
SECOND SUBSTITUTE HOUSE BILL 1813

State of Washington

69th Legislature

2025 Regular Session

By House Appropriations (originally sponsored by Representatives Macri, Doglio, Parshley, Davis, Ormsby, Scott, and Pollet)

READ FIRST TIME 02/28/25.

1 AN ACT Relating to the reprocurement of medical assistance
2 services, including the realignment of behavioral health crisis
3 services for medicaid enrollees; amending RCW 71.24.380; reenacting
4 and amending RCW 71.24.045; adding a new section to chapter 74.09
5 RCW; and creating a new section.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 74.09
8 RCW to read as follows:

9 (1)(a) The authority, in consultation with the office of the
10 insurance commissioner, shall conduct a review of service delivery
11 models within each behavioral health administrative services
12 organization region, including mobile crisis response, facility-based
13 crisis stabilization services, and other crisis services.

14 (b) When new programs or facilities including, but not limited
15 to, those programs and facilities described in RCW 71.24.045(1)(e)
16 are established or existing services are expanded in a region, the
17 authority shall direct the state's medicaid actuaries to promptly
18 adjust the region's medicaid rates to include a programmatic
19 adjustment related to the new or expanded service. The state contract
20 with the relevant behavioral health administrative services
21 organization must be promptly adjusted to reflect the projected

1 increase or decrease in service capacity. Adjustments must be based
2 on the operational costs of the new or expanded facility or program,
3 including staffing and resources required to support the delivery of
4 services and the projected number of individuals served, assuring
5 that both medicaid and nonmedicaid populations are served
6 effectively.

7 (2) (a) Within existing funds, the authority shall prepare for the
8 reprocurement of services to enrollees of medical assistance programs
9 authorized under this chapter, including by providing the opportunity
10 for comment by key stakeholders, to the extent allowed by applicable
11 state and federal procurement standards, including tribes, patient
12 groups, health care providers and facilities, counties, and
13 behavioral health administrative services organizations. Preparation
14 for the reprocurement of services must be completed within existing
15 resources by January 1, 2026, and include:

16 (i) The full participation and inclusion of the interests of
17 tribes, tribal health care providers, and urban Indian health care
18 providers in the contract development process to assure that there is
19 no disruption to the tribal health care delivery system and that
20 opportunities to promote the health of American Indians are
21 considered;

22 (ii) Contract standards to maximize care coordination between the
23 managed care organizations and the behavioral health administrative
24 services organizations;

25 (iii) The most effective methodologies for measuring network
26 access and adequacy for each provider type subject to network access
27 and adequacy standards and tailored to the particular needs of the
28 regional service areas, to be implemented in the reprocurement to
29 assure access to appropriate and timely behavioral health services in
30 each region;

31 (iv) The optimal number of managed care organizations for each
32 regional service area;

33 (v) Appropriate outcome measures for inclusion in managed care
34 contracts;

35 (vi) Timelines for new contracts to be executed and each step in
36 the procurement process to reach the finalization of the new
37 contracts;

38 (vii) Provisions for best practices regarding contract revisions
39 and future reprocurement timelines;

1 (viii) Opportunities to amend managed care contract requirements
2 to further streamline and standardize processes to reduce
3 administrative burden for providers; and

4 (ix) Exploration of contracting directly with behavioral health
5 administrative services organizations, rather than managed care
6 organizations, for the crisis services described in RCW
7 71.24.380(3)(b).

8 (b) The authority shall submit the strategic plan to the governor
9 and the legislature by July 1, 2026.

10 **Sec. 2.** RCW 71.24.045 and 2024 c 368 s 3 and 2024 c 209 s 30 are
11 each reenacted and amended to read as follows:

12 (1) The behavioral health administrative services organization
13 contracted with the authority pursuant to RCW 71.24.381 shall:

14 (a) Administer crisis services for the assigned regional service
15 area. Such services must include:

16 (i) A behavioral health crisis hotline that operates 24 hours a
17 day every day for its assigned regional service area that provides
18 immediate support, triage, and referral for individuals experiencing
19 behavioral health crises, including the capacity to connect
20 individuals with trained crisis counselors and, when appropriate,
21 dispatch additional crisis services;

22 (ii) Crisis response services 24 hours a day, seven days a week,
23 365 days a year;

24 (iii) Services related to involuntary commitments under chapters
25 71.05 and 71.34 RCW;

26 (iv) Tracking of less restrictive alternative orders issued
27 within the region by superior courts, and providing notification to a
28 managed care organization in the region when one of its enrollees
29 receives a less restrictive alternative order so that the managed
30 care organization may ensure that the person is connected to services
31 and that the requirements of RCW 71.05.585 are complied with. If the
32 person receives a less restrictive alternative order and is returning
33 to another region, the behavioral health administrative services
34 organization shall notify the behavioral health administrative
35 services organization in the home region of the less restrictive
36 alternative order so that the home behavioral health administrative
37 services organization may notify the person's managed care
38 organization or provide services if the person is not enrolled in

1 medicaid and does not have other insurance which can pay for those
2 services;

3 (v) Additional noncrisis behavioral health services, within
4 available resources, to individuals who meet certain criteria set by
5 the authority in its contracts with the behavioral health
6 administrative services organization. These services may include
7 services provided through federal grant funds, provisos, and general
8 fund state appropriations;

9 (vi) Care coordination, diversion services, and discharge
10 planning for nonmedicaid individuals transitioning from state
11 hospitals or inpatient settings to reduce rehospitalization and
12 utilization of crisis services, as required by the authority in
13 contract;

14 (vii) Regional coordination, cross-system and cross-jurisdiction
15 coordination with tribal governments, and capacity building efforts,
16 such as supporting the behavioral health advisory board and efforts
17 to support access to services or to improve the behavioral health
18 system; and

19 (viii) Duties under RCW 71.24.432;

20 (b) Administer and provide for the availability of an adequate
21 network of evaluation and treatment services to ensure access to
22 treatment, investigation, transportation, court-related, and other
23 services provided as required under chapter 71.05 RCW;

24 (c) Coordinate services for individuals under RCW 71.05.365;

25 (d) Administer and provide for the availability of resource
26 management services, residential services, and community support
27 services as required under its contract with the authority;

28 (e) Contract with a sufficient number, as determined and funded
29 by the authority, of licensed or certified providers for crisis
30 services, which may include crisis services delegated to the
31 behavioral health administrative services organization consistent
32 with RCW 71.24.380(3)(b) and other behavioral health services
33 required by the authority;

34 (f) (~~Maintain adequate reserves or secure a bond as required by~~
35 ~~its contract with the authority~~) Collaborate with the authority to
36 identify a business-sound model for establishing adequate reserve
37 thresholds;

38 (g) Establish and maintain quality assurance processes;

1 (h) Meet established limitations on administrative costs for
2 agencies that contract with the behavioral health administrative
3 services organization; and

4 (i) Maintain patient tracking information as required by the
5 authority.

6 (2) The behavioral health administrative services organization
7 must collaborate with the authority and its contracted managed care
8 organizations to develop and implement strategies to coordinate care
9 with tribes and community behavioral health providers for individuals
10 with a history of frequent crisis system utilization.

11 (3) The behavioral health administrative services organization
12 shall:

13 (a) Assure that the special needs of minorities, older adults,
14 individuals with disabilities, children, and low-income persons are
15 met;

16 (b) Collaborate with local and tribal government entities to
17 ensure that policies do not result in an adverse shift of persons
18 with mental illness into state, local, and tribal correctional
19 facilities; and

20 (c) Work with the authority to expedite the enrollment or
21 reenrollment of eligible persons leaving state or local correctional
22 facilities and institutions for mental diseases.

23 (4) The behavioral health administrative services organization
24 shall employ an assisted outpatient treatment program coordinator to
25 oversee system coordination and legal compliance for assisted
26 outpatient treatment under RCW 71.05.148 and 71.34.815.

27 (5) The behavioral health administrative services organization
28 shall comply and ensure their contractors comply with the tribal
29 crisis coordination plan agreed upon by the authority and tribes for
30 coordination of crisis services, care coordination, and discharge and
31 transition planning with tribes and Indian health care providers
32 applicable to their regional service area.

33 **Sec. 3.** RCW 71.24.380 and 2023 c 51 s 32 are each amended to
34 read as follows:

35 (1) The director shall purchase behavioral health services
36 primarily through managed care contracting, but may continue to
37 purchase behavioral health services directly from providers serving
38 medicaid clients who are not enrolled in a managed care organization.

1 (2) The director shall require that contracted managed care
2 organizations have a sufficient network of providers to provide
3 adequate access to behavioral health services for residents of the
4 regional service area that meet eligibility criteria for services,
5 and for maintenance of quality assurance processes. Contracts with
6 managed care organizations must comply with all federal medicaid and
7 state law requirements related to managed health care contracting,
8 including RCW 74.09.522.

9 (3) (a) A managed care organization must contract with the
10 authority's selected behavioral health administrative services
11 organization for the assigned regional service area for the
12 administration of crisis services. The contract shall require the
13 managed care organization to reimburse the behavioral health
14 administrative services organization for behavioral health crisis
15 services delivered to individuals enrolled in the managed care
16 organization.

17 (b) The authority shall direct managed care organizations to
18 establish, continue, or expand delegation arrangements with
19 behavioral health administrative services organizations for crisis
20 services for medicaid enrollees, including crisis phone
21 interventions, mobile crisis teams, peer support services in crisis
22 settings, and crisis stabilization services to include crisis
23 stabilization facilities, in-home crisis stabilization services, and
24 crisis relief centers. The authority shall direct managed care
25 organizations to permit and enable behavioral health administrative
26 services organizations to submit costs to managed care organizations
27 for reimbursement for services delivered in crisis facilities in
28 connection with behavioral health care.

29 (4) The authority must contract with the department of commerce
30 for the provision of behavioral health consumer advocacy services
31 delivered to individuals enrolled in a managed care organization by
32 the advocacy organization selected by the state office of behavioral
33 health consumer advocacy established in RCW 71.40.030. The contract
34 shall require the authority to reimburse the department of commerce
35 for the behavioral health consumer advocacy services delivered to
36 individuals enrolled in a managed care organization.

37 (5) ~~((A managed care organization))~~ Managed care organizations
38 and behavioral health administrative services organizations must
39 collaborate with the authority ~~((and its contracted behavioral health~~
40 ~~administrative services organization))~~ to develop and implement

1 strategies to coordinate care with tribes and community behavioral
2 health providers for individuals with a history of frequent crisis
3 system utilization.

4 (6) A managed care organization must work closely with designated
5 crisis responders, behavioral health administrative services
6 organizations, and behavioral health providers to maximize
7 appropriate placement of persons into community services, ensuring
8 the client receives the least restrictive level of care appropriate
9 for their condition. Additionally, the managed care organization
10 shall work with the authority to expedite the enrollment or
11 reenrollment of eligible persons leaving state or local correctional
12 facilities and institutions for mental diseases.

13 ~~((7) As an incentive to county authorities to become early
14 adopters of fully integrated purchasing of medical and behavioral
15 health services, the standards adopted by the authority shall provide
16 for an incentive payment to counties which elect to move to full
17 integration by January 1, 2016. Subject to federal approval, the
18 incentive payment shall be targeted at ten percent of savings
19 realized by the state within the regional service area in which the
20 fully integrated purchasing takes place. Savings shall be calculated
21 in alignment with the outcome and performance measures established in
22 RCW 71.24.435, 70.320.020, and 71.36.025, and incentive payments for
23 early adopter counties shall be made available for up to a six-year
24 period, or until full integration of medical and behavioral health
25 services is accomplished statewide, whichever comes sooner, according
26 to rules to be developed by the authority.))~~

27 NEW SECTION. **Sec. 4.** If specific funding for the purposes of
28 this act, referencing this act by bill or chapter number, is not
29 provided by June 30, 2025, in the omnibus appropriations act, this
30 act is null and void.

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