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**SUBSTITUTE SENATE BILL 5263**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Senate Labor & Commerce (originally sponsored by Senators Salomon, Rivers, Saldaña, Nobles, Lovick, Lovelett, Hunt, Hasegawa, Mullet, Trudeau, Robinson, Pedersen, Wellman, Muzzall, C. Wilson, Kuderer, Keiser, Lias, Van De Wege, Billig, Conway, and Frame)

READ FIRST TIME 02/17/23.

1 AN ACT Relating to access to psilocybin services by individuals  
2 21 years of age and older; amending RCW 7.48.310 and 49.60.180;  
3 amending 2022 c 297 s 211 (uncodified); adding a new chapter to Title  
4 18 RCW; and declaring an emergency.

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

6 NEW SECTION. **Sec. 1.** The legislature intends to establish an  
7 advisory board and interagency work group to provide advice and  
8 recommendations on developing a comprehensive regulatory framework  
9 for access to regulated psilocybin for Washington residents who are  
10 at least 21 years of age.

11 NEW SECTION. **Sec. 2.** The legislature declares that the purposes  
12 of this chapter are:

13 (1) To develop a long-term strategic plan for ensuring that  
14 psilocybin services become and remain a safe, accessible, and  
15 affordable option for all persons 21 years of age and older in this  
16 state for whom psilocybin may be appropriate or as part of their  
17 indigenous religious or cultural practices;

18 (2) To protect the safety, welfare, health, and peace of the  
19 people of this state by prioritizing this state's limited law

1 enforcement resources in the most effective, consistent, and rational  
2 way;

3 (3) To develop a comprehensive regulatory framework concerning  
4 psilocybin products and psilocybin services under state law;

5 (4) To prevent the distribution of psilocybin products to other  
6 persons who are not permitted to possess psilocybin products under  
7 this chapter including but not limited to persons under 21 years of  
8 age; and

9 (5) To prevent the diversion of psilocybin products from this  
10 state to other states.

11 NEW SECTION. **Sec. 3.** This chapter may be known and cited as the  
12 Washington psilocybin services act.

13 NEW SECTION. **Sec. 4.** This chapter may not be construed:

14 (1) To require a government medical assistance program or private  
15 health insurer to reimburse a person for costs associated with the  
16 use of psilocybin products;

17 (2) To prohibit a recipient of a federal grant or an applicant  
18 for a federal grant from prohibiting the manufacture, delivery,  
19 possession, or use of psilocybin products to the extent necessary to  
20 satisfy federal requirements for the grant;

21 (3) To prohibit a party to a federal contract or a person  
22 applying to be a party to a federal contract from prohibiting the  
23 manufacture, delivery, possession, or use of psilocybin products to  
24 the extent necessary to comply with the terms and conditions of the  
25 contract or to satisfy federal requirements for the contract; or

26 (4) To obstruct the enforcement of a federal law.

27 NEW SECTION. **Sec. 5.** The definitions in this section apply  
28 throughout this chapter unless the context clearly requires  
29 otherwise.

30 (1) "Client" means an individual who is provided psilocybin  
31 services in this state.

32 (2) "Department" means the department of health.

33 (3) "Legal entity" means a corporation, limited liability  
34 company, limited partnership, or other legal entity that is  
35 registered with the office of the secretary of state or with a  
36 comparable office of another jurisdiction.

1 (4) "Licensee" means a person that holds a license issued under  
2 this chapter.

3 (5) "Licensee representative" means an owner, director, officer,  
4 manager, employee, agent, or other representative of a licensee, to  
5 the extent that the person acts in a representative capacity.

6 (6) "Manufacture" means the manufacture, planting, cultivation,  
7 growing, harvesting, production, preparation, propagation,  
8 compounding, conversion, or processing of a psilocybin product,  
9 either directly or indirectly, by extraction from substances of  
10 natural origin, or independently by means of chemical synthesis, or  
11 by a combination of extraction and chemical synthesis, and includes  
12 any packaging or repackaging of the psilocybin product or labeling or  
13 relabeling of its container.

14 (7) "Psilocybin" means psilocybin or psilocin.

15 (8) "Psilocybin product manufacturer" means a person that  
16 manufactures psilocybin products in this state.

17 (9) "Psilocybin products" means:

18 (a) Psilocybin-producing fungi; and

19 (b) Mixtures or substances containing a detectable amount of  
20 psilocybin.

21 (10) "Secretary" means the secretary of health appointed under  
22 RCW 43.70.030.

23 NEW SECTION. **Sec. 6.** (1) The Washington psilocybin advisory  
24 board is established within the department to provide advice and  
25 recommendations to the department, the liquor and cannabis board, and  
26 the department of agriculture. The Washington psilocybin advisory  
27 board shall consist of:

28 (a) Members appointed by the governor as specified in subsection  
29 (2) of this section;

30 (b) The secretary or the secretary's designee;

31 (c) The state health officer or a physician acting as the state  
32 health officer's designee;

33 (d) A representative from the department who is familiar with  
34 public health programs and public health activities in this state;  
35 and

36 (e) A designee of the public health advisory board.

37 (2) The governor shall appoint the following individuals to the  
38 Washington psilocybin advisory board:

39 (a) Any four of the following:

- 1 (i) A state employee who has technical expertise in the field of  
2 public health;
- 3 (ii) A local health officer;
- 4 (iii) An individual who is a member of, or who represents, a  
5 federally recognized Indian tribe in this state;
- 6 (iv) An individual who is a member of, or who represents, a body  
7 that provides policy advice relating to substance use disorder  
8 policy;
- 9 (v) An individual who is a member of, or who represents, a body  
10 that provides policy advice relating to health equity;
- 11 (vi) An individual who is a member of, or who represents, a body  
12 that provides policy advice related to palliative care and quality of  
13 life; or
- 14 (vii) An individual who represents individuals who provide public  
15 health services directly to the public;
- 16 (b) A person who has knowledge regarding the indigenous or  
17 religious use of psilocybin;
- 18 (c) A psychologist licensed under chapter 18.83 RCW who has  
19 professional experience engaging in the diagnosis or treatment of a  
20 mental, emotional, or behavioral condition;
- 21 (d) A physician licensed under chapter 18.71 RCW;
- 22 (e) A naturopath licensed under chapter 18.36A RCW;
- 23 (f) An expert in the field of public health who has a background  
24 in academia;
- 25 (g) Any three of the following:
- 26 (i) A person who has professional experience conducting  
27 scientific research regarding the use of psychedelic compounds in  
28 clinical therapy;
- 29 (ii) A person who has experience in the field of mycology;
- 30 (iii) A person who has experience in the field of ethnobotany;
- 31 (iv) A person who has experience in the field of  
32 psychopharmacology; or
- 33 (v) A person who has experience in the field of harm reduction;
- 34 (h) A person designated by the liquor and cannabis board who has  
35 experience working with the cannabis central reporting system  
36 developed for tracking the transfer of cannabis items;
- 37 (i) The attorney general or the attorney general's designee; and
- 38 (j) One, two, or three at large members.
- 39 (3) (a) Members of the Washington psilocybin advisory board shall  
40 serve for a term of four years, but at the pleasure of the governor.

1 Before the expiration of the term of a member, the governor shall  
2 appoint a successor whose term begins on January 1st of the following  
3 year. A member is eligible for reappointment. If there is a vacancy  
4 for any cause, the governor shall make an appointment to become  
5 immediately effective for the unexpired term.

6 (b) Members of the board described in subsection (1)(b) through  
7 (e) of this section are nonvoting ex officio members of the board.

8 (4) A majority of the voting members of the board constitutes a  
9 quorum. Official adoption of advice or recommendations by the  
10 Washington psilocybin advisory board requires the approval of a  
11 majority of the voting members of the board.

12 (5) The board shall elect one of its voting members to serve as  
13 chair.

14 (6) Until July 1, 2025, the Washington psilocybin advisory board  
15 shall meet at least five times a calendar year at a time and place  
16 determined by the chair or a majority of the voting members of the  
17 board. After July 1, 2025, the board shall meet at least once every  
18 calendar quarter at a time and place determined by the chair or a  
19 majority of the voting members of the board. The board may meet at  
20 other times and places specified by the call of the chair or of a  
21 majority of the voting members of the board.

22 (7) The Washington psilocybin advisory board may adopt rules  
23 necessary for the operation of the board.

24 (8) The Washington psilocybin advisory board may establish  
25 committees and subcommittees necessary for the operation of the  
26 board.

27 (9) The members of the Washington psilocybin advisory board may  
28 receive reimbursement or an allowance for expenses within amounts  
29 appropriated for that specific purpose consistent with RCW 43.03.220.

30 NEW SECTION. **Sec. 7.** (1) An interagency psilocybin work group  
31 of the department of health, the liquor and cannabis board, and the  
32 department of agriculture is created to provide advice and  
33 recommendations to the advisory board on the following:

34 (a) Developing a comprehensive regulatory framework for a  
35 regulated psilocybin system, including a process to ensure clean and  
36 pesticide free psilocybin products;

37 (b) Reviewing indigenous practices with psilocybin, clinical  
38 psilocybin trials, and findings;

1 (c) Reviewing research of medical evidence developed on the  
2 possible use and misuse of psilocybin therapy; and

3 (d) Ensuring that a social opportunity program is included within  
4 any licensing program created under this chapter to remedy the  
5 targeted enforcement of drug-related laws on overburdened  
6 communities.

7 (2) The findings of the psilocybin task force in section 8 of  
8 this act must be submitted to the interagency work group created in  
9 this section and to the psilocybin advisory board.

10 (3) The interagency psilocybin work group must submit regular  
11 updates to the psilocybin advisory board.

12 **Sec. 8.** 2022 c 297 s 211 (uncodified) is amended to read as  
13 follows:

14 **FOR THE STATE HEALTH CARE AUTHORITY—MEDICAL ASSISTANCE**

15	General Fund—State Appropriation (FY 2022)	\$2,391,518,000
16	General Fund—State Appropriation (FY 2023)	\$2,600,611,000
17	General Fund—Federal Appropriation	\$13,934,556,000
18	General Fund—Private/Local Appropriation	\$465,890,000
19	Emergency Medical Services and Trauma Care Systems	
20	Trust Account—State Appropriation	\$15,086,000
21	Hospital Safety Net Assessment Account—State	
22	Appropriation	\$685,383,000
23	Dedicated Marijuana Account—State Appropriation	
24	(FY 2022)	\$26,063,000
25	Dedicated Marijuana Account—State Appropriation	
26	(FY 2023)	\$27,241,000
27	Medical Aid Account—State Appropriation	\$540,000
28	Telebehavioral Health Access Account—State	
29	Appropriation	\$8,034,000
30	Coronavirus State Fiscal Recovery Fund—Federal	
31	Appropriation	\$59,600,000
32	Ambulance Transport Fund—State Appropriation	\$14,317,000
33	TOTAL APPROPRIATION	\$20,228,839,000

34 The appropriations in this section are subject to the following  
35 conditions and limitations:

36 (1) The authority shall not accept or expend any federal funds  
37 received under a medicaid transformation waiver under healthier  
38 Washington except as described in subsections (2), (3), and (4) of

1 this section until specifically approved and appropriated by the  
2 legislature. To ensure compliance with legislative directive budget  
3 requirements and terms and conditions of the waiver, the authority  
4 shall implement the waiver and reporting requirements with oversight  
5 from the office of financial management. The legislature finds that  
6 appropriate management of the innovation waiver requires better  
7 analytic capability, transparency, consistency, timeliness, accuracy,  
8 and lack of redundancy with other established measures and that the  
9 patient must be considered first and foremost in the implementation  
10 and execution of the demonstration waiver. In order to effectuate  
11 these goals, the authority shall: (a) Require the Dr. Robert Bree  
12 collaborative and the health technology assessment program to reduce  
13 the administrative burden upon providers by only requiring  
14 performance measures that are nonduplicative of other nationally  
15 established measures. The joint select committee on health care  
16 oversight will evaluate the measures chosen by the collaborative and  
17 the health technology assessment program for effectiveness and  
18 appropriateness; (b) develop a patient satisfaction survey with the  
19 goal to gather information about whether it was beneficial for the  
20 patient to use the center of excellence location in exchange for  
21 additional out-of-pocket savings; (c) ensure patients and health care  
22 providers have significant input into the implementation of the  
23 demonstration waiver, in order to ensure improved patient health  
24 outcomes; and (d) in cooperation with the department of social and  
25 health services, consult with and provide notification of work on  
26 applications for federal waivers, including details on waiver  
27 duration, financial implications, and potential future impacts on the  
28 state budget, to the joint select committee on health care oversight  
29 prior to submitting waivers for federal approval. The authority shall  
30 submit an application to the centers for medicaid and medicare  
31 services to extend the duration of the medicaid transformation waiver  
32 under healthier Washington as described in subsections (2), (3), and  
33 (4) of this section by one year. If not extended, by federal  
34 standard, the medicaid transformation demonstration waiver shall not  
35 exceed the duration originally granted by the centers for medicare  
36 and medicaid services and any programs created or funded by this  
37 waiver do not create an entitlement. The demonstration period for the  
38 waiver as described in subsections (2), (3), and (4) of this section  
39 concludes December 31, 2022.

1 (2) (a) No more than \$78,409,000 of the general fund—federal  
2 appropriation and no more than \$66,264,000 of the general fund—local  
3 appropriation may be expended for transformation through accountable  
4 communities of health described in initiative 1 of the medicaid  
5 transformation demonstration wavier under healthier Washington,  
6 including preventing youth drug use, opioid prevention and treatment,  
7 and physical and behavioral health integration. Under this  
8 initiative, the authority shall take into account local input  
9 regarding community needs. In order to ensure transparency to the  
10 appropriate fiscal committees of the legislature, the authority shall  
11 provide fiscal staff of the legislature query ability into any  
12 database of the fiscal intermediary that authority staff would be  
13 authorized to access. The authority shall not increase general fund—  
14 state expenditures under this initiative. The director shall also  
15 report to the fiscal committees of the legislature all of the  
16 expenditures under this subsection and shall provide such fiscal data  
17 in the time, manner, and form requested by the legislative fiscal  
18 committees.

19 (b) No more than \$198,909,000 of the general fund—federal  
20 appropriation and no more than \$81,245,000 of the general fund—  
21 private/local appropriation may be expended for the medicaid quality  
22 improvement program. Under federal regulations, the medicaid quality  
23 improvement program is authorized and allows states to design quality  
24 improvement programs for the medicaid population in ways that support  
25 the state's quality goals. Medicaid quality improvement program  
26 payments will not count against the medicaid transformation  
27 demonstration waiver spending limits and are excluded from the  
28 waiver's budget neutrality calculation. Apple health managed care  
29 organizations and their partnering providers will receive medicaid  
30 quality improvement program payments as they meet designated  
31 milestones. Partnering providers and apple health managed care  
32 organizations will work together to achieve medicaid quality  
33 improvement program goals according to the performance period  
34 timelines and reporting deadlines as set forth by the authority. The  
35 authority shall only utilize the medicaid quality improvement program  
36 to support the transformation waiver and shall not pursue its use for  
37 other purposes. Any programs created or funded by the medicaid  
38 quality improvement program does not create an entitlement. The  
39 authority shall not increase general fund—state, federal, or private/

1 local expenditures under this program. The director shall report to  
2 the joint select committee on health care oversight not less than  
3 quarterly on financial and health outcomes. The director shall report  
4 to the fiscal committees of the legislature all of the expenditures  
5 under this subsection and shall provide such fiscal data in the time,  
6 manner, and form requested by the legislative fiscal committees.

7 (3) No more than \$26,837,000 of the general fund—federal  
8 appropriation and \$26,839,000 of the general fund—local appropriation  
9 may be expended for tailored support for older adults and medicaid  
10 alternative care described in initiative 2 of the medicaid  
11 transformation demonstration waiver under healthier Washington as  
12 well as administrative expenses for initiative 3. The authority shall  
13 contract and provide funding to the department of social and health  
14 services to administer initiative 2. The director in cooperation with  
15 the secretary of the department of social and health services shall  
16 report to the office of financial management all of the expenditures  
17 of this section and shall provide such fiscal data in the time,  
18 manner, and form requested. The authority shall not increase general  
19 fund—state expenditures on this initiative.

20 (4) No more than \$28,680,000 of the general fund—federal  
21 appropriation and no more than \$12,992,000 of the general fund—local  
22 appropriation may be expended for supported housing and employment  
23 services described in initiative 3a and 3b of the medicaid  
24 transformation demonstration waiver under healthier Washington. Under  
25 this initiative, the authority and the department of social and  
26 health services shall ensure that allowable and necessary services  
27 are provided to eligible clients as identified by the department or  
28 its third party administrator. The authority shall not increase  
29 general fund—state expenditures under this initiative. The director  
30 shall report to the joint select committee on health care oversight  
31 no less than quarterly on financial and health outcomes. The director  
32 shall also report to the fiscal committees of the legislature all of  
33 the expenditures of this subsection and shall provide such fiscal  
34 data in the time, manner, and form requested by the legislative  
35 fiscal committees.

36 (5) The authority shall submit an application to the centers for  
37 medicare and medicaid services to renew the 1115 demonstration waiver  
38 for an additional five years as described in subsections (2), (3),  
39 and (4) of this section. The authority may not accept or expend any

1 federal funds received under an 1115 demonstration waiver except as  
2 described in this section unless the legislature has appropriated the  
3 federal funding. To ensure compliance with legislative requirements  
4 and terms and conditions of the waiver, the authority shall implement  
5 the renewal of the 1115 demonstration waiver and reporting  
6 requirements with oversight from the office of financial management.  
7 The legislature finds that appropriate management of the renewal of  
8 the 1115 demonstration waiver as set forth in subsections (6), (7),  
9 and (8) of this section requires sound, consistent, timely, and  
10 transparent oversight and analytic review in addition to lack of  
11 redundancy with other established measures. The patient must be  
12 considered first and foremost in the implementation and execution of  
13 the demonstration waiver. To accomplish these goals, the authority  
14 shall develop consistent performance measures that focus on  
15 population health and health outcomes. The authority shall limit the  
16 number of projects that accountable communities of health may  
17 participate in under initiative 1 to a maximum of six and shall seek  
18 to develop common performance measures when possible. The joint  
19 select committee on health care oversight will evaluate the measures  
20 chosen: (a) For effectiveness and appropriateness; and (b) to provide  
21 patients and health care providers with significant input into the  
22 implementation of the demonstration waiver to promote improved  
23 population health and patient health outcomes. In cooperation with  
24 the department of social and health services, the authority shall  
25 consult with and provide notification of work on applications for  
26 federal waivers, including details on waiver duration, financial  
27 implications, and potential future impacts on the state budget to the  
28 joint select committee on health care oversight prior to submitting  
29 these waivers for federal approval. Prior to final approval or  
30 acceptance of funds by the authority, the authority shall submit the  
31 special terms and conditions as submitted to the centers for medicare  
32 and medicaid services and the anticipated budget for the duration of  
33 the renewed waiver to the governor, the joint select committee on  
34 health care, and the fiscal committees of the legislature. By federal  
35 standard any programs created or funded by this waiver do not create  
36 an entitlement. The demonstration period for the waiver as described  
37 in subsections (6), (7), and (8) of this section begins January 1,  
38 2023.

39 (6) (a) \$32,432,000 of the general fund—federal appropriation and  
40 \$40,296,000 of the general fund—local appropriation are provided

1 solely for accountable communities of health described in initiative  
2 1 of the 1115 demonstration waiver and this is the maximum amount  
3 that may be expended for this purpose. In renewing this initiative,  
4 the authority shall consider local input regarding community needs  
5 and shall limit total local projects to no more than six. To provide  
6 transparency to the appropriate fiscal committees of the legislature,  
7 the authority shall provide fiscal staff of the legislature query  
8 ability into any database of the fiscal intermediary that authority  
9 staff would be authorized to access. The authority shall not  
10 supplement the amounts provided in this subsection with any general  
11 fund—state moneys appropriated in this section or any moneys that may  
12 be transferred pursuant to subsection (1) of this section. The  
13 director shall report to the fiscal committees of the legislature all  
14 expenditures under this subsection and provide such fiscal data in  
15 the time, manner, and form requested by the legislative fiscal  
16 committees.

17 (b) \$110,778,000 of the general fund—federal appropriation and  
18 \$45,248,000 of the general fund—private/local appropriation are  
19 provided solely for the medicaid quality improvement program and this  
20 is the maximum amount that may be expended for this purpose. Medicaid  
21 quality improvement program payments do not count against the 1115  
22 demonstration waiver spending limits and are excluded from the  
23 waiver's budget neutrality calculation. The authority may provide  
24 medicaid quality improvement program payments to apple health managed  
25 care organizations and their partnering providers as they meet  
26 designated milestones. Partnering providers and apple health managed  
27 care organizations must work together to achieve medicaid quality  
28 improvement program goals according to the performance period  
29 timelines and reporting deadlines as set forth by the authority. The  
30 authority may only use the medicaid quality improvement program to  
31 support initiatives 1, 2, and 3 as described in the 1115  
32 demonstration waiver and may not pursue its use for other purposes.  
33 Any programs created or funded by the medicaid quality improvement  
34 program do not constitute an entitlement for clients or providers.  
35 The authority shall not supplement the amounts provided in this  
36 subsection with any general fund—state, general fund—federal, or  
37 general fund—local moneys appropriated in this section or any moneys  
38 that may be transferred pursuant to subsection (1) of this section.  
39 The director shall report to the joint select committee on health

1 care oversight not less than quarterly on financial and health  
2 outcomes. The director shall report to the fiscal committees of the  
3 legislature all expenditures under this subsection and shall provide  
4 such fiscal data in the time, manner, and form requested by the  
5 legislative fiscal committees.

6 (c) In collaboration with the accountable communities of health,  
7 the authority will submit a report to the governor and the joint  
8 select committee on health care oversight describing how each of the  
9 accountable community of health's work aligns with the community  
10 needs assessment no later than December 1, 2022.

11 (d) Performance measures and payments for accountable communities  
12 of health shall reflect accountability measures that demonstrate  
13 progress toward transparent, measurable, and meaningful goals that  
14 have an impact on improved population health and improved health  
15 outcomes, including a path to financial sustainability. While these  
16 goals may have variation to account for unique community  
17 demographics, measures should be standardized when possible.

18 (7) \$19,902,000 of the general fund—federal appropriation and  
19 \$19,903,000 of the general fund—local appropriation are provided  
20 solely for long-term support services as described in initiative 2 of  
21 the 1115 demonstration waiver as well as administrative expenses for  
22 initiative 3 and this is the maximum amount that may be expended for  
23 this purpose. The authority shall contract with and provide funding  
24 to the department of social and health services to administer  
25 initiative 2. The director in cooperation with the secretary of the  
26 department of social and health services shall report to the office  
27 of financial management all of the expenditures of this section and  
28 shall provide such fiscal data in the time, manner, and form  
29 requested. The authority shall not supplement the amounts provided in  
30 this subsection with any general fund—state moneys appropriated in  
31 this section or any moneys that may be transferred pursuant to  
32 subsection (1) of this section.

33 (8) (a) \$13,235,000 of the general fund—federal appropriation and  
34 \$7,318,000 of the general fund—local appropriation are provided  
35 solely for supported housing and employment services described in  
36 initiative 3a and 3b of the 1115 demonstration waiver and this is the  
37 maximum amount that may be expended for this purpose. Under this  
38 initiative, the authority and the department of social and health  
39 services shall ensure that allowable and necessary services are

1 provided to eligible clients as identified by the department or its  
2 third-party administrator. The authority and the department, in  
3 consultation with the medicaid forecast work group, shall ensure that  
4 reasonable reimbursements are established for services deemed  
5 necessary within an identified limit per individual. The authority  
6 shall not supplement the amounts provided in this subsection with any  
7 general fund—state moneys appropriated in this section or any moneys  
8 that may be transferred pursuant to subsection (1) of this section.  
9 The director shall report to the joint select committee on health  
10 care oversight no less than quarterly on financial and health  
11 outcomes. The director shall also report to the fiscal committees of  
12 the legislature all of the expenditures of this subsection and shall  
13 provide such fiscal data in the time, manner, and form requested by  
14 the legislative fiscal committees.

15 (b) The authority and the department shall seek additional  
16 flexibilities for housing supports through the centers for medicare  
17 and medicaid services and shall coordinate with the office of  
18 financial management and the department of commerce to ensure that  
19 services are not duplicated.

20 (c) The director shall report to the joint select committee on  
21 health care oversight no less than quarterly on utilization and  
22 caseload statistics for both supportive housing and employment  
23 services and its progress toward increasing uptake and availability  
24 for these services.

25 (9) \$202,000 of the general fund—state appropriation for fiscal  
26 year 2023 is provided solely for supported employment services and  
27 \$208,000 of the general fund—state appropriation for fiscal year 2023  
28 is provided solely for supported housing services, similar to the  
29 services described in initiatives 3a and 3b of the 1115 demonstration  
30 waiver to individuals who are ineligible for medicaid. Under these  
31 initiatives, the authority and the department of social and health  
32 services shall ensure that allowable and necessary services are  
33 provided to eligible clients as identified by the authority or its  
34 third-party administrator. Before authorizing services, eligibility  
35 for initiative 3a or 3b of the 1115 demonstration waiver must first  
36 be determined.

37 (10) The authority shall submit a plan to preserve the waiver  
38 that allows for the full cost of stays in institutions for mental

1 diseases to be included in managed care rates by November 1, 2021, to  
2 the appropriate committees of the legislature.

3 (11) The authority shall submit a plan to preserve the waiver  
4 allowing for full federal financial participation for medical clients  
5 in mental health facilities classified as institutions for mental  
6 diseases by November 1, 2021, to the appropriate committees of the  
7 legislature.

8 (12) Sufficient amounts are appropriated in this subsection to  
9 implement the medicaid expansion as defined in the social security  
10 act, section 1902(a)(10)(A)(i)(VIII).

11 (13) The legislature finds that medicaid payment rates, as  
12 calculated by the health care authority pursuant to the  
13 appropriations in this act, bear a reasonable relationship to the  
14 costs incurred by efficiently and economically operated facilities  
15 for providing quality services and will be sufficient to enlist  
16 enough providers so that care and services are available to the  
17 extent that such care and services are available to the general  
18 population in the geographic area. The legislature finds that the  
19 cost reports, payment data from the federal government, historical  
20 utilization, economic data, and clinical input constitute reliable  
21 data upon which to determine the payment rates.

22 (14) Based on quarterly expenditure reports and caseload  
23 forecasts, if the health care authority estimates that expenditures  
24 for the medical assistance program will exceed the appropriations,  
25 the health care authority shall take steps including but not limited  
26 to reduction of rates or elimination of optional services to reduce  
27 expenditures so that total program costs do not exceed the annual  
28 appropriation authority.

29 (15) In determining financial eligibility for medicaid-funded  
30 services, the health care authority is authorized to disregard  
31 recoveries by Holocaust survivors of insurance proceeds or other  
32 assets, as defined in RCW 48.104.030.

33 (16) The legislature affirms that it is in the state's interest  
34 for Harborview medical center to remain an economically viable  
35 component of the state's health care system.

36 (17) When a person is ineligible for medicaid solely by reason of  
37 residence in an institution for mental diseases, the health care  
38 authority shall provide the person with the same benefits as he or  
39 she would receive if eligible for medicaid, using state-only funds to  
40 the extent necessary.

1 (18) \$3,733,000 of the general fund—state appropriation for  
2 fiscal year 2022, \$4,261,000 of the general fund—state appropriation  
3 for fiscal year 2023, and \$9,050,000 of the general fund—federal  
4 appropriation are provided solely for low-income disproportionate  
5 share hospital payments.

6 (19) Within the amounts appropriated in this section, the health  
7 care authority shall provide disproportionate share hospital payments  
8 to hospitals that provide services to children in the children's  
9 health program who are not eligible for services under Title XIX or  
10 XXI of the federal social security act due to their citizenship  
11 status.

12 (20) \$7,000,000 of the general fund—federal appropriation is  
13 provided solely for supplemental payments to nursing homes operated  
14 by public hospital districts. The public hospital district shall be  
15 responsible for providing the required nonfederal match for the  
16 supplemental payment, and the payments shall not exceed the maximum  
17 allowable under federal rules. It is the legislature's intent that  
18 the payments shall be supplemental to and shall not in any way offset  
19 or reduce the payments calculated and provided in accordance with  
20 part E of chapter 74.46 RCW. It is the legislature's further intent  
21 that costs otherwise allowable for rate-setting and settlement  
22 against payments under chapter 74.46 RCW shall not be disallowed  
23 solely because such costs have been paid by revenues retained by the  
24 nursing home from these supplemental payments. The supplemental  
25 payments are subject to retrospective interim and final cost  
26 settlements based on the nursing homes' as-filed and final medicare  
27 cost reports. The timing of the interim and final cost settlements  
28 shall be at the health care authority's discretion. During either the  
29 interim cost settlement or the final cost settlement, the health care  
30 authority shall recoup from the public hospital districts the  
31 supplemental payments that exceed the medicaid cost limit and/or the  
32 medicare upper payment limit. The health care authority shall apply  
33 federal rules for identifying the eligible incurred medicaid costs  
34 and the medicare upper payment limit.

35 (21) The health care authority shall continue the inpatient  
36 hospital certified public expenditures program for the 2021-2023  
37 fiscal biennium. The program shall apply to all public hospitals,  
38 including those owned or operated by the state, except those  
39 classified as critical access hospitals or state psychiatric

1 institutions. The health care authority shall submit reports to the  
2 governor and legislature by November 1, 2021, and by November 1,  
3 2022, that evaluate whether savings continue to exceed costs for this  
4 program. If the certified public expenditures (CPE) program in its  
5 current form is no longer cost-effective to maintain, the health care  
6 authority shall submit a report to the governor and legislature  
7 detailing cost-effective alternative uses of local, state, and  
8 federal resources as a replacement for this program. During fiscal  
9 year 2022 and fiscal year 2023, hospitals in the program shall be  
10 paid and shall retain one hundred percent of the federal portion of  
11 the allowable hospital cost for each medicaid inpatient fee-for-  
12 service claim payable by medical assistance and one hundred percent  
13 of the federal portion of the maximum disproportionate share hospital  
14 payment allowable under federal regulations. For the purpose of  
15 determining the amount of any state grant under this subsection,  
16 payments will include the federal portion of medicaid program  
17 supplemental payments received by the hospitals. Inpatient medicaid  
18 payments shall be established using an allowable methodology that  
19 approximates the cost of claims submitted by the hospitals. Payments  
20 made to each hospital in the program in each fiscal year of the  
21 biennium shall be compared to a baseline amount. The baseline amount  
22 will be determined by the total of (a) the inpatient claim payment  
23 amounts that would have been paid during the fiscal year had the  
24 hospital not been in the CPE program based on the reimbursement rates  
25 developed, implemented, and consistent with policies approved in the  
26 2021-2023 biennial operating appropriations act and in effect on July  
27 1, 2015, (b) one-half of the indigent assistance disproportionate  
28 share hospital payment amounts paid to and retained by each hospital  
29 during fiscal year 2005, and (c) all of the other disproportionate  
30 share hospital payment amounts paid to and retained by each hospital  
31 during fiscal year 2005 to the extent the same disproportionate share  
32 hospital programs exist in the 2019-2021 fiscal biennium. If payments  
33 during the fiscal year exceed the hospital's baseline amount, no  
34 additional payments will be made to the hospital except the federal  
35 portion of allowable disproportionate share hospital payments for  
36 which the hospital can certify allowable match. If payments during  
37 the fiscal year are less than the baseline amount, the hospital will  
38 be paid a state grant equal to the difference between payments during  
39 the fiscal year and the applicable baseline amount. Payment of the  
40 state grant shall be made in the applicable fiscal year and

1 distributed in monthly payments. The grants will be recalculated and  
2 redistributed as the baseline is updated during the fiscal year. The  
3 grant payments are subject to an interim settlement within eleven  
4 months after the end of the fiscal year. A final settlement shall be  
5 performed. To the extent that either settlement determines that a  
6 hospital has received funds in excess of what it would have received  
7 as described in this subsection, the hospital must repay the excess  
8 amounts to the state when requested. \$425,000 of the general fund—  
9 state appropriation for fiscal year 2022 and \$391,000 of the general  
10 fund—state appropriation for fiscal year 2023 are provided solely for  
11 state grants for the participating hospitals.

12 (22) The health care authority shall seek public-private  
13 partnerships and federal funds that are or may become available to  
14 provide on-going support for outreach and education efforts under the  
15 federal children's health insurance program reauthorization act of  
16 2009.

17 (23) The health care authority shall target funding for maternity  
18 support services towards pregnant women with factors that lead to  
19 higher rates of poor birth outcomes, including hypertension, a  
20 preterm or low birth weight birth in the most recent previous birth,  
21 a cognitive deficit or developmental disability, substance abuse,  
22 severe mental illness, unhealthy weight or failure to gain weight,  
23 tobacco use, or African American or Native American race. The health  
24 care authority shall prioritize evidence-based practices for delivery  
25 of maternity support services. To the extent practicable, the health  
26 care authority shall develop a mechanism to increase federal funding  
27 for maternity support services by leveraging local public funding for  
28 those services.

29 (24) The authority shall submit reports to the governor and the  
30 legislature by September 15, 2021, and no later than September 15,  
31 2022, that delineate the number of individuals in medicaid managed  
32 care, by carrier, age, gender, and eligibility category, receiving  
33 preventative services and vaccinations. The reports should include  
34 baseline and benchmark information from the previous two fiscal years  
35 and should be inclusive of, but not limited to, services recommended  
36 under the United States preventative services task force, advisory  
37 committee on immunization practices, early and periodic screening,  
38 diagnostic, and treatment (EPSDT) guidelines, and other relevant  
39 preventative and vaccination medicaid guidelines and requirements.

1 (25) Managed care contracts must incorporate accountability  
2 measures that monitor patient health and improved health outcomes,  
3 and shall include an expectation that each patient receive a wellness  
4 examination that documents the baseline health status and allows for  
5 monitoring of health improvements and outcome measures.

6 (26) Sufficient amounts are appropriated in this section for the  
7 authority to provide an adult dental benefit.

8 (27) The health care authority shall coordinate with the  
9 department of social and health services to provide referrals to the  
10 Washington health benefit exchange for clients that will be  
11 ineligible for medicaid.

12 (28) To facilitate a single point of entry across public and  
13 medical assistance programs, and to maximize the use of federal  
14 funding, the health care authority, the department of social and  
15 health services, and the health benefit exchange will coordinate  
16 efforts to expand HealthPlanfinder access to public assistance and  
17 medical eligibility staff. The health care authority shall complete  
18 medicaid applications in the HealthPlanfinder for households  
19 receiving or applying for medical assistance benefits.

20 (29) \$90,000 of the general fund—state appropriation for fiscal  
21 year 2022, \$90,000 of the general fund—state appropriation for fiscal  
22 year 2023, and \$180,000 of the general fund—federal appropriation are  
23 provided solely to continue operation by a nonprofit organization of  
24 a toll-free hotline that assists families to learn about and enroll  
25 in the apple health for kids program. By November 15, 2022, the  
26 authority shall submit a report to the appropriate committees to the  
27 legislature that provides, at a minimum, information about the number  
28 of calls received by the nonprofit organization in the previous year,  
29 the amount of time spent on each call, comparisons to previous years,  
30 where available, and information about what data is collected related  
31 to this service.

32 (30) Within the amounts appropriated in this section, the  
33 authority shall reimburse for primary care services provided by  
34 naturopathic physicians.

35 (31) Within the amounts appropriated in this section, the  
36 authority shall continue to provide coverage for pregnant teens that  
37 qualify under existing pregnancy medical programs, but whose  
38 eligibility for pregnancy related services would otherwise end due to

1 the application of the new modified adjusted gross income eligibility  
2 standard.

3 (32) Sufficient amounts are appropriated in this section to  
4 remove the mental health visit limit and to provide the shingles  
5 vaccine and screening, brief intervention, and referral to treatment  
6 benefits that are available in the medicaid alternative benefit plan  
7 in the classic medicaid benefit plan.

8 (33) The authority shall use revenue appropriated from the  
9 dedicated marijuana fund for contracts with community health centers  
10 under RCW 69.50.540 in lieu of general fund—state payments to  
11 community health centers for services provided to medical assistance  
12 clients, and it is the intent of the legislature that this policy  
13 will be continued in subsequent fiscal biennia.

14 (34) Beginning no later than January 1, 2018, for any service  
15 eligible under the medicaid state plan for encounter payments,  
16 managed care organizations at the request of a rural health clinic  
17 shall pay the full published encounter rate directly to the clinic.  
18 At no time will a managed care organization be at risk for or have  
19 any right to the supplemental portion of the claim. Payments will be  
20 reconciled on at least an annual basis between the managed care  
21 organization and the authority, with final review and approval by the  
22 authority.

23 (35) Sufficient amounts are appropriated in this section for the  
24 authority to provide a medicaid equivalent adult dental benefit to  
25 clients enrolled in the medical care service program.

26 (36) During the 2021-2023 fiscal biennium, sufficient amounts are  
27 provided in this section for the authority to provide services  
28 identical to those services covered by the Washington state family  
29 planning waiver program as of August 2018 to individuals who:

- 30 (a) Are over nineteen years of age;  
31 (b) Are at or below two hundred and sixty percent of the federal  
32 poverty level as established in WAC 182-505-0100;  
33 (c) Are not covered by other public or private insurance; and  
34 (d) Need family planning services and are not currently covered  
35 by or eligible for another medical assistance program for family  
36 planning.

37 (37) Sufficient amounts are appropriated within this section for  
38 the authority to incorporate the expected outcomes and criteria to  
39 measure the performance of service coordination organizations as  
40 provided in chapter 70.320 RCW into contracts with managed care

1 organizations that provide services to clients. The authority is  
2 directed to:

3 (a) Contract with an external quality improvement organization to  
4 annually analyze the performance of managed care organizations  
5 providing services to clients under this chapter based on seven  
6 performance measures. The analysis required under this subsection  
7 must:

8 (i) Measure managed care performance in four common measures  
9 across each managed care organization, including:

10 (A) At least one common measure must be weighted towards having  
11 the potential to impact managed care costs; and

12 (B) At least one common measure must be weighted towards  
13 population health management, as defined by the measure; and

14 (ii) Measure managed care performance in an additional three  
15 quality focus performance measures specific to a managed care  
16 organization. Quality focus performance measures chosen by the  
17 authority must:

18 (A) Be chosen from the statewide common measure set;

19 (B) Reflect specific measures where a managed care organization  
20 has poor performance; and

21 (C) Be substantive and clinically meaningful in promoting health  
22 status.

23 (b) The authority shall set the four common measures to be  
24 analyzed across all managed care organizations.

25 (c) The authority shall set three quality focus performance  
26 measures specific to each managed care organization. The authority  
27 must determine performance measures for each managed care  
28 organization based on the criteria established in (a)(ii) of this  
29 subsection.

30 (d) By September 15, 2021, and annually thereafter, the authority  
31 shall notify each managed care organization of the performance  
32 measures for the organization for the subsequent plan year.

33 (e) Two percent of the total plan year funding appropriated to  
34 each managed care organization that provides services to clients  
35 under chapter 70.320 RCW shall be withheld. At least seventy-five  
36 percent of the withhold shall be held contingent on each managed care  
37 organization's performance on the seven performance measures  
38 identified in this section. Each managed care organization may earn  
39 back the annual withhold if the external quality improvement  
40 organization finds that the managed care organization:

1 (i) Made statistically significant improvement in the seven  
2 performance measures as compared to the preceding plan year; or

3 (ii) Scored in the top national medicaid quartile of the  
4 performance measures.

5 (f) The amount of withhold annually paid to each managed care  
6 organization shall be proportional to findings of statistically  
7 significant improvement or top national medicaid quartile scoring by  
8 a managed care organization.

9 (g) For no more than two of the four quality focus performance  
10 measures, the authority may use an alternate methodology to  
11 approximate top national medicaid quartile performance where top  
12 quartile performance data is unavailable.

13 (h) For the purposes of this subsection, "external quality  
14 improvement organization" means an organization that meets the  
15 competence and independence requirements under 42 C.F.R. Sec.  
16 438.354, as it existed on the effective date of this section.

17 (38)(a) The authority shall ensure that appropriate resources are  
18 dedicated to implementing the recommendations of the centers for  
19 medicare and medicaid services center for program integrity as  
20 provided to the authority in the January 2019 Washington focused  
21 program integrity review final report. Additionally, the authority  
22 shall:

23 (i) Work to ensure the efficient operations of the managed care  
24 plans, including but not limited to, a deconflicting process for  
25 audits with and among the managed care plans and the medicaid fraud  
26 division at the attorney general's office, to ensure the authority  
27 staff perform central audits of cases that appear across multiple  
28 managed care plans, versus the audits performed by the individual  
29 managed care plans or the fraud division; and

30 (ii) Remain accountable for operating in an effective and  
31 efficient manner, including performing program integrity activities  
32 that ensure high value in the medical assistance program in general  
33 and in medicaid managed care specifically;

34 (A) Work with its contracted actuary and the medicaid forecast  
35 work group to develop methods and metrics related to managed care  
36 program integrity activity that shall be incorporated into annual  
37 rate setting; and

38 (B) Work with the medicaid forecast work group to ensure the  
39 results of program integrity activity are incorporated into the rate

1 setting process in a transparent, timely, measurable, quantifiable  
2 manner.

3 (b) The authority shall submit a report to the governor and  
4 appropriate committees of the legislature by October 1, 2021, that  
5 includes, but is not limited to:

6 (i) Specific, quantified actions that have been taken, to date,  
7 related to the recommendations of the centers for medicare and  
8 medicaid services center for program integrity as provided to the  
9 authority in the January 2019 Washington focused program integrity  
10 review final report; and

11 (ii) Specific, quantified information regarding the steps taken  
12 toward (a)(i), (iii), and (iv) of this subsection.

13 (39) No later than December 31, 2021, the health care authority,  
14 in partnership with the department of social and health services as  
15 described in section 204(16) of this act, shall submit a waiver  
16 request to the federal department of health and human services to  
17 authorize presumptive medicaid eligibility determinations for clients  
18 preparing for acute care hospital discharge who may need long-term  
19 services and supports. The department and the authority shall hold  
20 stakeholder discussions, including opportunities for public review  
21 and comment, during development of the waiver request. Upon  
22 submission of the waiver request, the department and the authority  
23 shall submit a report to the governor and the appropriate legislative  
24 committees that describes the request and identifies any statutory  
25 changes that may be necessary if the federal government approves the  
26 request.

27 (40) \$2,786,000 of the general fund—state appropriation for  
28 fiscal year 2022, \$3,714,000 of the general fund—state appropriation  
29 for fiscal year 2023, and \$11,009,000 of the general fund—federal  
30 appropriation are provided solely to maintain and increase access for  
31 behavioral health services through increased provider rates. The rate  
32 increases are effective October 1, 2021, and must be applied to the  
33 following codes for children and adults enrolled in the medicaid  
34 program: 90832, 90833, 90834, 90837, H0004, H0036, H2015, H2021,  
35 H0023, 90836, 90838, 96156, 96158, 96159, 96164, 96165, 96167, 96168,  
36 96170, 96171, 90845, 90846, 90847, 90849, 90853, 90785, and 90791.  
37 The authority may use a substitute code in the event that any of the  
38 codes identified in this subsection are discontinued and replaced

1 with an updated code covering the same service. Within the amounts  
2 provided in this subsection the authority must:

3 (a) Implement this rate increase in accordance with the process  
4 established in chapter 285, Laws of 2020 (EHB 2584) (behavioral  
5 health rates);

6 (b) Raise the state fee-for-service rates for these codes by up  
7 to 15 percent, except that the state medicaid rate may not exceed the  
8 published medicare rate or an equivalent relative value unit rate if  
9 a published medicare rate is not available;

10 (c) Require in contracts with managed care organizations that,  
11 beginning October 2021, managed care organizations pay no lower than  
12 the fee-for-service rate for these codes, and adjust managed care  
13 capitation rates accordingly; and

14 (d) Not duplicate rate increases provided in subsections (41) and  
15 (42) of this section.

16 (41) \$19,664,000 of the general fund—state appropriation for  
17 fiscal year 2022, \$26,218,000 of the general fund—state appropriation  
18 for fiscal year 2023, and \$77,996,000 of the general fund—federal  
19 appropriation are provided solely to maintain and increase access for  
20 primary care services for medicaid-enrolled patients through  
21 increased provider rates beginning October 1, 2021. Within the  
22 amounts provided in this subsection the authority must:

23 (a) Increase the medical assistance rates for adult primary care  
24 services that are reimbursed solely at the existing medical  
25 assistance rates on a fee-for-service basis, as well as through  
26 managed care plans, by at least 15 percent above medical assistance  
27 rates in effect on January 1, 2019;

28 (b) Increase the medical assistance rates for pediatric primary  
29 care services that are reimbursed solely at the existing medical  
30 assistance rates on a fee-for-service basis, as well as through  
31 managed care plans, by at least 21 percent above medical assistance  
32 rates in effect on January 1, 2019;

33 (c) Increase the medical assistance rates for pediatric critical  
34 care, neonatal critical care, and neonatal intensive care services  
35 that are reimbursed solely at the existing medical assistance rates  
36 on a fee-for-service basis, as well as through managed care plans, by  
37 at least 21 percent above medical assistance rates in effect on  
38 January 1, 2019;

1 (d) Apply reimbursement rates required under this subsection to  
2 payment codes in a manner consistent with the temporary increase in  
3 medicaid reimbursement rates under federal rules and guidance in  
4 effect on January 1, 2014, implementing the patient protection and  
5 affordable care act, except that the authority may not require  
6 provider attestations;

7 (e) Pursue state plan amendments to require medicaid managed care  
8 organizations to increase rates under this subsection through  
9 adoption of a uniform percentage increase for network providers  
10 pursuant to 42 C.F.R. Sec. 438.6(c)(1)(iii)(B), as existing on  
11 January 1, 2019; and

12 (f) Not duplicate rate increases provided in subsections (40) and  
13 (42) of this section.

14 (42) \$2,233,000 of the general fund—state appropriation for  
15 fiscal year 2022, \$2,977,000 of the general fund—state appropriation  
16 for fiscal year 2023, and \$10,871,000 of the general fund—federal  
17 appropriation are provided solely to increase provider rates to  
18 maintain and increase access for family planning services for  
19 patients seeking services through department of health sexual and  
20 reproductive health program family planning providers. The rate  
21 increases are effective October 1, 2021, and must be applied to the  
22 following codes for eligible apple health and family planning only  
23 clients seeking services through department of health sexual and  
24 reproductive health program providers: 36415, 36416, 55250, 57170,  
25 58340, 58600, 58605, 58611, 58615, 58670, 58671, 59840, 59841, 59850,  
26 59851, 59852, 59855, 59856, 59857, 76817, 81025, 84702, 84703, 86631,  
27 86632, 86901, 87110, 87270, 87320, 87490, 87491, 87590, 87591, 87624,  
28 87625, 87800, 87810, 88141, 88142, 88143, 88147, 88148, 88150, 88152,  
29 88153, 88164, 88165, 88166, 88167, 88174, 88175, 96372, 99071, 99201,  
30 99202, 99203, 99204, 99211, 99212, 99213, 99214, 99384, 99385, 99386,  
31 99394, 99395, 99396, 99401, and S0199. The authority may use a  
32 substitute code if any of the codes identified in this subsection are  
33 discontinued and replaced with an updated code covering the same  
34 service. Within the amounts provided in this subsection the authority  
35 must:

36 (a) Increase the family planning rates for services that are  
37 included on and reimbursed solely at the existing family planning fee  
38 schedule on a fee-for-service basis, as well as through managed care

1 plans, by at least 162 percent above family planning fee schedule  
2 rates in effect on January 1, 2021;

3 (b) Pursue state plan amendments to require medicaid managed care  
4 organizations to increase rates under this subsection through  
5 adoption of a uniform percentage increase for network providers  
6 pursuant to 42 C.F.R. Sec. 438.6(c)(1)(iii)(B), as existing on  
7 January 1, 2021; and

8 (c) Not duplicate rate increases provided in subsections (40) and  
9 (41) of this section.

10 (43)(a) Beginning with fiscal year 2020, and for each subsequent  
11 year thereafter, the authority shall reconcile on an annual basis  
12 with rural health clinics.

13 (b) Beginning with fiscal year 2020, and for each subsequent year  
14 thereafter, the authority shall properly accrue for any anticipated  
15 reconciliations with rural health clinics during the fiscal year  
16 close process following generally accepted accounting practices.

17 (44)(a) The authority in collaboration with the office of  
18 financial management and representatives from fiscal committees of  
19 the legislature shall conduct an evaluation of the APM4 model to  
20 determine its cost effectiveness and impact on patient outcomes and  
21 report its findings and recommendations to the appropriate committees  
22 of the legislature by November 15, 2022.

23 (b) The authority shall not enter into any future value-based  
24 arrangements with federally qualified health centers or rural health  
25 clinics prior to receiving approval from the office of financial  
26 management and the appropriate committees of the legislature.

27 (c) The authority shall not modify the reconciliation process or  
28 the APM4 program with federally qualified health centers or rural  
29 health clinics without notification to and the opportunity to comment  
30 from the office of financial management.

31 (d) The authority shall require all managed care organizations to  
32 provide information to the authority to account for all payments to  
33 federally qualified health centers to include how payments are made,  
34 including any additional payments and whether there is a sub-  
35 capitation arrangement or value-based purchasing arrangement.

36 (e) Beginning with fiscal year 2021 and for each subsequent year  
37 thereafter, the authority shall reconcile on an annual basis with  
38 federally qualified health centers contracting under APM4.

39 (f) Beginning with fiscal year 2021 and for each subsequent year  
40 thereafter, the authority shall properly accrue for any anticipated

1 reconciliations with federally qualified health centers contracting  
2 under APM4 during the fiscal year close process following generally  
3 accepted accounting practices.

4 (45) Within the amounts appropriated in this section, the  
5 authority is to include allergen control bed and pillow covers as  
6 part of the durable medical equipment benefit for children with an  
7 asthma diagnosis enrolled in medical assistance programs.

8 (46) Within the amounts appropriated in this section, the  
9 authority shall reimburse for maternity services provided by doulas.

10 (47) \$60,000 of the general fund—state appropriation for fiscal  
11 year 2022 and \$60,000 of the general fund—federal appropriation are  
12 provided solely for evaluation of the Washington rural health access  
13 preservation pilot program.

14 (48) \$160,000 of the general fund—state appropriation for fiscal  
15 year 2022 and \$1,440,000 of the general fund—federal appropriation  
16 are provided solely for health care interoperability costs and are  
17 subject to the conditions, limitations, and review provided in  
18 section 701 of this act.

19 (49) \$275,000 of the general fund—state appropriation for fiscal  
20 year 2022, \$160,000 of the general fund—state appropriation for  
21 fiscal year 2023, and \$3,913,000 of the general fund—federal  
22 appropriation are provided solely for modular replacement costs of  
23 the ProviderOne pharmacy point of sale system and are subject to the  
24 conditions, limitations, and review provided in section 701 of this  
25 act.

26 (50) \$484,000 of the general fund—state appropriation for fiscal  
27 year 2022 and \$466,000 of the general fund—state appropriation for  
28 fiscal year 2023 are provided solely to implement Engrossed Second  
29 Substitute Senate Bill No. 5399 (universal health care commission).

30 (51) \$654,000 of the general fund—state appropriation for fiscal  
31 year 2022, \$655,000 of the general fund—state appropriation for  
32 fiscal year 2023, and \$2,154,000 of the general fund—federal  
33 appropriation are provided solely for the authority to increase the  
34 nonemergency medical transportation broker administrative rate to  
35 ensure access to health care services for medicaid patients.

36 (52) \$1,715,000 of the general fund—state appropriation for  
37 fiscal year 2022, \$1,804,000 of the general fund—state appropriation  
38 for fiscal year 2023, and \$6,647,000 of the general fund—federal  
39 appropriation are provided solely to increase the rates paid to rural

1 hospitals that meet the criteria in (a) through (e) of this  
2 subsection. Payments for state and federal medical assistance  
3 programs for services provided by such a hospital, regardless of the  
4 beneficiary's managed care enrollment status, must be increased to  
5 150 percent of the hospital's fee-for-service rates. The authority  
6 must discontinue this rate increase after June 30, 2023, and return  
7 to the payment levels and methodology for these hospitals that were  
8 in place as of January 1, 2018. Hospitals participating in the  
9 certified public expenditures program may not receive increased  
10 reimbursement for inpatient services. Hospitals qualifying for this  
11 rate increase must:

12 (a) Be certified by the centers for medicare and medicaid  
13 services as sole community hospitals as of January 1, 2013;

14 (b) Have had less than 150 acute care licensed beds in fiscal  
15 year 2011;

16 (c) Have a level III adult trauma service designation from the  
17 department of health as of January 1, 2014;

18 (d) Be owned and operated by the state or a political  
19 subdivision; and

20 (e) Accept single bed certification patients pursuant to RCW  
21 71.05.745 by July 1, 2022. If the hospitals qualifying for this rate  
22 increase do not accept single bed certification patients by July 1,  
23 2022, the authority must discontinue this rate increase after October  
24 1, 2022, and must return to the payment levels and methodology for  
25 these hospitals that were in place as of January 1, 2018.

26 (53) \$100,000 of the general fund—state appropriation for fiscal  
27 year 2022, \$100,000 of the general fund—state appropriation for  
28 fiscal year 2023, and \$200,000 of the general fund—federal  
29 appropriation are provided solely for pass through funding for a  
30 citizens of the compact of free association (COFA) community  
31 member led organization through a Washington state based organization  
32 contract as outlined in RCW 43.71A.030 to provide additional supports  
33 to COFA community members statewide who are seeking access to health  
34 coverage and health care services. The amounts provided in this  
35 subsection for fiscal year 2022 must be distributed no later than  
36 October 1, 2021. The amounts provided in this subsection for fiscal  
37 year 2023 must be distributed no later than October 1, 2022.

38 (54) The authority shall collaborate with the Washington state  
39 LGBTQ commission, the department of health, advocates for people

1 living with HIV in Washington, consumers, and medical professionals  
2 with expertise in serving the medicaid population living with HIV, to  
3 consider and develop recommendations regarding:

4 (a) Access to HIV antiretroviral drugs on the medicaid drug  
5 formulary, including short- and long-term fiscal implications of  
6 eliminating current prior authorization and fail-first requirements;

7 (b) Impact of drug access on public health and the statewide goal  
8 of reducing HIV transmissions; and

9 (c) Maximizing pharmaceutical drug rebates for HIV antiretroviral  
10 drugs.

11 (55) \$22,000 of the general fund—state appropriation for fiscal  
12 year 2022, \$22,000 of the general fund—state appropriation for fiscal  
13 year 2023, and \$134,000 of the general fund—federal appropriation are  
14 provided solely to implement Substitute Senate Bill No. 5157  
15 (behavioral disorders/justice).

16 (56) Within the amounts appropriated in this section, the  
17 authority shall extend the oral health connections pilot project in  
18 Spokane, Thurston, and Cowlitz counties. The authority shall continue  
19 to work in collaboration with a state-based oral health foundation to  
20 jointly develop and implement the program. The purpose of the pilot  
21 is to test the effect that enhanced dental benefits for medicaid  
22 clients with diabetes and pregnant clients have on access to dental  
23 care, health outcomes, and medical care costs. The pilot program must  
24 continue to include enhanced reimbursement rates for participating  
25 dental providers, including denturists licensed under chapter 18.30  
26 RCW, and an increase in the allowable number of periodontal  
27 treatments to up to four per calendar year. The authority has the  
28 option of extending pilot program eligibility to dually eligible  
29 medicaid clients who are diabetic or pregnant and to pregnant  
30 medicaid clients under the age of 20. The authority has the option of  
31 adjusting the pilot program benefit design and fee schedule based on  
32 previous findings, within amounts appropriated in this section.  
33 Diabetic or pregnant medicaid clients who are receiving dental care  
34 within the pilot regions, regardless of location of the service  
35 within the pilot regions, are eligible for the increased number of  
36 periodontal treatments. The state-based oral health foundation shall  
37 continue to partner with the authority and provide wraparound  
38 services to link patients to care. The authority and foundation shall  
39 provide a joint report to the appropriate committees of the

1 legislature on October 1, 2021, outlining the findings of the  
2 original three-year pilot program, and on December 1, 2022, outlining  
3 the progress of the extended pilot program.

4 (57) (a) \$200,000 of the general fund—state appropriation for  
5 fiscal year 2022 and \$200,000 of the general fund—federal  
6 appropriation are provided solely for contracting with the office of  
7 equity to implement chapter 293, Laws of 2020 (baby, child dentistry  
8 access). By November 15, 2021, the authority shall submit a report to  
9 the appropriate committees to the legislature describing its progress  
10 implementing chapter 293, Laws of 2020 (baby, child dentistry access)  
11 and chapter 242, Laws of 2020 (access to baby and child dentistry for  
12 children with disabilities).

13 (b) \$200,000 of the general fund—state appropriation for fiscal  
14 year 2023 and \$200,000 of the general fund—federal appropriation are  
15 provided solely for the authority to contract with access to baby and  
16 child dentistry local programs for the purpose of maintaining and  
17 expanding capacity for local program coordinators. The goals of this  
18 contracting include, but are not limited to, reducing racial and  
19 ethnic disparities in access to care and oral health outcomes,  
20 increasing the percentage of medicaid-enrolled children under the age  
21 of two accessing dental care, and continued provider engagement and  
22 outreach. The authority may contract with the office of equity and  
23 other statewide and local equity partners to provide training and  
24 identify activities and deliverables.

25 (58) \$75,000 of the general fund—state appropriation for fiscal  
26 year 2022 and \$75,000 of the general fund—federal appropriation are  
27 provided solely for contracting by the health care authority to  
28 further the development and implementation of its Washington primary  
29 care transformation initiative, intended to increase team-based  
30 primary care and the percentage of overall health care spending in  
31 the state devoted to primary care. By October 1, 2021, the authority  
32 must update the legislature on the status of the initiative,  
33 including any fiscal impacts of this initiative, potential  
34 implementation barriers, and needed legislation.

35 (59) Sufficient funds are provided to continue reimbursing dental  
36 health aid therapists for services performed in tribal facilities for  
37 medicaid clients. The authority must leverage any federal funding  
38 that may become available as a result of appeal decisions from the

1 centers for medicare and medicaid services or the United States court  
2 of appeals for the ninth circuit.

3 (60) \$149,000 of the general fund—state appropriation for fiscal  
4 year 2022 and \$140,000 of the general fund—state appropriation for  
5 fiscal year 2023 are provided solely to implement Engrossed Second  
6 Substitute Senate Bill No. 5377 (standardized health plans).

7 (61) Within the amount appropriated within this section, the  
8 authority shall implement the requirements of Substitute Senate Bill  
9 No. 5068 (postpartum period/medicaid) and the American rescue plan  
10 act of 2021, P.L. 117-2, in extending health care coverage during the  
11 postpartum period. The authority shall make every effort to expedite  
12 and complete eligibility determinations for individuals who are  
13 likely eligible to receive health care coverage under Title XIX or  
14 Title XXI of the federal social security act to ensure the state is  
15 receiving maximum federal match. This includes, but is not limited  
16 to, working with managed care organizations to provide continuous  
17 outreach in various modalities until the individual's eligibility  
18 determination is completed. Beginning June 1, 2022, the authority  
19 must submit quarterly reports to the caseload forecast work group on  
20 the number of individuals who are likely eligible to receive health  
21 care coverage under Title XIX or Title XXI of the federal social  
22 security act but are waiting for the authority to complete  
23 eligibility determination, the number of individuals who were likely  
24 eligible but are now receiving health care coverage with the maximum  
25 federal match under Title XIX or Title XXI of the federal social  
26 security act, and outreach activities including the work with managed  
27 care organizations.

28 (62) \$10,695,000 of the general fund—state appropriation for  
29 fiscal year 2022, \$10,695,000 of the general fund—state appropriation  
30 for fiscal year 2023, and \$54,656,000 of the general fund—federal  
31 appropriation are provided solely to maintain and increase access for  
32 adult dental services for medicaid enrolled patients through  
33 increased provider rates beginning July 1, 2021. Within the amounts  
34 provided in this subsection, the authority must increase the medical  
35 assistance rates for adult dental services that are reimbursed solely  
36 at the existing medical assistance rates on a fee-for-service basis  
37 up to 100 percent above medical assistance rates in effect on January  
38 1, 2019.

1 (63) \$551,000 of the general fund—state appropriation for fiscal  
2 year 2022, \$770,000 of the general fund—state appropriation for  
3 fiscal year 2023, and \$3,288,000 of the general fund—federal  
4 appropriation are provided solely for the implementation of Second  
5 Substitute Senate Bill No. 5195 (opioid overdose medication).

6 (64) The authority must claim the enhanced federal medical  
7 assistance participation rate for home and community-based services  
8 offered under section 9817 of the American rescue plan act of 2021  
9 (ARPA). Appropriations made that constitute supplementation of home  
10 and community-based services as defined in section 9817 of ARPA are  
11 listed in the LEAP omnibus document HCBS-2021.

12 (65) \$250,000 of the general fund—state appropriation for fiscal  
13 year 2022 and \$250,000 of the general fund—state appropriation for  
14 fiscal year 2023 are provided solely for the authority to continue a  
15 public-private partnership with a state-based oral health foundation  
16 to connect medicaid patients to dental services and reduce barriers  
17 to accessing care. The authority shall submit a progress report to  
18 the appropriate committees of the legislature by June 30, 2022.

19 (66)(a) \$35,000,000 of the coronavirus state fiscal recovery fund  
20 —federal appropriation is provided solely for the authority to  
21 distribute grants for the provision of health care services for  
22 uninsured and underinsured individuals, regardless of immigration  
23 status. Grants provided under this subsection must be used for the  
24 direct care of uninsured and underinsured individuals under 200  
25 percent of the federal poverty level, including on-site care as well  
26 as referrals to and payment for services provided off-site, for:

27 (i) The testing, assessment, or treatment of the severe acute  
28 respiratory syndrome coronavirus 2 (COVID-19), including facility and  
29 provider fees;

30 (ii) Primary and preventive care;

31 (iii) Behavioral health services;

32 (iv) Oral health care;

33 (v) Assessment, treatment, and management of acute or chronic  
34 conditions, including but not limited to the cost of laboratory,  
35 prescription medications, specialty care, therapies, radiology, and  
36 other diagnostics; and

37 (vi) Outreach and education needed to inform patients and  
38 prospective patients that care is available free of charge.

1 (b) To be eligible for a grant under this subsection, a federally  
2 qualified health center, rural health clinic, free clinic, public  
3 hospital district, behavioral health provider or facility, behavioral  
4 health administrative service organization, or community-based  
5 organization must apply for a grant and agree to not:

6 (i) Bill individuals for any portion of the services provided  
7 that involve the use of amounts appropriated in this section; or

8 (ii) Use the amounts provided in this subsection for services for  
9 which other funds are available, such as federal funds from the  
10 families first coronavirus response act and the American rescue plan  
11 act.

12 (c) Grants provided under this subsection may be used to provide  
13 on-site care, care delivered via telehealth, and referrals to and  
14 payments for services provided off-site. Recipients may use funds  
15 distributed in this subsection to reimburse other providers or  
16 facilities for the cost of care. Only free clinics may use grants  
17 provided under this subsection to cover general operating costs,  
18 including staffing, supplies, and equipment purchases.

19 (d) The agency shall employ fund allocation approaches that  
20 engage community residents, organizations, and leaders in identifying  
21 priorities and implementing projects and initiatives that reflect  
22 community values and priorities. At a minimum, this must include  
23 consultation with community health boards and organizations that  
24 advocate for access to health care for uninsured state residents.

25 (e) Recipients of the amounts provided in this subsection must  
26 submit reports to the authority on the use of grant funds, including  
27 data about utilization of services. The authority shall prepare and  
28 post on its website an annual report detailing the amount of funds  
29 disbursed and aggregating information submitted by recipients.

30 (f) The authority may retain no more than three percent of the  
31 amounts provided in this subsection for administrative costs.

32 (g) As used in this subsection, "free clinics" mean private,  
33 nonprofit, community, or faith-based organizations that provide  
34 medical, dental, and mental health services at little or no cost to  
35 uninsured and underinsured people through the use of volunteer health  
36 professionals, community volunteers, and partnerships with other  
37 health providers.

38 (67) \$123,000 of the general fund—state appropriation for fiscal  
39 year 2022, \$46,000 of the general fund—state appropriation for fiscal

1 year 2023, and \$743,000 of the general fund—federal appropriation are  
2 provided solely for the implementation of Substitute House Bill No.  
3 1348 (incarcerated persons/medical).

4 (68) \$1,350,000 of the general fund—state appropriation for  
5 fiscal year 2023 and \$2,570,000 of the general fund—federal  
6 appropriation are provided solely for the implementation of House  
7 Bill No. 1096 (nonmedicare plans).

8 (69) Within the amounts provided in this section, sufficient  
9 funding is provided for the authority to implement Second Substitute  
10 House Bill No. 1325 (behavioral health/youth).

11 (70) \$184,000 of the general fund—state appropriation for fiscal  
12 year 2022 and \$175,000 of the general fund—state appropriation for  
13 fiscal year 2023 are provided solely for the implementation of  
14 Engrossed Substitute House Bill No. 1196 (audio-only telemedicine).

15 (71) \$232,000 of the general fund—state appropriation for fiscal  
16 year 2022, \$300,000 of the general fund—state appropriation for  
17 fiscal year 2023, and \$599,000 of the general fund—federal  
18 appropriation are provided solely for reimbursement for a social  
19 worker as part of the medical assistance home health benefit.

20 (72) \$1,303,000 of the general fund—state appropriation for  
21 fiscal year 2022 and \$285,000 of the general fund—state appropriation  
22 for fiscal year 2023 are provided solely for the implementation of  
23 Engrossed Substitute Senate Bill No. 5203 (generic prescription  
24 drugs).

25 (73) \$18,669,000 from the Indian health improvement reinvestment  
26 account is provided solely for Indian health improvement advisory  
27 plan projects, programs, and activities authorized by RCW 43.71B.030.

28 (74) \$434,000 of the general fund—state appropriation for fiscal  
29 year 2022 and \$489,000 of the general fund—state appropriation for  
30 fiscal year 2023 are provided solely for the authority to partner  
31 with the department of social and health services to create surge  
32 capacity in acute care hospitals by supporting non-citizens who are  
33 both in acute care hospitals awaiting discharge and on the department  
34 of social and health services waitlist for services. The amounts  
35 provided in this subsection are for the authority to cover the cost  
36 of medical assistance for 20 new non-citizen clients.

37 (75) \$25,000 of the general fund—state appropriation for fiscal  
38 year 2022 and \$25,000 of the general fund—federal appropriation are  
39 provided solely for the authority to develop an implementation plan

1 to incorporate medical and psychiatric respite care as statewide  
2 medicaid benefits. The plan must include an analysis of the cost  
3 effectiveness of providing medical and psychiatric respite care  
4 benefits for medicaid enrollees. In developing the plan, the  
5 authority shall consult with interested stakeholders, including  
6 medicaid managed care organizations, community health centers,  
7 organizations providing respite care, and hospitals. Amounts provided  
8 in this subsection may be used for staff support and one-time  
9 contracting. No later than January 15, 2022, the authority shall  
10 report its findings to the relevant committees of the legislature,  
11 the office of the governor, and the office of financial management.

12 (76) \$281,000 of the general fund—state appropriation for fiscal  
13 year 2022, \$192,000 of the general fund—state appropriation for  
14 fiscal year 2023, and \$803,000 of the general fund—federal  
15 appropriation are provided solely for the implementation of Engrossed  
16 Second Substitute Senate Bill No. 5304 (reentry services).

17 (77)(a) The authority shall assess the feasibility and fiscal  
18 impacts of an 1115 medicaid waiver to extend continuous eligibility  
19 for apple health covered children ages zero through five as a  
20 component of school readiness. The authority may seek support for the  
21 analysis. Prior to submitting the waiver application, the authority  
22 shall provide a status update no later than September 30, 2021, to  
23 the governor and fiscal committees of the legislature.

24 (b) \$6,090,000 of the general fund—state appropriation for fiscal  
25 year 2023 and \$6,125,000 of the general fund—federal appropriation  
26 are provided solely for the authority to extend continuous  
27 eligibility for apple health to children ages zero to six with income  
28 at or below 215 percent of the federal poverty level. The centers for  
29 medicare and medicaid services must approve the 1115 medicaid waiver  
30 prior to the implementation of this policy.

31 (78) \$500,000 of the general fund—state appropriation for fiscal  
32 year 2023 is provided solely for the perinatal support warm line to  
33 provide peer support, resources, and referrals to new and expectant  
34 parents and people in the emotional transition to parenthood  
35 experiencing, or at risk of, postpartum depression or other mental  
36 health issues.

37 (79) Sufficient funding is provided to remove the asset test from  
38 the medicare savings program review process.

1 (80) \$77,000 of the general fund—state appropriation for fiscal  
2 year 2022 and \$286,000 of the general fund—state appropriation for  
3 fiscal year 2023 are provided solely for implementation of Substitute  
4 House Bill No. 1728 (insulin work group reauth.). If the bill is not  
5 enacted by June 30, 2022, the amounts provided in this subsection  
6 shall lapse.

7 (81) Sufficient funding is provided to eliminate the mid-  
8 certification review process for the aged, blind, or disabled and  
9 housing and essential needs referral programs.

10 (82) \$103,000 of the general fund—state appropriation for fiscal  
11 year 2022, \$253,000 of the general fund—state appropriation for  
12 fiscal year 2023, and \$2,724,000 of the general fund—federal  
13 appropriation are provided solely for the authority to procure an  
14 electronic consent management solution for patients and health care  
15 providers to exchange health-related information and are subject to  
16 the conditions, limitations, and review requirements of section 701  
17 of this act.

18 (83) \$1,788,000 of the general fund—state appropriation for  
19 fiscal year 2022, \$1,788,000 of the general fund—state appropriation  
20 for fiscal year 2023, and \$994,000 of the general fund—federal  
21 appropriation are provided solely for electronic health record  
22 expansion that must be based on the operational and technical needs  
23 necessary to implement the national 988 system and are subject to the  
24 conditions, limitations, and review requirements of section 701 of  
25 this act. As a condition of funding under this subsection, the  
26 authority must complete all reporting required under RCW 71.24.898.

27 (84) \$3,250,000 of the general fund—state appropriation for  
28 fiscal year 2023 is provided solely for the authority to make  
29 information technology system and provider network upgrades necessary  
30 for the anticipated expansion of medicaid equivalent health care  
31 coverage for uninsured adults with incomes up to 138 percent of the  
32 federal poverty level regardless of immigration status in  
33 collaboration with the department of social and health services and  
34 is subject to the conditions, limitations, and review provided in  
35 section 701 of this act.

36 (85) \$10,406,000 of the general fund—state appropriation for  
37 fiscal year 2023 and \$10,715,000 of the general fund—federal  
38 appropriation are provided solely to maintain and increase access for  
39 children's dental services for medicaid enrolled patients through

1 increased provider rates beginning January 1, 2023. Within the  
2 amounts provided in this subsection, the authority must increase the  
3 medical assistance rates for children's dental services that are  
4 reimbursed solely at the existing medical assistance rates on a fee-  
5 for-service basis as follows:

6 (a) Increase the rates for codes for the access to baby and child  
7 dentistry (ABCD) program by 40 percent;

8 (b) Increase the rates for codes for children's dental program  
9 rates for persons aged zero to 20 years old that have a corresponding  
10 ABCD code to the current ABCD code rate, plus an additional 10  
11 percent rate increase; and

12 (c) Increase the rates for codes for children's dental program  
13 rates for persons aged zero to 20 years old without a corresponding  
14 ABCD code to 70 percent of the medical assistance rates on a fee-for-  
15 service basis for adult dental services in effect on January 1, 2022.  
16 This increase does not apply to codes with rates already greater than  
17 70 percent of the adult dental services rate.

18 (86) \$250,000 of the general fund—state appropriation for fiscal  
19 year 2023 and \$250,000 of the general fund—federal appropriation are  
20 provided solely for the authority to conduct a feasibility study for  
21 planning, design, implementation, and administration of a case  
22 management solution that supports acquisition, storage, and retrieval  
23 of data and data analysis pursuant to *Trueblood, et al. v. Department*  
24 *of Social and Health Services, et al.*, United States district court  
25 for the western district of Washington, cause no. 14-cv-00178-MJP.

26 (87) \$56,000 of the general fund—state appropriation for fiscal  
27 year 2022 and \$1,548,000 of the general fund—state appropriation for  
28 fiscal year 2023 are provided solely for health information  
29 technology and evaluations necessary to support the 1115  
30 demonstration waiver as it relates to institutions for mental  
31 diseases and are subject to the conditions, limitations, and review  
32 requirements of section 701 of this act.

33 (88) \$272,000 of the general fund—state appropriation for fiscal  
34 year 2023 and \$149,000 of the general fund—federal appropriation are  
35 provided solely to align services provided through both fee-for-  
36 service and managed care to the bright futures guidelines, or a  
37 comparable schedule, for early and periodic screening, diagnosis, and  
38 treatment beginning January 1, 2023.

1 (89) \$3,174,000 of the general fund—state appropriation for  
2 fiscal year 2023 is provided solely for implementation of Substitute  
3 Senate Bill No. 5745 (personal needs allowance). If the bill is not  
4 enacted by June 30, 2022, the amount provided in this subsection  
5 shall lapse.

6 (90) \$297,000 of the general fund—state appropriation for fiscal  
7 year 2023 is provided solely for implementation of Substitute Senate  
8 Bill No. 5589 (primary care spending). If the bill is not enacted by  
9 June 30, 2022, the amount provided in this subsection shall lapse.

10 (91) \$1,460,000 of the general fund—state appropriation for  
11 fiscal year 2023 is provided solely for implementation of Second  
12 Substitute Senate Bill No. 5532 (Rx drug affordability board). If the  
13 bill is not enacted by June 30, 2022, the amount provided in this  
14 subsection shall lapse.

15 (92) \$61,000 of the general fund—state appropriation for fiscal  
16 year 2023 and \$183,000 of the general fund—federal appropriation are  
17 provided solely for implementation of Second Substitute Senate Bill  
18 No. 5736 (minors/behavioral health). If the bill is not enacted by  
19 June 30, 2022, the amounts provided in this subsection shall lapse.

20 (93) \$250,000 of the general fund—state appropriation for fiscal  
21 year 2023 is provided solely for the authority to design a  
22 standardized payment methodology for a palliative care benefit for  
23 the state medicaid program and the employee and retiree benefits  
24 programs. The authority may contract with a third party to design the  
25 palliative care model and complete the work required in this  
26 subsection.

27 (94) Within the amounts appropriated in this section, the  
28 authority shall develop a state plan amendment, rules, and payment  
29 policies; complete necessary system changes related to payment  
30 processing and provider enrollment; and update managed care contracts  
31 and provider communications in anticipation of providing an adult  
32 acupuncture benefit.

33 (95) Within the amounts appropriated in this section, the  
34 authority shall develop a state plan amendment, rules, and payment  
35 policies; complete necessary system changes related to payment  
36 processing and provider enrollment; and update managed care contracts  
37 and provider communications in anticipation of providing an adult  
38 chiropractic benefit.

1 (96) \$640,000 of the general fund—state appropriation for fiscal  
2 year 2023 and \$655,000 of the general fund—federal appropriation are  
3 provided solely for a 20 percent rate increase, effective January 1,  
4 2023, for in-home private duty nursing agencies.

5 (97) \$180,000 of the general fund—state appropriation for fiscal  
6 year 2023 and \$187,000 of the general fund—federal appropriation are  
7 provided solely for a 10 percent rate increase, effective January 1,  
8 2023, for private duty nursing in medically intensive children's  
9 group home settings.

10 (98) \$140,000 of the general fund—state appropriation for fiscal  
11 year 2023 and \$266,000 of the general fund—federal appropriation are  
12 provided solely for a 10 percent rate increase, effective January 1,  
13 2023, for home health services.

14 (99)(a) \$50,000 of the general fund—state appropriation for  
15 fiscal year 2022 and \$150,000 of the general fund—state appropriation  
16 for fiscal year 2023 are provided solely for the authority to provide  
17 a report on psilocybin services (~~(wellness and opportunities)~~) in  
18 consultation with (~~(stakeholders)~~) the psilocybin task force as  
19 described in this subsection.

20 (b) The director of the authority, or the director's designee,  
21 must chair the (~~(stakeholder group)~~) task force.

22 (c) The (~~(stakeholder group)~~) task force must include, but not be  
23 limited to, the following members:

24 (i) The secretary of the department of health or the secretary's  
25 designee;

26 (ii) The director of the liquor and cannabis board or the  
27 director's designee; and

28 (~~(iii) (The director of the department of agriculture or the  
29 director's designee; and~~

30 ~~(iv))~~) As appointed by the director of the authority, or the  
31 director's designee:

32 (A) A military veteran, or representative of an organization that  
33 advocates on behalf of military veterans, with knowledge of  
34 psilocybin;

35 (B) Up to two recognized indigenous practitioners with knowledge  
36 of the use of psilocybin or other psychedelic compounds in their  
37 communities;

38 (C) An individual with expertise in disability rights advocacy;

1 (D) A ~~((member of the nursing profession with knowledge of~~  
2 ~~psilocybin;~~

3 ~~(E) A psychologist with knowledge of psilocybin;~~

4 ~~(F) A mental health counselor, marriage and family therapist, or~~  
5 ~~social worker with knowledge of psilocybin;~~

6 ~~(G) A physician with knowledge of psilocybin;~~

7 ~~(H) A health researcher with expertise in health equity;~~

8 ~~(I) A representative of the cannabis industry with knowledge of~~  
9 ~~regulation of)~~ public health practitioner;

10 (E) Two psychologists with knowledge of psilocybin, experience in  
11 mental and behavioral health, or experience in palliative care;

12 (F) Two mental health counselors, marriage and family therapists,  
13 or social workers with knowledge of psilocybin, experience in mental  
14 and behavioral health, or experience in palliative care;

15 (G) Two physicians with knowledge of psilocybin, experience in  
16 mental and behavioral health, or experience in palliative care;

17 (H) A health researcher with expertise in health equity or  
18 conducting research with psilocybin;

19 (I) A pharmacologist with expertise in psychopharmacology;

20 (J) A representative of the cannabis industry with knowledge of  
21 regulation of medical cannabis and the cannabis businesses in  
22 Washington;

23 ~~((J))~~ (K) An advocate from the LGBTQIA community with knowledge  
24 of the experience of behavioral health issues within that community;

25 ~~((K))~~ (L) A member of the psychedelic medicine alliance of  
26 Washington; and

27 ~~((L))~~ (M) Up to two members with lived experience of utilizing  
28 psilocybin.

29 (d) The authority must convene the first meeting of the  
30 ~~((stakeholder group))~~ task force no later than June 30, ~~((2022))~~  
31 2023.

32 (e) The authority must provide a preliminary brief report to the  
33 governor and appropriate committees of the legislature by December 1,  
34 ~~((2022))~~ 2023, focusing on (f) ~~((i), (ii), and (iii))~~ of this  
35 subsection, and a final report by December 1, ~~((2023))~~ 2024. The  
36 authority may form subcommittees within the ~~((stakeholder group))~~  
37 task force and adopt procedures necessary to facilitate its work.

38 (f) The duties of the authority in consultation with the  
39 ~~((stakeholder group))~~ task force shall include, but not be limited  
40 to, the following activities:

1 (i) (~~Review the Oregon health authority's proposed rules for the~~  
2 ~~regulation of psilocybin and assess the impact the adoption of~~  
3 ~~substantially similar laws and rules or Senate Bill No. 5660 would~~  
4 ~~have in Washington state, and identify specific areas where a~~  
5 ~~different approach may be necessary or desirable;~~

6 (ii) ~~Review systems and procedures established by the liquor and~~  
7 ~~cannabis board to monitor manufacturing, testing, and tracking of~~  
8 ~~cannabis to determine suitability and adaptations required for use~~  
9 ~~with psilocybin if Washington adopts legislation substantially~~  
10 ~~similar to the Oregon psilocybin services act or Senate Bill No.~~  
11 ~~5660;~~

12 (iii) ~~Review the social opportunity program proposed in Senate~~  
13 ~~Bill No. 5660 for the purpose of recommending improvements or~~  
14 ~~enhancements to promote equitable access to a potential legal~~  
15 ~~psilocybin industry within an operable administrative framework;~~

16 (iv) ~~Assess functional requirements of Senate Bill No. 5660 that~~  
17 ~~would exceed the expertise and capacity of the department of health~~  
18 ~~and identify opportunities for development or collaboration with~~  
19 ~~other state agencies and entities to meet the requirements; and~~

20 (v) ~~Discuss options to integrate licensed behavioral health~~  
21 ~~professionals into the practice of psilocybin therapy under the~~  
22 ~~framework of Senate Bill No. 5660 where appropriate)) Reviewing the  
23 available clinical information around specific clinical indications  
24 for use of psilocybin, including what co-occurring diagnoses or  
25 medical and family histories may exclude a person from use of  
26 psilocybin. Any review of clinical information should:~~

27 (A) Discuss populations excluded from existing clinical trials;

28 (B) Discuss factors considered when approval of a medical  
29 intervention is approved;

30 (C) Consider the diversity of participants in clinical trials and  
31 the limitations of each study when applying learnings to the  
32 population at large; and

33 (D) Identify gaps in the clinical research for the purpose of  
34 identifying opportunities for investment by the state for the  
35 University of Washington or Washington State University or both to  
36 consider studying.

37 (ii) Reviewing and discussing regulatory structures for clinical  
38 use of psilocybin in Washington and other jurisdictions nationally  
39 and globally. This should include discussing how various regulatory

1 structures do or do not address concerns around public health and  
2 safety the group has identified.

3 (g) The department of health, liquor and cannabis board, and  
4 department of agriculture must provide subject matter expertise and  
5 support to (~~(stakeholder group)~~) the task force and any subcommittee  
6 meetings (~~(of the stakeholder group)~~). For the department of health,  
7 subject matter expertise includes an individual or individuals with  
8 knowledge and experience with rule making, with the regulation of  
9 health professionals, and with the regulation of health facilities.

10 (h) Meetings of the (~~(stakeholder group)~~) task force under this  
11 section shall be open to participation by members of the public.

12 (i) (~~(Stakeholder group)~~) Task force members participating on  
13 behalf of an employer, governmental entity, or other organization are  
14 not entitled to be reimbursed for travel expenses if they are elected  
15 officials or are participating on behalf of an employer, governmental  
16 entity, or other organization. Any reimbursement for other  
17 nonlegislative members is subject to chapter 43.03 RCW.

18 (100) \$24,600,000 of the coronavirus state fiscal recovery fund—  
19 federal appropriation is provided solely for the authority to provide  
20 one-time funding to community health centers paid under either APM3  
21 or APM4 that experienced overpayments because of COVID-19 service-  
22 related reductions or had funds withheld due to missing targeted  
23 benchmarks because of extraordinary community pandemic response needs  
24 in calendar year 2020.

25 (101) \$250,000 of the general fund—state appropriation for fiscal  
26 year 2023 and \$250,000 of the general fund—federal appropriation are  
27 provided solely for project management and contracting to assist the  
28 authority with post-eligibility review planning in anticipation of  
29 the end of the COVID-19 public health emergency.

30 (102) \$40,000 of the general fund—state appropriation for fiscal  
31 year 2022, \$40,000 of the general fund—state appropriation for fiscal  
32 year 2023, \$80,000 of the general fund—federal appropriation, and  
33 \$320,000 of the telebehavioral access account—state appropriation are  
34 provided solely for additional staff support for the mental health  
35 referral service for children and teens.

36 (103) (a) \$2,087,000 of the general fund—state appropriation for  
37 fiscal year 2023 is provided solely for the authority to establish a  
38 two-year grant program for reimbursement for services to patients up  
39 to age 18 provided by community health workers in primary care

1 clinics whose patients are significantly comprised of pediatric  
2 patients enrolled in medical assistance under chapter 74.09 RCW  
3 beginning January 1, 2023. Community health workers funded under this  
4 subsection may provide outreach, informal counseling, and social  
5 supports for health-related social needs. The authority shall seek a  
6 state plan amendment or federal demonstration waiver should they  
7 determine these services are eligible for federal matching funds.  
8 Within the amounts provided within this subsection, the authority  
9 will provide an initial report to the governor and appropriate  
10 committees of the legislature by January 1, 2024, and a final report  
11 by January 1, 2025. The report shall include, but not be limited to,  
12 the quantitative impacts of the grant program, how many community  
13 health workers are participating in the grant program, how many  
14 clinics these community health workers represent, how many clients  
15 are being served, and evaluation of any measurable health outcomes  
16 identified in the planning period prior to January 2023.

17 (b) In collaboration with key stakeholders including pediatric  
18 primary care clinics and medicaid managed care organizations, the  
19 authority shall explore longer term, sustainable reimbursement  
20 options for the integration of community health workers in primary  
21 care to address the health-related social needs of families,  
22 including approaches to incorporate federal funding.

23 (104) (a) No more than \$156,707,000 of the general fund—federal  
24 appropriation and no more than \$60,942,000 of the general fund—local  
25 appropriation may be expended for an outpatient directed payment  
26 program.

27 (b) The authority shall:

28 (i) Design the program to support the state's access and other  
29 quality of care goals and to not increase general fund—state  
30 expenditures;

31 (ii) Seek approval from the centers for medicare and medicaid  
32 services to create a medicaid outpatient directed payment program for  
33 hospital outpatient services provided to medicaid program managed  
34 care recipients by University of Washington medical center and  
35 harborview medical center;

36 (iii) Upon approval, direct managed care organizations to make  
37 payments to eligible providers at levels required to ensure enrollees  
38 have timely access to critical high-quality care as allowed under 42  
39 C.F.R. 438.6(c); and

1 (iv) Increase medicaid payments for hospital outpatient services  
2 provided by University of Washington medical center and harborview  
3 medical center to the average payment received from commercial  
4 payers.

5 (c) Any incremental costs incurred by the authority in the  
6 development, implementation, and maintenance of this program shall be  
7 the responsibility of the participating hospitals.

8 (d) Participating hospitals shall retain the full amount of  
9 payments provided under this program.

10 (e) Participating hospitals will provide the local funds to fund  
11 the required nonfederal contribution.

12 (f) This program shall be effective as soon as administratively  
13 possible.

14 (~~(106)~~) (105) \$16,000 of the general fund—state appropriation  
15 for fiscal year 2022, \$31,000 of the general fund—state appropriation  
16 for fiscal year 2023, and \$420,000 of the general fund—federal  
17 appropriation are provided solely for a technology solution for an  
18 authoritative client identifier, or master person index, for state  
19 programs within the health and human services coalition to uniformly  
20 identify clients across multiple service delivery systems. The  
21 coalition will clearly identify all state programs impacted by and  
22 all fund sources used in development and implementation of this  
23 project. This subsection is subject to the conditions, limitations,  
24 and review requirements of section 701 of this act.

25 (~~(107)~~) (106) \$5,000 of the general fund—state appropriation  
26 for fiscal year 2022, \$22,000 of the general fund—state appropriation  
27 for fiscal year 2023, and \$75,000 of the general fund—federal  
28 appropriation are provided solely for implementation of Second  
29 Substitute Senate Bill No. 5664 (forensic competency hearings). If  
30 the bill is not enacted by June 30, 2022, the amounts provided in  
31 this subsection shall lapse.

32 (~~(108)~~) (107) (a) \$3,735,000 of the general fund—state  
33 appropriation for fiscal year 2023 and \$14,075,000 of the general  
34 fund—federal appropriation are provided solely for the authority to  
35 provide coverage for all federal food and drug administration-  
36 approved HIV antiviral drugs without prior authorization beginning  
37 January 1, 2023.

38 (b) Beginning January 1, 2023, upon initiation or renewal of a  
39 contract with the authority to administer a medicaid managed care

1 plan, a managed health care system shall provide coverage without  
2 prior authorization for all federal food and drug administration-  
3 approved HIV antiviral drugs.

4 (c) By December 1, 2022, and annually thereafter, the authority  
5 must submit to the fiscal committees of the legislature the projected  
6 and actual expenditures and percentage of medicaid clients who switch  
7 to a new drug class without prior authorization as described in (a)  
8 and (b) of this subsection.

9 ~~((109))~~ (108) (a) \$200,000 of the general fund—state  
10 appropriation for fiscal year 2023 is provided solely for the  
11 authority, in consultation with the office of the insurance  
12 commissioner, to complete an analysis of the cost to implement a  
13 fertility treatment benefit as described in the department of  
14 health's December 2021 mandated benefit sunrise review.

15 (b) The authority must contract with one or more consultants to:

16 (i) Obtain utilization and cost data from the state to provide an  
17 estimate of aggregate utilization and cost impacts of fertility  
18 treatment coverage for medicaid recipients, expressed as total annual  
19 cost and as a per member per month cost for plan years 2024 through  
20 2027; and

21 (ii) Obtain utilization and cost data from the public employees  
22 benefits board and school employees benefits board programs to  
23 provide an estimate of aggregate utilization and cost impacts of  
24 fertility treatment coverage, expressed as total annual cost and as a  
25 per member per month cost for plan years 2024 through 2027.

26 (c) The analysis must include, but is not limited to, a  
27 utilization and cost analysis of each of the following services:

- 28 (i) Infertility diagnosis;
- 29 (ii) Fertility medications;
- 30 (iii) Intrauterine insemination;
- 31 (iv) In vitro fertilization; and
- 32 (v) Egg freezing.

33 (d) The authority must report the findings of the analysis to the  
34 governor and appropriate committees of the legislature by June 30,  
35 2023.

36 ~~((110))~~ (109) (a) \$2,000,000 of the general fund—state  
37 appropriation for fiscal year 2023 is provided solely for one-time  
38 grants for eligible clinics to establish behavioral health  
39 integration in primary care clinics for children and adolescents. The  
40 authority may award grants of up to \$200,000 per clinic.

1 (b) Recipients may use grants under this subsection for:

2 (i) Training to create operational workflows that promote team-

3 based care and evidence-based practices;

4 (ii) System development to implement universal screening of

5 patients using standardized assessment tools;

6 (iii) Development of a registry to track patient outcomes;

7 (iv) Behavioral health professional recruitment and retainment;

8 (v) Psychiatric supervision recruitment and retainment for

9 consultation services for the behavioral health integration program;

10 (vi) Partnership development with community mental health centers

11 for referral of patients with higher level needs;

12 (vii) Information technology infrastructure, including electronic

13 health record adjustments and registry creation; and

14 (viii) Physical space modifications to accommodate additional

15 staff.

16 (c) To be eligible for grants under this subsection, clinics must

17 have:

18 (i) At least 35 percent of their total patients enrolled in

19 medicaid. Priority for funding must be given to clinics with the

20 highest proportion of patients enrolled in medicaid;

21 (ii) A primary care advocate or proponent of the behavioral

22 health integration program;

23 (iii) Support for the behavioral health integration program at

24 the highest level of clinic leadership;

25 (iv) An arrangement for psychiatric consultation and supervision;

26 (v) A team-based approach to care, including the primary care

27 provider, behavioral health professional, psychiatric consultant,

28 patient, and patient's family; and

29 (vi) A plan to:

30 (A) Hire a behavioral health professional to be located within

31 the clinic;

32 (B) Create a registry that monitors patient engagement and

33 symptom improvement;

34 (C) Implement universal screening for behavioral health needs;

35 (D) Provide care coordination with schools, emergency

36 departments, hospitals, and other points of care; and

37 (E) Ensure closed-loop referrals to specialty behavioral health

38 care when indicated, as well as engagement in specialty treatment as

39 clinically indicated.

1       (~~(111)~~) (110) \$55,000 of the general fund—state appropriation  
2 for fiscal year 2023 and \$122,000 of the general fund—federal  
3 appropriation are provided solely to implement Second Substitute  
4 House Bill No. 1860 (behavioral health discharge). If the bill is not  
5 enacted by June 30, 2022, the amounts provided in this subsection  
6 shall lapse.

7       (~~(112)~~) (111) \$300,000 of the general fund—state appropriation  
8 for fiscal year 2022 and \$300,000 of the general fund—state  
9 appropriation for fiscal year 2023 are provided solely for the Bree  
10 collaborative to support collaborative learning and targeted  
11 technical assistance for quality improvement initiatives.

12       (~~(113)~~) (112)(a) \$500,000 of the general fund—state  
13 appropriation for fiscal year 2023 and \$1,500,000 of the general fund  
14 —federal appropriation are provided solely for the authority, in  
15 consultation with the health and human services enterprise coalition,  
16 community-based organizations, health plans, accountable communities  
17 of health, and safety net providers, to determine the cost and  
18 implementation impacts of a statewide community information exchange  
19 (CIE). A CIE platform must serve as a tool for addressing the social  
20 determinants of health, defined as nonclinical community and social  
21 factors such as housing, food security, transportation, financial  
22 strain, and interpersonal safety, that affect health, functioning,  
23 and quality-of-life outcomes.

24       (b) Prior to issuing a request for proposals or beginning this  
25 project, the authority must work with stakeholders in (a) of this  
26 subsection to determine which platforms already exist within the  
27 Washington public and private health care system to determine  
28 interoperability needs and fiscal impacts to both the state and  
29 impacted providers and organizations that will be using a single  
30 statewide community information exchange platform.

31       (c) This subsection is subject to the conditions, limitations,  
32 and review requirements of section 701 of this act.

33       (~~(114)~~) (113) \$226,000 of the general fund—state appropriation  
34 for fiscal year 2023, \$1,072,000 of the general fund—private/local  
35 appropriation, and \$2,588,000 of the general fund—federal  
36 appropriation are provided solely to implement Engrossed Substitute  
37 House Bill No. 1866 (supportive housing). If the bill is not enacted  
38 by June 30, 2022, the amounts provided in this subsection shall  
39 lapse.

1           (~~(115)~~)    (114)    \$8,000,000    of    the    general    fund—state  
2   appropriation for fiscal year 2023 is provided solely for one-time  
3   bridge grants to hospitals in financial distress. To qualify for  
4   these grants, a hospital must:

5           (a) Be located in Washington;

6           (b) Serve individuals enrolled in state and federal medical  
7   assistance programs;

8           (c) Continue to maintain a medicaid population at similar  
9   utilization levels as in calendar year 2021;

10          (d) Be necessary for an adequate provider network for the  
11   medicaid program;

12          (e) Demonstrate a plan for long-term financial sustainability;  
13   and

14          (f) Meet one of the following criteria:

15           (i) Lack adequate cash-on-hand to remain financially solvent;

16           (ii) Have experienced financial losses during hospital fiscal  
17   year 2021; or

18           (iii) Be at risk of bankruptcy.

19          (~~(116)~~)    (115)    The authority shall consider evidence-based  
20   recommendations from the Oregon health evidence review commission  
21   when making coverage decisions for the treatment of pediatric  
22   autoimmune neuropsychiatric disorders associated with streptococcal  
23   infections and pediatric acute-onset neuropsychiatric syndrome.

24          NEW SECTION.    **Sec. 9.**    (1) The department has the duties,  
25   functions, and powers specified under this chapter and the powers  
26   necessary or proper to enable the department to carry out its duties,  
27   functions, and powers under this chapter. The jurisdiction,  
28   supervision, duties, functions, and powers of the department extend  
29   to any person that produces, processes, transports, delivers, sells,  
30   or purchases a psilocybin product in this state or that provides a  
31   psilocybin service in this state. The department may sue and be sued.

32          (2) The duties, functions, and powers of the department specified  
33   in this chapter include the following:

34           (a) To examine, publish, and distribute to the public available  
35   medical, psychological, and scientific studies, research, and other  
36   information relating to the safety and efficacy of psilocybin in  
37   treating mental health conditions, including but not limited to  
38   addiction, depression, anxiety disorders, and end-of-life

1 psychological distress, and the potential for psilocybin to promote  
2 community, address trauma, and enhance physical and mental wellness;

3 (b) To adopt, amend, or repeal rules necessary to carry out the  
4 intent and provisions of this chapter, including rules that the  
5 department considers necessary to protect the public health and  
6 safety;

7 (c) To exercise all powers incidental, convenient, or necessary  
8 to enable the department to administer or carry out this chapter or  
9 any other law of this state that charges the department with a duty,  
10 function, or power related to psilocybin products and psilocybin  
11 services. Powers described in this subsection include, but are not  
12 limited to:

13 (i) Issuing subpoenas;

14 (ii) Compelling the attendance of witnesses;

15 (iii) Administering oaths;

16 (iv) Certifying official acts;

17 (v) Taking depositions as provided by law;

18 (vi) Compelling the production of books, payrolls, accounts,  
19 papers, records, documents, and testimony; and

20 (vii) Establishing fees for any licenses created under this  
21 chapter provided that any fee established by the department is  
22 reasonably calculated to not exceed the cost of the activity for  
23 which the fee is charged;

24 (d) To adopt rules prohibiting advertising psilocybin products to  
25 the public;

26 (e) To adopt rules regulating and prohibiting advertising  
27 psilocybin services in a manner:

28 (i) That is appealing to minors;

29 (ii) That promotes excessive use;

30 (iii) That promotes illegal activity;

31 (iv) That violates the code of professional conduct for  
32 psilocybin service facilitators formulated by the department; or

33 (v) That otherwise presents a significant risk to public health  
34 and safety.

35 (3) The department may not:

36 (a) Require that a psilocybin product be manufactured by means of  
37 chemical synthesis;

38 (b) Prohibit the use of naturally grown mushrooms that meet  
39 quality and safety standards; or

40 (c) Mandate the use of patented products or procedures.

1 (4) The jurisdiction, supervision, duties, functions, and powers  
2 held by the department under this section are not shared by the  
3 pharmacy quality assurance commission under chapter 18.64 RCW.

4 NEW SECTION. **Sec. 10.** (1) Medical professionals licensed by the  
5 state of Washington shall not be subject to adverse licensing action  
6 for recommending psilocybin treatments available under this chapter  
7 to a patient if a full assessment has been completed, however a  
8 medical practitioner must properly evaluate a patient's condition and  
9 comply with the applicable standard of care in doing so.

10 (2) A psilocybin patient is protected from criminal, civil, or  
11 adverse licensing action in Washington state for the mere use of  
12 psilocybin.

13 NEW SECTION. **Sec. 11.** (1) By July 1, 2028, the department must  
14 develop a registry for individuals over the age of 21 who are  
15 interested in using psilocybin approved under this chapter.

16 (2) The department must develop rules to implement this section.

17 NEW SECTION. **Sec. 12.** The liquor and cannabis board shall  
18 assist and cooperate with the department and the department of  
19 agriculture to the extent necessary to carry out the duties of the  
20 departments under this chapter.

21 NEW SECTION. **Sec. 13.** The department of agriculture shall  
22 assist and cooperate with the department to the extent necessary for  
23 the department to carry out the duties under this chapter.

24 NEW SECTION. **Sec. 14.** The department of agriculture may  
25 possess, test, and dispose of psilocybin products.

26 NEW SECTION. **Sec. 15.** (1) The department, the department of  
27 agriculture, and the liquor and cannabis board may not refuse to  
28 perform any duty under this chapter on the basis that manufacturing,  
29 distributing, dispensing, possessing, or using psilocybin products is  
30 prohibited by federal law.

31 (2) The department may not revoke or refuse to issue or renew a  
32 license or permit under this chapter on the basis that manufacturing,  
33 distributing, dispensing, possessing, or using psilocybin products is  
34 prohibited by federal law.

1        NEW SECTION.    **Sec. 16.**    A person may not sue the department, the  
2 department of agriculture, the liquor and cannabis board, a member of  
3 the liquor and cannabis board, or any employee of these entities, for  
4 performing or omitting to perform any duty, function, or power of the  
5 entity set forth under this chapter or in any other law of this state  
6 requiring these entities to perform a duty, function, or power  
7 related to psilocybin products.

8        NEW SECTION.    **Sec. 17.**    Subject to any applicable provisions of  
9 RCW 10.105.010 and 69.50.505 and chapter 34.05 RCW, any state  
10 officer, board, commission, corporation, institution, department, or  
11 other state body, and any local officer, board, commission,  
12 institution, department, or other local government body, that is  
13 authorized by the statutory laws of this state to perform a duty,  
14 function, or power with respect to a psilocybin product, may  
15 purchase, possess, seize, or dispose of the psilocybin product as the  
16 state officer, board, commission, corporation, institution,  
17 department, or other state body, or the local officer, board,  
18 commission, institution, department, or other local government body,  
19 considers necessary to ensure compliance with and enforce the  
20 applicable statutory law or any rule adopted under the applicable  
21 statutory law.

22        NEW SECTION.    **Sec. 18.**    In case of invasion, disaster,  
23 insurrection, or riot, or imminent danger of invasion, disaster,  
24 insurrection, or riot, the governor may, for the duration of the  
25 invasion, disaster, insurrection, or riot, or imminent danger,  
26 immediately and without notice suspend, in the area involved, any  
27 license or permit issued under this chapter.

28        NEW SECTION.    **Sec. 19.**    (1) Psilocybin-producing fungi is:  
29        (a) An agricultural commodity for the purposes of RCW 84.34.020  
30 and an accessory use for the purposes of RCW 36.70A.177;  
31        (b) A crop for purposes of "farmland" and "farm product" as those  
32 terms are defined under RCW 7.48.310; and  
33        (c) An agricultural activity for the purposes of RCW 7.48.305.  
34        (2) The following are not permitted uses on land designated for  
35 exclusive farm use:  
36        (a) A new dwelling used in conjunction with a psilocybin-  
37 producing fungi crop;

1 (b) A farm stand used in conjunction with a psilocybin-producing  
2 fungi crop; and

3 (c) Subject to subsection (3) of this section, a commercial  
4 activity carried on in conjunction with a psilocybin-producing fungi  
5 crop.

6 (3) The operation of a psilocybin service center may be carried  
7 on in conjunction with a psilocybin-producing fungi crop.

8 (4) A county may allow the manufacture of psilocybin products as  
9 a farm use on land zoned for farm or forest use in the same manner as  
10 the manufacture of psilocybin products is allowed in exclusive farm  
11 use zones under this section.

12 NEW SECTION. **Sec. 20.** (1) The department of agriculture may not  
13 exercise authority over psilocybin products or a licensee, except as  
14 provided by the department in rule.

15 (2) In exercising its authority under chapter 15.130 RCW, the  
16 department of agriculture may not:

17 (a) Establish standards for psilocybin products as a food  
18 additive, as defined under RCW 15.130.110;

19 (b) Consider psilocybin products to be an adulterant, unless the  
20 concentration of a psilocybin product exceeds acceptable levels  
21 established by the department by rule; or

22 (c) Apply or enforce RCW 15.130.140 and 15.130.200 through  
23 15.130.230 to psilocybin products.

24 NEW SECTION. **Sec. 21.** (1) Subject to subsection (2) of this  
25 section, information is exempt from public disclosure under chapter  
26 42.56 RCW if the information is:

27 (a) Personally identifiable information;

28 (b) The address of a premises for any license that has been  
29 issued or for which an applicant has proposed licensure under this  
30 chapter;

31 (c) Related to the security plan or the operational plan for a  
32 premises for which a license has been issued or for which an  
33 applicant has proposed licensure under this chapter; or

34 (d) Related to any record that the department determines contains  
35 proprietary information of a licensee under this chapter.

36 (2) The exemption from public disclosure as provided by this  
37 section does not apply to:

1 (a) The name of an individual listed on an application, if the  
2 individual is a direct owner of the business operating or to be  
3 operated under the license; or

4 (b) A request for information if the request is made by a law  
5 enforcement agency.

6 (3) For purposes of subsection (2)(a) of this section, an  
7 individual is not a direct owner of the business operating or to be  
8 operated under the license if:

9 (a) The direct owner of the business operating or to be operated  
10 under the license is a legal entity; and

11 (b) The individual is merely a general partner, limited partner,  
12 member, shareholder, or other direct or indirect owner of the legal  
13 entity.

14 NEW SECTION. **Sec. 22.** An employer in the state of Washington  
15 may not discriminate against an employee for receiving psilocybin  
16 services if sanctioned under this chapter absent the employee's  
17 visible impairment at work and may not test an employee for the  
18 presence of psilocybin unless they exhibit clear, observable symptoms  
19 of impairment.

20 **Sec. 23.** RCW 7.48.310 and 2009 c 200 s 3 are each amended to  
21 read as follows:

22 For the purposes of RCW 7.48.305 only:

23 (1) "Agricultural activity" means a condition or activity which  
24 occurs on a farm in connection with the commercial production of farm  
25 products and includes, but is not limited to, marketed produce at  
26 roadside stands or farm markets; noise; odors; dust; fumes; operation  
27 of machinery and irrigation pumps; movement, including, but not  
28 limited to, use of current county road ditches, streams, rivers,  
29 canals, and drains, and use of water for agricultural activities;  
30 ground and aerial application of seed, fertilizers, conditioners, and  
31 plant protection products; keeping of bees for production of  
32 agricultural or apicultural products; the manufacture of psilocybin  
33 as defined under section 5 of this act and if allowed this chapter;  
34 employment and use of labor; roadway movement of equipment and  
35 livestock; protection from damage by wildlife; prevention of  
36 trespass; construction and maintenance of buildings, fences, roads,  
37 bridges, ponds, drains, waterways, and similar features and  
38 maintenance of stream banks and watercourses; and conversion from one

1 agricultural activity to another, including a change in the type of  
2 plant-related farm product being produced. The term includes use of  
3 new practices and equipment consistent with technological development  
4 within the agricultural industry.

5 (2) "Farm" means the land, buildings, freshwater ponds,  
6 freshwater culturing and growing facilities, and machinery used in  
7 the commercial production of farm products.

8 (3) "Farmland" means land or freshwater ponds devoted primarily  
9 to the production, for commercial purposes, of livestock, freshwater  
10 aquacultural, or other farm products. "Farmland" includes the  
11 premises in which psilocybin is manufactured.

12 (4) "Farm product" means those plants and animals useful to  
13 humans and includes, but is not limited to, forages and sod crops,  
14 dairy and dairy products, poultry and poultry products, livestock,  
15 including breeding, grazing, and recreational equine use, fruits,  
16 vegetables, flowers, seeds, grasses, trees, freshwater fish and fish  
17 products, apiaries and apiary products, psilocybin, equine and other  
18 similar products, or any other product which incorporates the use of  
19 food, feed, fiber, or fur.

20 (5) "Forest practice" means any activity conducted on or directly  
21 pertaining to forestland, as that term is defined in RCW 76.09.020,  
22 and relating to growing, harvesting, or processing timber. The term  
23 "forest practices" includes, but is not limited to, road and trail  
24 construction, final and intermediate harvesting, precommercial  
25 thinning, reforestation, fertilization, prevention and suppression of  
26 diseases and insects, salvage of trees, brush control, and owning  
27 land where trees may passively grow until one of the preceding  
28 activities is deemed timely by the owner.

29 **Sec. 24.** RCW 49.60.180 and 2020 c 52 s 10 are each amended to  
30 read as follows:

31 It is an unfair practice for any employer:

32 (1) To refuse to hire any person because of age, sex, marital  
33 status, sexual orientation, race, creed, color, national origin,  
34 citizenship or immigration status, honorably discharged veteran or  
35 military status, or the presence of any sensory, mental, or physical  
36 disability or the use of a trained dog guide or service animal by a  
37 person with a disability, unless based upon a bona fide occupational  
38 qualification: PROVIDED, That the prohibition against discrimination  
39 because of such disability shall not apply if the particular

1 disability prevents the proper performance of the particular worker  
2 involved: PROVIDED, That this section shall not be construed to  
3 require an employer to establish employment goals or quotas based on  
4 sexual orientation.

5 (2) To discharge or bar any person from employment because of  
6 age, sex, marital status, sexual orientation, race, creed, color,  
7 national origin, citizenship or immigration status, honorably  
8 discharged veteran or military status, use of psilocybin services if  
9 sanctioned under chapter 18.--- RCW (the new chapter created in  
10 section 26 of this act) in the absence of visible impairment at work,  
11 or the presence of any sensory, mental, or physical disability or the  
12 use of a trained dog guide or service animal by a person with a  
13 disability.

14 (3) To discriminate against any person in compensation or in  
15 other terms or conditions of employment because of age, sex, marital  
16 status, sexual orientation, race, creed, color, national origin,  
17 citizenship or immigration status, honorably discharged veteran or  
18 military status, or the presence of any sensory, mental, or physical  
19 disability or the use of a trained dog guide or service animal by a  
20 person with a disability: PROVIDED, That it shall not be an unfair  
21 practice for an employer to segregate washrooms or locker facilities  
22 on the basis of sex, or to base other terms and conditions of  
23 employment on the sex of employees where the commission by regulation  
24 or ruling in a particular instance has found the employment practice  
25 to be appropriate for the practical realization of equality of  
26 opportunity between the sexes.

27 (4) To print, or circulate, or cause to be printed or circulated  
28 any statement, advertisement, or publication, or to use any form of  
29 application for employment, or to make any inquiry in connection with  
30 prospective employment, which expresses any limitation,  
31 specification, or discrimination as to age, sex, marital status,  
32 sexual orientation, race, creed, color, national origin, citizenship  
33 or immigration status, honorably discharged veteran or military  
34 status, or the presence of any sensory, mental, or physical  
35 disability or the use of a trained dog guide or service animal by a  
36 person with a disability, or any intent to make any such limitation,  
37 specification, or discrimination, unless based upon a bona fide  
38 occupational qualification: PROVIDED, Nothing contained herein shall  
39 prohibit advertising in a foreign language.

1        NEW SECTION.    **Sec. 25.**    If any provision of this act or its  
2 application to any person or circumstance is held invalid, the  
3 remainder of the act or the application of the provision to other  
4 persons or circumstances is not affected.

5        NEW SECTION.    **Sec. 26.**    Sections 1 through 7 and 9 through 22 of  
6 this act constitute a new chapter in Title 18 RCW.

7        NEW SECTION.    **Sec. 27.**    Sections 6 and 8 of this act are  
8 necessary for the immediate preservation of the public peace, health,  
9 or safety, or support of the state government and its existing public  
10 institutions, and take effect immediately.

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