CERTIFICATION OF ENROLLMENT

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1813

Chapter 216, Laws of 2025

69th Legislature
2025 Regular Session

MEDICAL ASSISTANCE—REPROCUREMENT

EFFECTIVE DATE: July 27, 2025

Passed by the House April 21, 2025
Yeas 62 Nays 35

LAURIE JINKINS

Speaker of the House of Representatives

Passed by the Senate April 16, 2025
Yeas 30 Nays 19

DENNY HECK

President of the Senate

Approved May 12, 2025 9:43 AM

BOB FERGUSON

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1813** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

May 14, 2025

Secretary of State
State of Washington

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1813

AS AMENDED BY THE SENATE

Passed Legislature - 2025 Regular Session

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.

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

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

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

(1) The authority shall consult with the department of commerce and the department of health quarterly for all agencies to plan and prepare for new or expanded services in each regional service area, which must include, but are not limited to, incorporating regional capacity changes reported to the authority by managed care organizations, behavioral health administrative services organizations, providers including Indian health services providers, Indian health care providers, urban Indian health organizations, or provider networks. When programs or facilities including, but not limited to, those programs and facilities described in RCW 71.24.045(1)(e) are newly established or closed or existing services are expanded or reduced in a region the authority shall direct the state's medicaid contractor for actuarial services to promptly and

prospectively adjust medicaid managed care rates to include a programmatic adjustment related to the new or expanded service prior to the facility opening or the service expansion, consistent with the rate-setting cycles directed by the authority. If a facility closes or services are reduced, managed care and fee-for-service rates must be adjusted accordingly in the rate-setting cycle following the facility closure.

(2) Within existing funds, the authority's preparation for the reprocurement of services to enrollees of medical assistance programs authorized under this chapter shall include the opportunity for comment by key stakeholders, to the extent allowed by applicable state and federal procurement standards, including tribes, patient groups, health care providers and facilities, counties, and behavioral health administrative services organizations. Preparation for the reprocurement of services must also include:

(a) Methodologies for measuring network access and adequacy for each provider type subject to network access and adequacy standards and tailored to the particular needs of the regional service areas, to be implemented in the reprocurement to assure access to appropriate and timely behavioral health services in each region; and

(b) Opportunities to amend managed care contract requirements to further streamline and standardize processes to reduce administrative burden for providers.

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

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

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

(i) A behavioral health crisis hotline <u>that operates 24 hours a day every day</u> for its assigned regional service area <u>that provides immediate support, triage, and referral, including tribal and Indian health care provider crisis services, for individuals experiencing behavioral health crises, including the capacity to connect individuals with trained crisis counselors and, when appropriate, dispatch additional crisis services consistent with existing strategies and operations of the 988 system</u>;

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

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

(iv) Tracking of less restrictive alternative orders issued within the region by superior courts, and providing notification to a managed care organization in the region when one of its enrollees receives a less restrictive alternative order so that the managed care organization may ensure that the person is connected to services and that the requirements of RCW 71.05.585 are complied with. If the person receives a less restrictive alternative order and is returning to another region, the behavioral health administrative services organization shall notify the behavioral health administrative services organization in the home region of the less restrictive alternative order so that the home behavioral health administrative services organization may notify the person's managed care organization or provide services if the person is not enrolled in medicaid and does not have other insurance which can pay for those services;

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

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

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

(viii) Duties under RCW 71.24.432;

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

(c) Coordinate services for individuals under RCW 71.05.365;

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

(e) Contract with a sufficient number, as determined by the authority and in consultation with the behavioral health administrative services organization regarding funds required for this purpose, of licensed or certified providers for crisis services, which may include crisis services delegated to the behavioral health administrative services organization consistent with RCW 71.24.380(3)(b) and other behavioral health services required by the authority;

(f) ((~~Maintain adequate reserves or secure a bond as required by its contract with the authority~~)) Collaborate with the authority to develop a funding model for establishing adequate reserve thresholds, considering service utilization, crisis system operations, and crisis service needs for the medicaid and nonmedicaid populations;

(g) Establish and maintain quality assurance processes;

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

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

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

((~~(3)~~)) (b) To facilitate care coordination with managed care organizations for managed care enrollees that have engagement with the crisis system, the behavioral health administrative services organizations, in consultation with managed care organizations, shall develop and implement electronic care coordination data-sharing standards that are consistent across regional service areas by January 1, 2026.

(3) The behavioral health administrative services organization shall:

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

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

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

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

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

(6) Within existing resources, the authority shall develop an operational plan for a behavioral health administrative services organization that serves American Indians and Alaska Natives that operates statewide and coordinates with tribal governments and Indian health care providers as defined in RCW 43.71B.010. The office of tribal affairs shall coordinate the development of the operational plan in partnership with the American Indian health commission as defined in RCW 43.71B.010 and the governor's Indian health advisory council which shall provide a forum for consultation and collaboration with the tribes and Indian health care providers.

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

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

(2) The director shall require that contracted managed care organizations have a sufficient network of providers to provide adequate access to behavioral health services for residents of the regional service area that meet eligibility criteria for services, and for maintenance of quality assurance processes. Contracts with managed care organizations must comply with all federal medicaid and

state law requirements related to managed health care contracting, including RCW 74.09.522.

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

(b) By July 1, 2026, the authority shall direct managed care organizations to establish, continue, or expand delegation arrangements with behavioral health administrative services organizations for crisis services for medicaid enrollees, including crisis phone interventions, mobile crisis teams, peer support services in crisis settings, and crisis stabilization services to include crisis stabilization facilities, in-home crisis stabilization services, and crisis relief centers. The authority shall direct managed care organizations to negotiate with behavioral health administrative services organizations on a structure to reimburse delegated network providers for medical services offered at crisis facilities.

(i) Managed care organizations shall maintain standards of delegation consistent with their required national committee for quality assurance accreditation. If a managed care organization finds that a behavioral health administrative services organization is unable to meet delegation standards for certain facility-based crisis stabilization services, the authority, in partnership with the managed care organization, may provide technical assistance to the behavioral health administrative services organization to develop its ability to comply with the full scope of delegated services. If, upon conclusion of the technical assistance period, the authority determines that the behavioral health administrative services organization remains unable to comply with these delegation standards, the authority may require delegation for facility-based crisis stabilization services only be terminated and the responsibility for the provision of these services may revert to the managed care organization.

(ii) Under managed care delegation arrangements, behavioral health administrative services organizations are subject to audits of

their performance to assure the quality of services being provided to their enrollees. If, at any time, a behavioral health administrative services organization fails the audit, the managed care organization shall proceed with findings or corrective action plans according to their requirements as a national committee for quality assurance accreditation entity. The managed care organization shall notify the authority of these findings and corrective actions within 72 hours. The authority, in partnership with the managed care organization, shall provide technical assistance to behavioral health administrative services organizations to address any deficiencies identified in the audit.

(4) Managed care organizations and behavioral health administrative services organizations shall collectively, and in contract, establish defined roles, responsibilities, and protocols for care coordination of managed care enrollees that have engagement with the crisis system of care.

(5) The authority must contract with the department of commerce for the provision of behavioral health consumer advocacy services delivered to individuals enrolled in a managed care organization by the advocacy organization selected by the state office of behavioral health consumer advocacy established in RCW 71.40.030. The contract shall require the authority to reimburse the department of commerce for the behavioral health consumer advocacy services delivered to individuals enrolled in a managed care organization.

((~~(5) A managed care organization~~)) (6) Managed care organizations and behavioral health administrative services organizations must collaborate with the authority ((~~and its contracted behavioral health administrative services organization~~)) to develop and implement strategies to coordinate care with tribes and community behavioral health providers for individuals with a history of frequent crisis system utilization.

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

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

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

Passed by the House April 21, 2025.
Passed by the Senate April 16, 2025.
Approved by the Governor May 12, 2025.
Filed in Office of Secretary of State May 14, 2025.

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