
SUBSTITUTE HOUSE BILL 1860

State of Washington

67th Legislature

2022 Regular Session

By House Health Care & Wellness (originally sponsored by Representatives Davis, Eslick, Callan, Jacobsen, Macri, Santos, Shewmake, Orwall, Tharinger, Simmons, Chopp, Bergquist, and Valdez)

READ FIRST TIME 01/28/22.

1 AN ACT Relating to preventing homelessness among persons
2 discharging from inpatient behavioral health settings; amending RCW
3 70.320.020; adding a new section to chapter 71.24 RCW; adding a new
4 section to chapter 71.12 RCW; creating new sections; and providing an
5 expiration date.

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

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

17 (2) Therefore, it is the intent of the legislature to seize the
18 incredible opportunity presented by a person seeking inpatient
19 behavioral health care by ensuring that these courageous individuals
20 are discharged to appropriate housing.

1 **Sec. 2.** RCW 70.320.020 and 2021 c 267 s 2 are each amended to
2 read as follows:

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

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

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

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

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

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

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

37 (4) The authority and the department shall coordinate the
38 establishment of the expected outcomes and the performance measures
39 between each agency as well as each program to identify expected
40 outcomes and performance measures that are common to the clients

1 enrolled in multiple programs and to eliminate conflicting standards
2 among the agencies and programs.

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

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

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

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

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

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

38 (a) By October 1, 2022, regarding options and recommendations for
39 integrating value-based purchasing terms and a performance
40 improvement project into managed health care contracts relating to

1 the criminal justice outcomes specified under subsection (1) of this
2 section;

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

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

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

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

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

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

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

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

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

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

35 (2) This section expires December 31, 2022.

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