

# FINAL BILL REPORT

## 2SHB 1860

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Synopsis as Enacted

**Brief Description:** Preventing homelessness among persons discharging from inpatient behavioral health settings.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Davis, Eslick, Callan, Jacobsen, Macri, Santos, Shewmake, Orwall, Tharinger, Simmons, Chopp, Bergquist and Valdez).

**House Committee on Health Care & Wellness**

**House Committee on Appropriations**

**Senate Committee on Behavioral Health Subcommittee to Health & Long Term Care**

**Senate Committee on Health & Long Term Care**

**Senate Committee on Ways & Means**

### **Background:**

#### Medicaid and Foundational Community Supports.

The Health Care Authority (HCA) administers the Medicaid program which is a state-federal program that pays for health care for low-income state residents who meet certain eligibility criteria. Washington's Medicaid program, known as Apple Health, offers a medical benefits package to eligible families, children under age 19, low-income adults, certain disabled individuals, and pregnant women. The HCA contracts with managed care organizations (MCOs) and behavioral health administrative services organizations to provide integrated medical care services, including behavioral health care services, to Medicaid clients.

In 2017 the HCA received federal waiver approval for the Foundational Community Supports Program which provides supported employment and supportive housing services to Medicaid clients that meet certain eligibility criteria. Supportive housing services are services that help individuals obtain and keep housing, including supports that assess housing needs, identify appropriate resources, and develop the independent living skills necessary to remain in stable housing. Supportive housing services do not pay for rent or

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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 part of the legislation nor does it constitute a statement of legislative intent.*

other room and board related costs.

#### Performance Measures.

In 2014 the Performance Measures Coordinating Committee was established to identify and recommend standard statewide measures of health performance to inform health care purchasers and set benchmarks. The HCA is required to employ performance measures in contracts with MCOs and these contracts must include performance measures targeting the following outcomes:

- improvements in client health status and wellness;
- increases in client participation in meaningful activities including employment and education;
- reductions in client involvement with criminal justice systems;
- enhanced safety and access to treatment for forensic patients;
- reductions in avoidable costs in hospitals, emergency rooms, crisis services, and jail and prisons;
- increases in stable housing in the community;
- improvements in client satisfaction and quality of life; and
- reductions in population-level health disparities.

#### Value-based Purchasing.

The HCA has also implemented certain value-based purchasing (VBP) provisions into contracts for Medicaid managed care, plans offered to public employees, and other programs. The stated goal of VBP is to improve the quality and value of health care services, while ensuring that health plans and providers are accountable for providing high-quality and high-value care.

#### Z Codes.

The International Classification of Diseases, Tenth Revision, Clinical Modification (ICD-10-CM) is a classification system of diagnosis code used for medical claim reporting. Since 2016 the ICD-10-CM has included Z codes, which allow providers to note certain social determinants of health.

#### **Summary:**

The Performance Measures Coordinating Committee (Committee) must establish performance measures which track rates of homelessness and housing instability among medical assistance clients. The Committee must convene a work group of stakeholders including the Health Care Authority (HCA), Medicaid managed care organizations (MCOs), and others with expertise in housing for low-income populations and with experience understanding the impacts of homelessness and housing instability on health. The work group must review current performance measures that have been adopted in other states or nationally from organizations with experience in similar measures to inform this effort. The HCA must set improvement targets related to these performance measures.

By January 1, 2023, the HCA must require that any contract with an MCO include a requirement to provide housing-related care coordination services to enrollees who need such services upon discharge from inpatient behavioral health settings as allowed by the Centers for Medicare and Medicaid services.

By July 1, 2024, the HCA must report to the Governor and appropriate committees of the Legislature options and recommendations for integrating value-based purchasing terms and a collective performance improvement project into managed health care contracts related to increasing stable housing in the community.

For individuals enrolled in a Medicaid MCO, a psychiatric hospital must:

- inform the MCO in which the person is enrolled of the person's discharge or change in care plan:
  - for anticipated discharges, no later than 24 hours before the person's known discharge date; or
  - for all other discharges, no later than the date of discharge or departure from the facility; and
- engage with MCOs in discharge planning, which includes informing and connecting patients to care management resources at the appropriate MCO.

For purposes of this requirement, a psychiatric hospital includes:

- an establishment caring for any person with mental illness or substance use disorder excluding acute care hospitals licensed under chapter 70.41 RCW;
- state psychiatric hospitals established under chapter 72.23 RCW; and
- residential treatment facilities, which are establishments in which 24-hour on-site care is provided for the evaluation, stabilization, or treatment of residents for substance use, mental health, co-occurring disorders, or for drug-exposed infants.

To improve health outcomes and address health inequities, the HCA must evaluate incentive approaches and recommend funding options to increase the collection of Z codes on individual Medicaid claims, in accordance with standard billing guidance and regulations.

**Votes on Final Passage:**

House	91	7	
Senate	47	0	(Senate amended)
House	90	7	(House concurred)

**Effective:** June 9, 2022