network treatment program or facility.

36 (4) If the facility providing the services is not in the
37 enrollee's network:

38 (a) The health plan is not responsible for reimbursing the
39 facility at a greater rate than would be paid had the facility been
40 in the enrollee's network; and

1 (b) The facility may not balance bill, as defined in RCW
2 48.43.005.

3 (5) When a patient is at an addiction stabilization facility and
4 the treatment plan approved by the health plan involves placement in
5 a different facility or at a lower level of care, the care
6 coordination unit of the health plan shall work with the current
7 provider to make arrangements for a seamless transfer as soon as
8 possible to an appropriate and available facility. The health plan
9 shall continue to cover the cost of care at the current facility
10 until the seamless transfer to the appropriate facility or level of
11 treatment is complete. A seamless transfer to an appropriate level of
12 care may include same day or next day appointments for outpatient
13 care, but does not include nontreatment services, such as housing
14 services. If placement with a provider that offers proper medically
15 necessary or clinically appropriate care in the health plan's network
16 is not available, the health plan shall continue to pay the addiction
17 stabilization facility until such an alternate arrangement is made.

18 (6) Nothing in this section applies to a facility providing
19 services outside of Washington state.

20 (7) For the purposes of this section:

21 (a) "Addiction stabilization services" means intensive services
22 provided by a residential treatment facility licensed to provide
23 withdrawal management or inpatient addiction treatment and include
24 twenty-four hour observation and supervision; physical and mental
25 health screening; substance use disorder assessment; counseling and
26 education on treatment and recovery resources and supports; treatment
27 placement or discharge planning; family education and assistance;
28 recovery medications as an adjunct to treatment; and aftercare
29 planning and referral to collaborating providers, including programs
30 that specialize in medication-assisted treatment.

31 (b) "Substance use disorder treatment services" means early
32 intervention services for substance use disorder treatment; substance
33 use disorder evaluation; outpatient services, including individual
34 and group counseling, case management, and medication-assisted
35 therapies; intensive outpatient and partial hospitalization services;
36 intensive inpatient and long-term residential treatment.

37 (c) "Withdrawal management services" means twenty-four hour
38 medically managed or medically monitored detoxification and
39 assessment and treatment referral for adults or adolescents

1 withdrawing from drugs, which may include induction on medications
2 for addiction recovery.

3 NEW SECTION. **Sec. 4.** A new section is added to chapter 71.24
4 RCW to read as follows:

5 (1) Except as provided in subsection (2) of this section,
6 beginning January 1, 2021, a managed care organization may not
7 require an enrollee to obtain prior authorization for substance use
8 disorder treatment services if:

9 (a) The health care provider is licensed or certified under Title
10 18 RCW;

11 (b) The treatment is within the health care provider's scope of
12 practice; and

13 (c) The health care provider is employed by a residential
14 treatment facility licensed by the department of health under RCW
15 71.24.037 to provide withdrawal management services or inpatient
16 substance use disorder treatment services.

17 (2)(a) Beginning January 1, 2021, a managed care organization
18 must:

19 (i) Provide coverage for no less than two business days,
20 including an extension to allow for any intervening weekend days or
21 holidays, in a state-licensed substance use disorder residential
22 treatment facility prior to conducting a utilization review; and

23 (ii) Provide coverage for no less than three days in state-
24 licensed withdrawal management programs prior to conducting a
25 utilization review.

26 (b) The managed care organization may not require an enrollee to
27 obtain prior authorization for withdrawal management services or
28 residential substance use disorder treatment as a condition for
29 payment of services, prior to the times specified in (a) of this
30 subsection. Once the times specified in (a) of this subsection have
31 passed, the managed care organization may initiate utilization
32 management review procedures if the program providing services
33 requests continuing substance use disorder treatment services.

34 (c)(i) The substance use disorder residential treatment facility
35 or the withdrawal management program must provide an enrollee's
36 managed care organization with notice of admission as soon as
37 practicable after admitting the enrollee, but not later than twenty-
38 four hours after admitting the enrollee. The time notification does
39 not reduce the requirements established in (a) of this subsection.

1 (ii) The facility providing the services shall provide the
2 managed care organization with notification of admission, initial
3 assessment, and the initial treatment plan within two business days
4 of admission, including an extension to allow for any intervening
5 weekend days or holidays.

6 (iii) Upon receipt of the materials in (c)(ii) of this
7 subsection, the managed care organization may initiate the medical
8 necessity review process based on the American society of addiction
9 medicine criteria. If a managed care organization determines, within
10 one business day of receiving the materials, that the admission to
11 the facility was not medically necessary or clinically appropriate,
12 the managed care organization is not required to pay the facility for
13 the services delivered after the initial admission periods specified
14 in (a) of this subsection, subject to the conclusion of any filed
15 appeals of the adverse benefit determination. If the managed care
16 organization's medical necessity review is completed more than one
17 business day after the receipt of the materials and the review
18 determines that the admission to the facility was not medically
19 necessary or clinically appropriate, the managed care organization
20 must pay for the services delivered following the managed care
21 organization's receipt of the materials in (c)(ii) of this subsection
22 until the time at which the review has been completed.

23 (3)(a) The treating provider shall determine the patient's need
24 for continuing care and justification of treatment placement after
25 stabilization, based on American society of addiction medicine
26 criteria for determining medical necessity with documentation
27 recorded in the patient's medical record.

28 (b) If the health plan covers out-of-network services, and the
29 enrollee is admitted to an out-of-network facility or program located
30 in Washington, the managed care organization must pay for a covered
31 mode of transfer to an in-network facility or program without
32 requiring payment or cost sharing from the enrollee. Transport must
33 be provided by an in-network transportation provider.

34 (c) A managed care organization is not required to cover
35 transportation from an out-of-state treatment program or facility if
36 the enrollee elects to transfer to an in-state, in-network treatment
37 program or facility.

38 (4) If the facility providing the services is not in the
39 enrollee's network:

1 (a) The health plan is not responsible for reimbursing the
2 facility at a greater rate than would be paid had the facility been
3 in the enrollee's network; and

4 (b) The facility may not balance bill, as defined in RCW
5 48.43.005.

6 (5) When a patient is at an addiction stabilization facility and
7 the treatment plan approved by the managed care organization involves
8 placement in a different facility or at a lower level of care, the
9 care coordination unit of the managed care organization must work
10 with the current provider to make arrangements for a seamless
11 transfer as soon as possible to an appropriate and available
12 facility. The managed care organization must continue to cover the
13 cost of care at the current facility until the seamless transfer to
14 the appropriate facility or level of treatment is complete. A
15 seamless transfer to an appropriate level of care may include same
16 day or next day appointments for outpatient care, but does not
17 include nontreatment services, such as housing services. If placement
18 with a provider that offers proper medically necessary or clinically
19 appropriate care in the managed care organization's network is not
20 available, the managed care organization must continue to pay the
21 addiction stabilization facility until such an alternate arrangement
22 is made.

23 (6) Nothing in this section applies to a facility providing
24 services outside of Washington state.

25 (7) For the purposes of this section:

26 (a) "Addiction stabilization services" means intensive services
27 provided by a residential treatment facility licensed to provide
28 withdrawal management or inpatient addiction treatment and include
29 twenty-four hour observation and supervision; physical and mental
30 health screening; substance use disorder assessment; counseling and
31 education on treatment and recovery resources and supports; treatment
32 placement or discharge planning; family education and assistance;
33 recovery medications as an adjunct to treatment; and aftercare
34 planning and referral to collaborating providers, including programs
35 that specialize in medication-assisted treatment.

36 (b) "Substance use disorder treatment services" means early
37 intervention services for substance use disorder treatment; substance
38 use disorder evaluation; outpatient services, including individual
39 and group counseling, case management, and medication-assisted

1 therapies; intensive outpatient and partial hospitalization services;
2 intensive inpatient and long-term residential treatment.

3 (c) "Withdrawal management services" means twenty-four hour
4 medically managed or medically monitored detoxification and
5 assessment and treatment referral for adults or adolescents
6 withdrawing from drugs, which may include induction on medications
7 for addiction recovery.

8 NEW SECTION. **Sec. 5.** (1) The health care authority shall
9 develop an action plan to support improved transitions throughout
10 American society of addiction medicine levels of care for both adults
11 and adolescents.

12 (2) The health care authority shall develop the action plan in
13 partnership with medicaid managed care organizations, commercial
14 health plans, providers of substance use disorder services, and
15 Indian health care providers.

16 (3) The health care authority must include the following in the
17 action plan:

18 (a) Identification of barriers to obtaining timely assessments in
19 order to facilitate transfers to the appropriate level of care, and
20 specific actions to remove those barriers; and

21 (b) Specific actions that may lead to the increase in the number
22 of persons successfully transitioning from one level of care to the
23 next appropriate level of care.

24 (4) The barriers and action items to be identified and addressed
25 in the action plan under subsection (3) of this section include, but
26 are not limited to:

27 (a) Having the health care authority and department of health
28 develop systems to allow higher acuity withdrawal management
29 facilities to bill for appropriate lower levels of care while
30 maintaining financial stability;

31 (b) Developing protocols for the initial notification by a
32 substance use disorder treatment provider to health plans in regards
33 to an enrollee's admission to a facility and uniformity in the plan's
34 response to the provider in regards to the receipt of this
35 information;

36 (c) Developing standardized definitions for the different
37 American society of addiction medicine criteria and levels of care to
38 apply across regions, including lengths of stay in various levels of
39 care based on American society of addiction medicine criteria;

1 (d) Addressing concerns related to individuals being denied
2 withdrawal management services based on their drug of choice;

3 (e) Exploring options for allowing health plans to pay an
4 administrative rate for a plan enrollee who needs to remain in
5 withdrawal management or residential care until a seamless transfer
6 can occur, but no longer requires the higher acuity level that was
7 the reason for the initial admission; and

8 (f) Establishing the minimum amount of medical information
9 necessary to gather from the patient for utilization reviews in a
10 withdrawal management setting.

11 (5) Specific actions must align with federal and state medicaid
12 requirements regarding medical necessity, minimize duplicative or
13 unnecessary burdens for providers, and be patient-centered.

14 (6) The health care authority shall develop options for best
15 communicating the action plan to substance use disorder providers by
16 December 1, 2020.

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