NEW SECTION.  Sec. 1. (1) The legislature finds that social determinants of health, particularly housing, are highly correlated with long-term recovery from behavioral health conditions. Seeking inpatient treatment for a mental health or substance use challenge is an act of valor. Upon discharge from care, these individuals deserve a safe, stable place from which to launch their recovery. It is far easier and more cost-effective to help maintain a person's recovery after treatment than to discharge them into homelessness and begin the process anew amid another crisis. Sometimes, there may not be another chance.

(2) Therefore, it is the intent of the legislature to seize the incredible opportunity presented by a person seeking inpatient behavioral health care by ensuring that these courageous individuals are discharged to appropriate housing.
Sec. 2. RCW 70.320.020 and 2021 c 267 s 2 are each amended to read as follows:

(1) The authority and the department shall base contract performance measures developed under RCW 70.320.030 on the following outcomes when contracting with service contracting entities: Improvements in client health status and wellness; increases in client participation in meaningful activities; reductions in client involvement with criminal justice systems; reductions in avoidable costs in hospitals, emergency rooms, crisis services, and jails and prisons; increases in stable housing in the community; improvements in client satisfaction with quality of life; and reductions in population-level health disparities.

(2) The performance measures must demonstrate the manner in which the following principles are achieved within each of the outcomes under subsection (1) of this section:

(a) Maximization of the use of evidence-based practices will be given priority over the use of research-based and promising practices, and research-based practices will be given priority over the use of promising practices. The agencies will develop strategies to identify programs that are effective with ethnically diverse clients and to consult with tribal governments, experts within ethnically diverse communities and community organizations that serve diverse communities;

(b) The maximization of the client's independence, recovery, and employment;

(c) The maximization of the client's participation in treatment decisions; and

(d) The collaboration between consumer-based support programs in providing services to the client.

(3) In developing performance measures under RCW 70.320.030, the authority and the department shall consider expected outcomes relevant to the general populations that each agency serves. The authority and the department may adapt the outcomes to account for the unique needs and characteristics of discrete subcategories of populations receiving services, including ethnically diverse communities.

(4) The authority and the department shall coordinate the establishment of the expected outcomes and the performance measures between each agency as well as each program to identify expected outcomes and performance measures that are common to the clients.
enrolled in multiple programs and to eliminate conflicting standards among the agencies and programs.

(5)(a) The authority and the department shall establish timelines and mechanisms for service contracting entities to report data related to performance measures and outcomes, including phased implementation of public reporting of outcome and performance measures in a form that allows for comparison of performance measures and levels of improvement between geographic regions of Washington.

(b) The authority and the department may not release any public reports of client outcomes unless the data has been deidentified and aggregated in such a way that the identity of individual clients cannot be determined through directly identifiable data or the combination of multiple data elements.

(6)(a) The performance measures coordinating committee must establish: (i) A performance measure to be integrated into the statewide common measure set which tracks effective integration practices of behavioral health services in primary care settings; (and) (ii) performance measures which track rates of criminal justice system involvement among medical assistance clients with an identified behavioral health need including, but not limited to, rates of arrest and incarceration; and (iii) performance measures which track rates of homelessness and housing instability among medical assistance clients. The authority must set improvement targets related to these measures.

(b) The performance measures coordinating committee must report to the governor and appropriate committees of the legislature regarding the implementation of this subsection by July 1, 2022.

(c) For purposes of establishing performance measures as specified in (a)(ii) of this subsection, the performance measures coordinating committee shall convene a work group of stakeholders including the authority, medicaid managed care organizations, the department of corrections, and others with expertise in criminal justice and behavioral health. The work group shall review current performance measures that have been adopted in other states or nationally to inform this effort.

(7) The authority must report to the governor and appropriate committees of the legislature (by):

(a) By October 1, 2022, regarding options and recommendations for integrating value-based purchasing terms and a performance improvement project into managed health care contracts relating to medical assistance clients with an identified behavioral health need including, but not limited to, rates of arrest and incarceration.
the criminal justice outcomes specified under subsection (1) of this section.

(b) By July 1, 2024, regarding options and recommendations for integrating value-based purchasing terms and to integrate a collective performance improvement project into managed health care contracts related to increasing stable housing in the community outcomes specified under subsection (1) of this section.

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

By January 1, 2023, the authority shall require that any contract with a managed care organization include a requirement to provide housing-related care coordination services to enrollees who are being discharged from inpatient behavioral health settings.

NEW SECTION. Sec. 4. A new section is added to chapter 71.12 RCW to read as follows:

With respect to a person enrolled in medical assistance under chapter 74.09 RCW, a psychiatric hospital shall:

(1) Inform the health care authority and the medicaid managed care organization in which the person is enrolled no later than 72 hours before the person's anticipated date of discharge; and

(2) Engage with medicaid managed care organizations in discharge planning, which includes informing and connecting patients to care management resources at the appropriate managed care organization.

NEW SECTION. Sec. 5. (1) The health care authority shall include the following in the section 1115 demonstration waiver renewal to improve health outcomes and address health inequities:

(a) A provision encouraging providers to report to the health care authority and medicaid managed care organizations diagnostic codes for social determinants of health, also known as Z codes; and

(b) An evaluation of Z code incentive approaches, such as foundational funding to improve electronic health record systems to allow for the use of Z codes in billing and incentives for including the Z code on individual claims, in accordance with standard billing guidance and regulations.

(2) This section expires December 31, 2022.