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**HOUSE BILL 2247**

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**State of Washington 68th Legislature 2024 Regular Session**

**By** Representatives Bateman, Bronoske, Simmons, Duerr, Callan, Reed, Macri, Doglio, Leavitt, and Davis

AN ACT Relating to addressing behavioral health provider shortages; amending RCW 18.19.020, 18.83.020, 18.83.050, 18.83.080, 18.83.105, 18.83.110, 18.83.115, 18.83.135, 18.83.170, 18.83.180, 18.83.190, 18.83.210, 18.225.145, 18.225.180, 48.43.045, and 74.09.522; reenacting and amending RCW 18.205.095 and 18.225.090; creating new sections; and providing an effective date.

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

**Sec.**  RCW 18.19.020 and 2023 c 425 s 13 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Agency" means (a) an agency or facility operated, licensed, or certified by the state of Washington; (b) a federally recognized Indian tribe located within the state; ((~~or~~)) (c) a county; or (d) a federally qualified health center.

(2) "Agency affiliated counselor" means a person registered, certified, or licensed under this chapter who is employed by an agency or is a student intern, as defined by the department.

(3) "Certified adviser" means a person certified under this chapter who is engaged in private practice counseling to the extent authorized in RCW 18.19.200.

(4) "Certified agency affiliated counselor" means a person certified under this chapter who is engaging in counseling to the extent authorized in RCW 18.19.215.

(5) "Certified counselor" means a person certified under this chapter who is engaged in private practice counseling to the extent authorized in RCW 18.19.200.

(6) "Client" means an individual who receives or participates in counseling or group counseling.

(7) "Counseling" means employing any therapeutic techniques, including but not limited to social work, mental health counseling, marriage and family therapy, and hypnotherapy, for a fee that offer, assist or attempt to assist an individual or individuals in the amelioration or adjustment of mental, emotional, or behavioral problems, and includes therapeutic techniques to achieve sensitivity and awareness of self and others and the development of human potential. For the purposes of this chapter, nothing may be construed to imply that the practice of hypnotherapy is necessarily limited to counseling.

(8) "Counselor" means an individual, practitioner, therapist, or analyst who engages in the practice of counseling to the public for a fee, including for the purposes of this chapter, hypnotherapists.

(9) "Department" means the department of health.

(10) "Hypnotherapist" means a person registered under this chapter who is practicing hypnosis as a modality.

(11) "Licensed agency affiliated counselor" means a person licensed under this chapter who is engaged in counseling to the extent authorized in RCW 18.19.215.

(12) "Mental health professional" has the same definition as under RCW 71.05.020.

(13) "Private practice counseling" means the practice of counseling by a certified counselor or certified adviser as specified in RCW 18.19.200.

(14) "Psychotherapy" means the practice of counseling using diagnosis of mental disorders according to the fourth edition of the diagnostic and statistical manual of mental disorders, published in 1994, and the development of treatment plans for counseling based on diagnosis of mental disorders in accordance with established practice standards.

(15) "Registered agency affiliated counselor" means a person registered under this chapter who is engaged in counseling to the extent authorized in RCW 18.19.215. This includes juvenile probation counselors who are employees of the juvenile court under RCW 13.04.035 and 13.04.040 and juvenile court employees providing functional family therapy, aggression replacement training, or other evidence-based programs approved by the department of children, youth, and families. A student intern as defined by the department may be a registered agency affiliated counselor.

(16) "Secretary" means the secretary of the department or the secretary's designee.

**Sec.**  RCW 18.83.020 and 1986 c 27 s 1 are each amended to read as follows:

(1) To safeguard the people of the state of Washington from the dangers of unqualified and improper practice of psychology, it is unlawful for any person to whom this chapter applies to represent himself or herself to be a psychologist or a licensed psychological associate without first obtaining a license as provided in this chapter.

(2) A person represents himself or herself to be a psychologist or a licensed psychological associate when the person adopts or uses any title or any description of services which incorporates one or more of the following terms: "psychology," "psychological," "psychologist," or any term of like import.

(3) A licensed psychological associate shall provide each client or patient, during the first professional contact, with a disclosure form disclosing that the licensed psychological associate is an associate under the supervision of an approved supervisor.

**Sec.**  RCW 18.83.050 and 2004 c 262 s 8 are each amended to read as follows:

(1) The board shall adopt such rules as it deems necessary to carry out its functions.

(2) The board shall examine the qualifications of applicants for licensing under this chapter, to determine which applicants are eligible for licensing under this chapter and shall forward to the secretary the names of applicants so eligible.

(3) The board shall administer examinations to qualified applicants on at least an annual basis. The board shall determine the subject matter and scope of the examination, except as provided in RCW 18.83.170. The board may allow applicants to take the examination upon the granting of their doctoral degree before completion of their internship for supervised experience.

(4) The board shall keep a complete record of its own proceedings, of the questions given in examinations, of the names and qualifications of all applicants, and the names and addresses of all licensed psychologists and licensed psychological associates. The examination paper of such applicant shall be kept on file for a period of at least one year after examination.

(5) The board shall, by rule, adopt a code of ethics for psychologists and licensed psychological associates which is designed to protect the public interest.

(6) The board may require that persons licensed under this chapter as psychologists or licensed psychological associates obtain and maintain professional liability insurance in amounts determined by the board to be practicable and reasonably available.

**Sec.**  RCW 18.83.080 and 1996 c 191 s 66 are each amended to read as follows:

The board shall forward to the secretary the name of each applicant entitled to a license under this chapter. The secretary shall promptly issue to such applicant a license authorizing such applicant to use the title "psychologist"((~~.~~)) or "licensed psychological associate." Each licensed psychologist or licensed psychological associate shall keep his or her license displayed in a conspicuous place in his or her principal place of business.

**Sec.**  RCW 18.83.105 and 1996 c 191 s 69 are each amended to read as follows:

(1) The board ((~~may issue certificates of qualification with appropriate title to applicants who meet all the licensing requirements except the possession of the degree of Doctor of Philosophy or its equivalent in psychology from an accredited educational institution. These certificates of qualification certify that the holder has been examined by the board and is deemed competent to perform certain functions within the practice of psychology under the periodic direct supervision of a psychologist licensed by the board. Such functions will be specified on the certificate issued by the board. Such applicant shall comply with administrative procedures, administrative requirements, and fees determined under RCW 43.70.250 and 43.70.280. Upon petition by a holder the board of examiners may grant authority to function without immediate supervision.~~)) shall issue a licensed psychological associate license to an applicant who:

(a) Is:

(i) Currently enrolled in a doctor of philosophy, doctor of psychology program, or its equivalent in psychology at an accredited educational institution; or

(ii) Participating in a postdoctoral residency, postdoctoral fellowship, or another supervised postdoctoral experience;

(b) Has been deemed competent by the director of clinical training or postdoctoral supervisor to practice psychology under the supervision of a licensed supervisor subject to rules adopted by the board; and

(c) Has complied with administrative procedures, administrative requirements, and fees determined under RCW 43.70.250 and 43.70.280.

(2) A holder of a licensed psychological associate license may only practice under the supervision of a licensed supervisor pursuant to rules adopted by the board. An applicant for a licensed psychological associate license may practice under the direct supervision of a licensed supervisor until the applicant's license is issued or denied, pursuant to rules adopted by the board.

**Sec.**  RCW 18.83.110 and 2020 c 302 s 116 are each amended to read as follows:

Confidential communications between a client and a psychologist or licensed psychological associate shall be privileged against compulsory disclosure to the same extent and subject to the same conditions as confidential communications between attorney and client, but this exception is subject to the limitations under RCW 71.05.217 (6) and (7).

**Sec.**  RCW 18.83.115 and 1986 c 27 s 9 are each amended to read as follows:

(1) Psychologists and licensed psychological associates licensed under this chapter shall provide clients at the commencement of any program of treatment with accurate disclosure information concerning their practice, in accordance with guidelines developed by the board, which will inform clients of the purposes of and resources available under this chapter, including the right of clients to refuse treatment, the responsibility of clients for choosing the provider and treatment modality which best suits their needs, and the extent of confidentiality provided by this chapter. The disclosure information provided by the psychologist or licensed psychological associate, the receipt of which shall be acknowledged in writing by the psychologist or licensed psychological associate and client, shall include any relevant education and training, the therapeutic orientation of the practice, the proposed course of treatment where known, any financial requirements, and such other information as the board may require by rule.

(2) In inpatient settings, the health facility shall provide clients with the disclosure statement at the commencement of any program of treatment, and shall post the statement in a conspicuous location accessible to the client.

(3) The board shall provide for modification of the guidelines as appropriate in cases where the client has been referred by the court, a state agency, or other governmental body to a particular provider for specified evaluation or treatment.

**Sec.**  RCW 18.83.135 and 2000 c 93 s 7 are each amended to read as follows:

In addition to the authority prescribed under RCW 18.130.050, the board shall have the following authority:

(1) To maintain records of all activities, and to publish and distribute to all psychologists and licensed psychological associates at least once each year abstracts of significant activities of the board;

(2) To obtain the written consent of the complaining client or patient or their legal representative, or of any person who may be affected by the complaint, in order to obtain information which otherwise might be confidential or privileged; and

(3) To apply the provisions of the uniform disciplinary act, chapter 18.130 RCW, to all persons licensed as psychologists or licensed psychological associates under this chapter.

**Sec.**  RCW 18.83.170 and 2023 c 425 s 1 are each amended to read as follows:

(1)(a) Upon compliance with administrative procedures, administrative requirements, and fees determined under RCW 43.70.250 and 43.70.280, the board may grant a license, without oral examination, to any applicant who has not previously failed any examination held by the board of psychology of the state of Washington and furnishes evidence satisfactory to the board that the applicant:

((~~(a)~~)) (i) Holds a doctoral degree with primary emphasis on psychology from an accredited college or university; and

((~~(b)(i)~~)) (ii)(A) Is licensed or certified to practice psychology in another state or country in which the requirements for such licensing or certification are, in the judgment of the board, essentially equivalent to those required by this chapter and the rules and regulations of the board. Such individuals must have been licensed or certified in another state for a period of at least two years; or

((~~(ii)~~)) (B) Is a diplomate in good standing of the American Board of Examiners in Professional Psychology; or

((~~(iii)~~)) (C) Is a member of a professional organization and holds a certificate deemed by the board to meet standards equivalent to this chapter.

(b) The board may adopt rules waiving any of the requirements of this subsection (1) for an applicant who has continuously held a license to practice psychology in good standing in another state, territory, or country for a period of time that, in the judgment of the board, renders the waived requirements duplicative or unnecessary.

(2)(a)(i) The department shall establish a reciprocity program for applicants for licensure as a psychologist in Washington.

(ii) The reciprocity program applies to applicants for a license as a psychologist who:

(A) Hold or have held within the past twelve months a credential in good standing from another state or territory of the United States which has a scope of practice that is substantially equivalent to or greater than the scope of practice for licensed psychologists as established under this chapter; and

(B) Have no disciplinary record or disqualifying criminal history.

(b) The department shall issue a probationary license to an applicant who meets the requirements of (a)(ii)(B) of this subsection. The department must determine what deficiencies, if any, exist between the education and experience requirements of the other state's credential and, after consideration of the experience and capabilities of the applicant, determine whether it is appropriate to require the applicant to complete additional education or experience requirements to maintain the probationary license and, within a reasonable time period, transition to a full license. The department may place a reasonable time limit on a probationary license and may, if appropriate, require the applicant to pass a jurisprudential examination.

(c) The department must maintain and publish a list of credentials in other states and territories that the department has determined to have a scope of practice that is substantially equivalent to or greater than the scope of practice for licensed psychologists as established under this chapter. The department shall prioritize identifying and publishing the department's determination for the five states or territories that have historically had the most applicants for reciprocity under subsection (1) of this section with a scope of practice that is substantially equivalent to or greater than the scope of practice for licensed psychologists as established under this chapter.

**Sec.**  RCW 18.83.180 and 1987 c 150 s 55 are each amended to read as follows:

It shall be a gross misdemeanor and unlicensed practice for any person to:

(1) Use in connection with his or her name any designation tending to imply that he or she is a licensed psychologist or licensed psychological associate unless duly licensed under or specifically excluded from the provisions of this chapter;

(2) Practice as a licensed psychologist or licensed psychological associate during the time his or her license issued under the provisions of this chapter is suspended or revoked.

**Sec.**  RCW 18.83.190 and 1991 c 3 s 203 are each amended to read as follows:

If any person represents himself or herself to be a psychologist or licensed psychological associate, unless the person is exempt from the provisions of this chapter, without possessing a valid license, certificated qualification, or a temporary permit to do so, or if he or she violates any of the provisions of this chapter, any prosecuting attorney, the secretary, or any citizen of the same county may maintain an action in the name of the state to enjoin such person from representing himself or herself as a psychologist or licensed psychological associate. The injunction shall not relieve the person from criminal prosecution, but the remedy by injunction shall be in addition to the liability of such offender to criminal prosecution and to suspension or revocation of his or her license.

**Sec.**  RCW 18.83.210 and 1965 c 70 s 25 are each amended to read as follows:

Nothing in this chapter shall be construed as prohibiting any individual from offering counseling or guidance provided that such individuals do not hold themselves forth as psychologists or licensed psychological associates.

**Sec.**  RCW 18.205.095 and 2021 c 165 s 1 and 2021 c 57 s 1 are each reenacted and amended to read as follows:

(1) The secretary shall issue a trainee certificate to any applicant who demonstrates to the satisfaction of the secretary that he or she is working toward the education and experience requirements in RCW 18.205.090.

(2) A trainee certified under this section shall submit to the secretary for approval a declaration, in accordance with rules adopted by the department, which shall be updated with the trainee's annual renewal, that he or she is actively pursuing the experience requirements under RCW 18.205.090 and is enrolled in:

(a) An approved education program; or

(b) An apprenticeship program reviewed by the substance use disorder certification advisory committee, approved by the secretary, and registered and approved under chapter 49.04 RCW.

(3) A trainee certified under this section may practice only under the supervision of a certified substance use disorder professional. The first 50 hours of any face-to-face client contact must be under direct observation. All remaining experience must be under supervision in accordance with rules adopted by the department.

(4) A certified substance use disorder professional trainee provides substance use disorder assessments, counseling, and case management ((~~with a state regulated agency~~)) and can provide clinical services to patients consistent with his or her education, training, and experience as approved by his or her supervisor.

(5) ((~~A trainee certification may only be renewed four times, unless the secretary finds that a waiver to allow additional renewals is justified due to barriers to testing or training resulting from a governor-declared emergency.~~)) A person whose trainee certification was not renewed due to the person exceeding the four-renewal limit in place prior to the effective date of this section shall be treated as if the person's certification expired. The secretary shall allow such a person to return the person's trainee certification to active status pursuant to standard rules and procedures in place for returning an expired credential to active status.

(6) Applicants are subject to denial of a certificate or issuance of a conditional certificate for the reasons set forth in chapter 18.130 RCW.

(7) A person certified under this chapter holding the title of chemical dependency professional trainee is considered to hold the title of substance use disorder professional trainee until such time as the person's present certification expires or is renewed.

**Sec.**  RCW 18.225.090 and 2023 c 425 s 3 and 2023 c 58 s 16 are each reenacted and amended to read as follows:

(1) The secretary shall issue a license to any applicant who demonstrates to the satisfaction of the secretary that the applicant meets the following education and experience requirements for the applicant's practice area.

(a) Licensed social work classifications:

(i) Licensed advanced social worker:

(A) Graduation from a master's social work educational program accredited by the council on social work education or a social work doctorate program at a university accredited by a recognized accrediting organization, and approved by the secretary based upon nationally recognized standards;

(B) Successful completion of an approved examination;

(C) Successful completion of a supervised experience requirement. The supervised experience requirement consists of a minimum of 3,200 hours with supervision by an approved supervisor who has been licensed for at least two years. Of those supervised hours:

(I) At least 90 hours must include direct supervision as specified in this subsection by a licensed independent clinical social worker, a licensed advanced social worker, or an equally qualified licensed mental health professional. Of those hours of directly supervised experience at least 40 hours must be in one-to-one supervision and 50 hours may be in one-to-one supervision or group supervision; and

(II) 800 hours must be in direct client contact; and

(D) Successful completion of continuing education requirements ((~~of 36 hours, with six~~)) established in rule by the secretary, including a minimum number of hours in professional ethics.

(ii) Licensed independent clinical social worker:

(A) Graduation from a master's level social work educational program accredited by the council on social work education or a social work doctorate program at a university accredited by a recognized accrediting organization, and approved by the secretary based upon nationally recognized standards;

(B) Successful completion of an approved examination;

(C) Successful completion of a supervised experience requirement. The supervised experience requirement consists of a minimum of 3,000 hours of experience, over a period of not less than two years, with supervision by an approved supervisor who has been licensed for at least two years and, as specified in this subsection, may be either a licensed independent clinical social worker who has had at least one year of experience in supervising the clinical social work of others or an equally qualified licensed mental health practitioner. Of those supervised hours:

(I) At least 1,000 hours must be direct client contact; and

(II) Hours of direct supervision must include:

(1) At least 100 hours by a licensed mental health practitioner;

(2) At least 70 hours of supervision with a licensed independent clinical social worker meeting the qualifications under this subsection (1)(a)(ii)(C); the remaining hours may be supervised by an equally qualified licensed mental health practitioner; and

(3) At least 60 hours must be in one-to-one supervision and the remaining hours may be in one-to-one supervision or group supervision; and

(D) Successful completion of continuing education requirements ((~~of 36 hours, with six~~)) established in rule by the secretary, including a minimum number of hours in professional ethics.

(b) Licensed mental health counselor:

(i)(A) Graduation from a master's or doctoral level educational program in counseling that consists of at least 60 semester hours or 90 quarter hours, or includes at least 60 semester hours or 90 quarter hours of graduate coursework that includes the following topic areas:

(I) Mental health counseling orientation and ethical practice;

(II) Social and cultural diversity;

(III) Human growth and development;

(IV) Career development;

(V) Counseling and helping relationships;

(VI) Group counseling and group work;

(VII) Diagnosis and treatment;

(VIII) Assessment and testing; and

(IX) Research and program evaluation; or

(B) Graduation from a master's or doctoral level educational program in a related discipline from a college or university approved by the secretary based upon nationally recognized standards. An applicant who satisfies the educational requirements for licensure under this subsection (1)(b)(i)(B) is not qualified to exercise the privilege to practice under the counseling compact established in chapter 18.17 RCW unless the master's or doctoral level educational program in a related discipline consists of at least 60 semester hours or 90 quarter hours, or includes at least 60 semester hours or 90 quarter hours of graduate coursework that includes the topic areas specified in ((~~subsection (1)~~))(b)(i)(A)(I) through (IX) of this ((~~section [(b)(i)(A)(I) through (IX) of this subsection]~~)) subsection;

(ii) Successful completion of an approved examination;

(iii) Successful completion of a supervised experience requirement. The experience requirement consists of a minimum of 36 months full-time counseling or 3,000 hours of postgraduate mental health counseling under the supervision of a qualified licensed mental health counselor or equally qualified licensed mental health practitioner, in an approved setting. The 3,000 hours of required experience includes a minimum of 100 hours spent in immediate supervision with the qualified licensed mental health counselor, and includes a minimum of 1,200 hours of direct counseling with individuals, couples, families, or groups; and

(iv) Successful completion of continuing education requirements ((~~of 36 hours, with six~~)) established in rule by the secretary, including a minimum number of hours in professional ethics.

(c) Licensed marriage and family therapist:

(i) Graduation from a master's degree or doctoral degree educational program in marriage and family therapy or graduation from an educational program in an allied field equivalent to a master's degree or doctoral degree in marriage and family therapy approved by the secretary based upon nationally recognized standards;

(ii) Successful passage of an approved examination;

(iii) Successful completion of a supervised experience requirement. The experience requirement consists of a minimum of 3,000 hours of marriage and family therapy. Of the total supervision, 100 hours must be with a licensed marriage and family therapist with at least ((~~five~~)) two years' clinical experience; the other 100 hours may be with an equally qualified licensed mental health practitioner. Total experience requirements include:

(A) 1,000 hours of direct client contact; at least 500 hours must be gained in diagnosing and treating couples and families; plus

(B) At least 200 hours of qualified supervision with a supervisor. At least 100 of the 200 hours must be one-on-one supervision, and the remaining hours may be in one-on-one or group supervision.

Applicants who have completed a master's program accredited by the commission on accreditation for marriage and family therapy education of the American association for marriage and family therapy may be credited with 500 hours of direct client contact and 100 hours of formal meetings with an approved supervisor; and

(iv) Successful completion of continuing education requirements ((~~of 36 hours, with six~~)) established in rule by the secretary, including a minimum number of hours in professional ethics.

(2) The department shall establish by rule what constitutes adequate proof of meeting the criteria. Only rules in effect on the date of submission of a completed application of an associate for her or his license shall apply. If the rules change after a completed application is submitted but before a license is issued, the new rules shall not be reason to deny the application.

(3) In addition, applicants shall be subject to the grounds for denial of a license or issuance of a conditional license under chapter 18.130 RCW.

**Sec.**  RCW 18.225.145 and 2021 c 57 s 2 are each amended to read as follows:

(1) The secretary shall issue an associate license to any applicant who demonstrates to the satisfaction of the secretary that the applicant meets the following requirements for the applicant's practice area and submits a declaration that the applicant is working toward full licensure in that category:

(a) Licensed social worker associate—advanced or licensed social worker associate—independent clinical: Graduation from a master's degree or doctoral degree educational program in social work accredited by the council on social work education and approved by the secretary based upon nationally recognized standards.

(b) Licensed mental health counselor associate: Graduation from a master's degree or doctoral degree educational program in mental health counseling or a related discipline from a college or university approved by the secretary based upon nationally recognized standards.

(c) Licensed marriage and family therapist associate: Graduation from a master's degree or doctoral degree educational program in marriage and family therapy or graduation from an educational program in an allied field equivalent to a master's degree or doctoral degree in marriage and family therapy approved by the secretary based upon nationally recognized standards.

(2) Associates may not provide independent social work, mental health counseling, or marriage and family therapy for a fee, monetary or otherwise. Associates must work under the supervision of an approved supervisor. An applicant for an associate license under this section may practice, for up to 120 days after the department receives the applicant's completed application, under the direct supervision of an approved supervisor until the applicant's license is issued or denied.

(3) Associates shall provide each client or patient, during the first professional contact, with a disclosure form according to RCW 18.225.100, disclosing that he or she is an associate under the supervision of an approved supervisor.

(4) The department shall adopt by rule what constitutes adequate proof of compliance with the requirements of this section.

(5) Applicants are subject to the denial of a license or issuance of a conditional license for the reasons set forth in chapter 18.130 RCW.

(6)(a) ((~~Except as provided in (b) of this subsection, an~~)) An associate license may be renewed ((~~no more than six times~~)), provided that the applicant for renewal has successfully completed ((~~eighteen hours of~~)), in the preceding year, continuing education ((~~in the preceding year~~)) requirements established in rule by the secretary. Beginning with the second renewal, ((~~at least six of~~)) the continuing education requirements established in rule by the secretary must require the applicant to complete a minimum number of continuing education hours in the preceding two years ((~~must be~~)) in professional ethics.

(b) ((~~If the secretary finds that a waiver to allow additional renewals is justified due to barriers to testing or training resulting from a governor-declared emergency, additional renewals may be approved.~~)) A person whose associate license was not renewed due to the person exceeding the six-renewal limit in place prior to the effective date of this section shall be treated as if the person's license expired. The secretary shall allow such a person to return the person's associate license to active status pursuant to standard rules and procedures in place for returning an expired credential to active status.

**Sec.**  RCW 18.225.180 and 2023 c 425 s 7 are each amended to read as follows:

(1)(a) Subject to the availability of amounts appropriated for this specific purpose, by October 1, 2023, the department shall develop a program to facilitate placement of associates with clinical supervision services. The program must include a database of license holders with the required qualifications who are willing to serve as approved supervisors and agencies or facilities that offer supervision services through their facilities to associates seeking to satisfy supervised experience requirements under RCW 18.225.090.

(b) The department shall adopt, by rule, minimum qualifications for supervisors or facilities to be included in the database and minimum standards for adequate supervision of associates. The department may not include in the database any person who, or facility that, does not meet the minimum qualifications. The department shall periodically audit the list to remove persons who, or facilities that, no longer meet the minimum qualifications or fail to meet the minimum standards.

(2) Subject to the availability of amounts appropriated for this specific purpose, the department shall establish a stipend program to ((~~defray the out-of-pocket expenses incurred by~~)) offset the costs of providing supervision for associates completing supervised experience requirements under RCW 18.225.090.

(a) ((~~Out-of-pocket expenses eligible for defrayment under this section include costs incurred in order to obtain supervised experience, such as fees or charges imposed by the individual or entity providing supervision, and any other expenses deemed appropriate by the department.~~)) To be eligible for the stipend program under this subsection (2), a supervisor must:

(i) Meet all requirements of a qualified supervisor in this chapter and chapter 246-809 WAC;

(ii) Charge no more than $150 per hour to the associate receiving supervision, up to a total of $2,000 per year; and

(iii) Be actively providing supervision to at least one associate completing supervised experience requirements under RCW 18.225.090.

(b) ((~~Associates~~)) Supervisors participating in the stipend program established in this section shall document their ((~~out-of-pocket~~)) expenses, time spent supervising each associate under their supervision, and any fees that the supervisors charge the associate in a manner specified by the department.

(c) ((~~When adopting the stipend program, the department shall consider defraying out-of-pocket expenses associated with unpaid internships that are part of an applicant's educational program.~~)) Supervisors receiving a stipend under this section are eligible for up to $2,000 per year per associate if the supervisor maintains the supervisory relationship for the entire year and subject to the availability of funds. If the supervisor does not provide supervision for an entire year, the department shall prorate the stipend amount accordingly.

(d) The department shall establish the stipend program no later than July 1, ((~~2024~~)) 2025.

((~~(e)~~)) (3) The department may adopt any rules necessary to implement this section.

**Sec.**  RCW 48.43.045 and 2015 c 237 s 2 are each amended to read as follows:

(1) Every health plan delivered, issued for delivery, or renewed by a health carrier on and after January 1, 1996, shall:

(a) Permit every category of health care provider to provide health services or care included in the basic essential health benefits benchmark plan established by the commissioner consistent with RCW 48.43.715, to the extent that:

(i) The provision of such health services or care is within the health care providers' permitted scope of practice;

(ii) The providers agree to abide by standards related to:

(A) Provision, utilization review, and cost containment of health services;

(B) Management and administrative procedures; and

(C) Provision of cost-effective and clinically efficacious health services; and

(iii) The plan covers such services or care in the essential health benefits benchmark plan. The reference to the essential health benefits does not create a mandate to cover a service that is otherwise not a covered benefit.

(b) Annually report the names and addresses of all officers, directors, or trustees of the health carrier during the preceding year, and the amount of wages, expense reimbursements, or other payments to such individuals, unless substantially similar information is filed with the commissioner or the national association of insurance commissioners. This requirement does not apply to a foreign or alien insurer regulated under chapter 48.20 or 48.21 RCW that files a supplemental compensation exhibit in its annual statement as required by law.

(2) If a health plan's provider network includes participating providers licensed under chapter 18.83 or 18.225 RCW, the plan may not categorically exclude associate licensees under those chapters.

(3) The requirements of subsection (1)(a) of this section do not apply to a licensed health care profession regulated under Title 18 RCW when the licensing statute for the profession states that such requirements do not apply.

**Sec.**  RCW 74.09.522 and 2023 c 51 s 43 are each amended to read as follows:

(1) For the purposes of this section, "nonparticipating provider" means a person, health care provider, practitioner, facility, or entity, acting within their scope of practice, that does not have a written contract to participate in a managed care organization's provider network, but provides health care services to enrollees of programs authorized under this chapter or other applicable law whose health care services are provided by the managed care organization.

(2) The authority shall enter into agreements with managed care organizations to provide health care services to recipients of medicaid under the following conditions:

(a) Agreements shall be made for at least thirty thousand recipients statewide;

(b) Agreements in at least one county shall include enrollment of all recipients of programs as allowed for in the approved state plan amendment or federal waiver for Washington state's medicaid program;

(c) To the extent that this provision is consistent with section 1903(m) of Title XIX of the federal social security act or federal demonstration waivers granted under section 1115(a) of Title XI of the federal social security act, recipients shall have a choice of systems in which to enroll and shall have the right to terminate their enrollment in a system: PROVIDED, That the authority may limit recipient termination of enrollment without cause to the first month of a period of enrollment, which period shall not exceed twelve months: AND PROVIDED FURTHER, That the authority shall not restrict a recipient's right to terminate enrollment in a system for good cause as established by the authority by rule;

(d) To the extent that this provision is consistent with section 1903(m) of Title XIX of the federal social security act, participating managed care organizations shall not enroll a disproportionate number of medical assistance recipients within the total numbers of persons served by the managed care organizations, except as authorized by the authority under federal demonstration waivers granted under section 1115(a) of Title XI of the federal social security act;

(e)(i) In negotiating with managed care organizations the authority shall adopt a uniform procedure to enter into contractual arrangements, including:

(A) Standards regarding the quality of services to be provided;

(B) The financial integrity of the responding system;

(C) Provider reimbursement methods that incentivize chronic care management within health homes, including comprehensive medication management services for patients with multiple chronic conditions consistent with the findings and goals established in RCW 74.09.5223;

(D) Provider reimbursement methods that reward health homes that, by using chronic care management, reduce emergency department and inpatient use;

(E) Promoting provider participation in the program of training and technical assistance regarding care of people with chronic conditions described in RCW 43.70.533, including allocation of funds to support provider participation in the training, unless the managed care organization is an integrated health delivery system that has programs in place for chronic care management;

(F) Provider reimbursement methods within the medical billing processes that incentivize pharmacists or other qualified providers licensed in Washington state to provide comprehensive medication management services consistent with the findings and goals established in RCW 74.09.5223;

(G) Evaluation and reporting on the impact of comprehensive medication management services on patient clinical outcomes and total health care costs, including reductions in emergency department utilization, hospitalization, and drug costs; and

(H) Established consistent processes to incentivize integration of behavioral health services in the primary care setting, promoting care that is integrated, collaborative, colocated, and preventive.

(ii)(A) Health home services contracted for under this subsection may be prioritized to enrollees with complex, high cost, or multiple chronic conditions.

(B) Contracts that include the items in (e)(i)(C) through (G) of this subsection must not exceed the rates that would be paid in the absence of these provisions;

(f) The authority shall seek waivers from federal requirements as necessary to implement this chapter;

(g) The authority shall, wherever possible, enter into prepaid capitation contracts that include inpatient care. However, if this is not possible or feasible, the authority may enter into prepaid capitation contracts that do not include inpatient care;

(h) The authority shall define those circumstances under which a managed care organization is responsible for out-of-plan services and assure that recipients shall not be charged for such services;

(i) Nothing in this section prevents the authority from entering into similar agreements for other groups of people eligible to receive services under this chapter; and

(j) The authority must consult with the federal center for medicare and medicaid innovation and seek funding opportunities to support health homes.

(3) The authority shall ensure that publicly supported community health centers and providers in rural areas, who show serious intent and apparent capability to participate as managed care organizations are seriously considered as contractors. The authority shall coordinate its managed care activities with activities under chapter 70.47 RCW.

(4) The authority shall work jointly with the state of Oregon and other states in this geographical region in order to develop recommendations to be presented to the appropriate federal agencies and the United States congress for improving health care of the poor, while controlling related costs.

(5) The legislature finds that competition in the managed health care marketplace is enhanced, in the long term, by the existence of a large number of managed care organization options for medicaid clients. In a managed care delivery system, whose goal is to focus on prevention, primary care, and improved enrollee health status, continuity in care relationships is of substantial importance, and disruption to clients and health care providers should be minimized. To help ensure these goals are met, the following principles shall guide the authority in its healthy options managed health care purchasing efforts:

(a) All managed care organizations should have an opportunity to contract with the authority to the extent that minimum contracting requirements defined by the authority are met, at payment rates that enable the authority to operate as far below appropriated spending levels as possible, consistent with the principles established in this section.

(b) Managed care organizations should compete for the award of contracts and assignment of medicaid beneficiaries who do not voluntarily select a contracting system, based upon:

(i) Demonstrated commitment to or experience in serving low-income populations;

(ii) Quality of services provided to enrollees;

(iii) Accessibility, including appropriate utilization, of services offered to enrollees;

(iv) Demonstrated capability to perform contracted services, including ability to supply an adequate provider network;

(v) Payment rates; and

(vi) The ability to meet other specifically defined contract requirements established by the authority, including consideration of past and current performance and participation in other state or federal health programs as a contractor.

(c) Consideration should be given to using multiple year contracting periods.

(d) Quality, accessibility, and demonstrated commitment to serving low-income populations shall be given significant weight in the contracting, evaluation, and assignment process.

(e) All contractors that are regulated health carriers must meet state minimum net worth requirements as defined in applicable state laws. The authority shall adopt rules establishing the minimum net worth requirements for contractors that are not regulated health carriers. This subsection does not limit the authority of the Washington state health care authority to take action under a contract upon finding that a contractor's financial status seriously jeopardizes the contractor's ability to meet its contract obligations.

(f) Procedures for resolution of disputes between the authority and contract bidders or the authority and contracting carriers related to the award of, or failure to award, a managed care contract must be clearly set out in the procurement document.

(6) The authority may apply the principles set forth in subsection (5) of this section to its managed health care purchasing efforts on behalf of clients receiving supplemental security income benefits to the extent appropriate.

(7) Any contract with a managed care organization to provide services to medical assistance enrollees shall require that managed care organizations offer contracts to mental health providers and substance use disorder treatment providers to provide access to primary care services integrated into behavioral health clinical settings, for individuals with behavioral health and medical comorbidities.

(8) Managed care organization contracts effective on or after April 1, 2016, shall serve geographic areas that correspond to the regional service areas established in RCW 74.09.870.

(9) A managed care organization shall pay a nonparticipating provider that provides a service covered under this chapter or other applicable law to the organization's enrollee no more than the lowest amount paid for that service under the managed care organization's contracts with similar providers in the state if the managed care organization has made good faith efforts to contract with the nonparticipating provider.

(10) For services covered under this chapter or other applicable law to medical assistance or medical care services enrollees, nonparticipating providers must accept as payment in full the amount paid by the managed care organization under subsection (9) of this section in addition to any deductible, coinsurance, or copayment that is due from the enrollee for the service provided. An enrollee is not liable to any nonparticipating provider for covered services, except for amounts due for any deductible, coinsurance, or copayment under the terms and conditions set forth in the managed care organization contract to provide services under this section.

(11) Pursuant to federal managed care access standards, 42 C.F.R. Sec. 438, managed care organizations must maintain a network of appropriate providers that is supported by written agreements sufficient to provide adequate access to all services covered under the contract with the authority, including hospital-based physician services. The authority will monitor and periodically report on the proportion of services provided by contracted providers and nonparticipating providers, by county, for each managed care organization to ensure that managed health care systems are meeting network adequacy requirements. No later than January 1st of each year, the authority will review and report its findings to the appropriate policy and fiscal committees of the legislature for the preceding state fiscal year.

(12) If a managed care organization's provider network includes participating providers licensed under chapter 18.83 or 18.225 RCW, the plan may not categorically exclude associate licensees under those chapters.

(13) Payments under RCW 74.60.130 are exempt from this section.

NEW SECTION. **Sec.**  The health care authority shall ensure that all services provided by associate licenses under chapters 18.225 and 18.83 RCW are included in the state medicaid program, including filing any necessary state plan amendments by January 1, 2025.

NEW SECTION. **Sec.**  The board of psychology and the secretary of health may adopt any rules necessary to implement this act.

NEW SECTION. **Sec.**  Sections 1 through 18 of this act take effect October 1, 2025.

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