

CERTIFICATION OF ENROLLMENT  
**ENGROSSED SUBSTITUTE HOUSE BILL 1519**

63rd Legislature  
2013 Regular Session

Passed by the House April 22, 2013  
Yeas 90 Nays 5

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**Speaker of the House of Representatives**

Passed by the Senate April 17, 2013  
Yeas 46 Nays 0

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**President of the Senate**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 1519** as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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**ENGROSSED SUBSTITUTE HOUSE BILL 1519**

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AS AMENDED BY THE SENATE

Passed Legislature - 2013 Regular Session

**State of Washington                      63rd Legislature                      2013 Regular Session**

**By** House Appropriations (originally sponsored by Representatives  
Cody, Green, Jinkins, Ryu, and Pollet)

READ FIRST TIME 03/01/13.

1            AN ACT Relating to establishing accountability measures for service  
2 coordination organizations; amending RCW 70.96A.320, 71.24.330, and  
3 74.39A.090; adding a new section to chapter 74.09 RCW; and adding a new  
4 chapter to Title 70 RCW.

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

6            NEW SECTION.    **Sec. 1.**    The definitions in this section apply  
7 throughout this chapter unless the context clearly requires otherwise.

8            (1) "Authority" means the health care authority.

9            (2) "Department" means the department of social and health  
10 services.

11            (3) "Emerging best practice" or "promising practice" means a  
12 program or practice that, based on statistical analyses or a well-  
13 established theory of change, shows potential for meeting the evidence-  
14 based or research-based criteria, which may include the use of a  
15 program that is evidence-based for outcomes other than those listed in  
16 this section.

17            (4) "Evidence-based" means a program or practice that has been  
18 tested in heterogeneous or intended populations with multiple  
19 randomized, or statistically controlled evaluations, or both; or one

1 large multiple site randomized, or statistically controlled evaluation,  
2 or both, where the weight of the evidence from a systemic review  
3 demonstrates sustained improvements in at least one outcome.  
4 "Evidence-based" also means a program or practice that can be  
5 implemented with a set of procedures to allow successful replication in  
6 Washington and, when possible, is determined to be cost-beneficial.

7 (5) "Research-based" means a program or practice that has been  
8 tested with a single randomized, or statistically controlled  
9 evaluation, or both, demonstrating sustained desirable outcomes; or  
10 where the weight of the evidence from a systemic review supports  
11 sustained outcomes as described in this subsection but does not meet  
12 the full criteria for evidence-based.

13 (6) "Service coordination organization" or "service contracting  
14 entity" means the authority and department, or an entity that may  
15 contract with the state to provide, directly or through subcontracts,  
16 a comprehensive delivery system of medical, behavioral, long-term care,  
17 or social support services, including entities such as regional support  
18 networks as defined in RCW 71.24.025, managed care organizations that  
19 provide medical services to clients under chapter 74.09 RCW, counties  
20 providing chemical dependency services under chapters 74.50 and 70.96A  
21 RCW, and area agencies on aging providing case management services  
22 under chapter 74.39A RCW.

23 NEW SECTION. **Sec. 2.** (1) The authority and the department shall  
24 base contract performance measures developed under section 3 of this  
25 act on the following outcomes when contracting with service contracting  
26 entities: Improvements in client health status and wellness; increases  
27 in client participation in meaningful activities; reductions in client  
28 involvement with criminal justice systems; reductions in avoidable  
29 costs in hospitals, emergency rooms, crisis services, and jails and  
30 prisons; increases in stable housing in the community; improvements in  
31 client satisfaction with quality of life; and reductions in population-  
32 level health disparities.

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

36 (a) Maximization of the use of evidence-based practices will be  
37 given priority over the use of research-based and promising practices,

1 and research-based practices will be given priority over the use of  
2 promising practices. The agencies will develop strategies to identify  
3 programs that are effective with ethnically diverse clients and to  
4 consult with tribal governments, experts within ethnically diverse  
5 communities and community organizations that serve diverse communities;

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

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

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

12 (3) In developing performance measures under section 3 of this act,  
13 the authority and the department shall consider expected outcomes  
14 relevant to the general populations that each agency serves. The  
15 authority and the department may adapt the outcomes to account for the  
16 unique needs and characteristics of discrete subcategories of  
17 populations receiving services, including ethnically diverse  
18 communities.

19 (4) The authority and the department shall coordinate the  
20 establishment of the expected outcomes and the performance measures  
21 between each agency as well as each program to identify expected  
22 outcomes and performance measures that are common to the clients  
23 enrolled in multiple programs and to eliminate conflicting standards  
24 among the agencies and programs.

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

31 NEW SECTION. **Sec. 3.** By September 1, 2014:

32 (1) The authority shall adopt performance measures to determine  
33 whether service contracting entities are achieving the outcomes  
34 described in section 2 of this act for clients enrolled in medical  
35 managed care programs operated according to Title XIX or XXI of the  
36 federal social security act.

1 (2) The department shall adopt performance measures to determine  
2 whether service contracting entities are achieving the outcomes  
3 described in section 2 of this act for clients receiving mental health,  
4 long-term care, or chemical dependency services.

5 NEW SECTION. **Sec. 4.** By July 1, 2015, the authority and the  
6 department shall require that contracts with service coordination  
7 organizations include provisions requiring the adoption of the outcomes  
8 and performance measures developed under this chapter and mechanisms  
9 for reporting data to support each of the outcomes and performance  
10 measures.

11 NEW SECTION. **Sec. 5.** (1) By December 1, 2014, the department and  
12 the authority shall report jointly to the legislature on the expected  
13 outcomes and the performance measures. The report must identify the  
14 performance measures and the expected outcomes established for each  
15 program, the relationship between the performance measures and expected  
16 improvements in client outcomes, mechanisms for reporting outcomes and  
17 measuring performance, and options for applying the performance  
18 measures and expected outcomes development process to other health and  
19 social service programs.

20 (2) By December 1, 2016, the department and the authority shall  
21 report to the legislature on the incorporation of the performance  
22 measures into contracts with service coordination organizations and  
23 progress toward achieving the identified outcomes.

24 NEW SECTION. **Sec. 6.** The outcomes and performance measures  
25 established pursuant to this chapter do not establish a standard of  
26 care in any civil action brought by a recipient of services. The  
27 failure of a service coordination organization to meet the outcomes and  
28 performance measures established pursuant to this chapter does not  
29 create civil liability on the part of the service coordination  
30 organization in a claim brought by a recipient of services.

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

33 The authority shall incorporate the expected outcomes and criteria  
34 to measure the performance of service coordination organizations as

1 provided in chapter 70.-- RCW (the new chapter created in section 11 of  
2 this act) into contracts with managed care organizations that provide  
3 services to clients under this chapter.

4 **Sec. 8.** RCW 70.96A.320 and 1990 c 151 s 9 are each amended to read  
5 as follows:

6 (1) A county legislative authority, or two or more counties acting  
7 jointly, may establish an alcoholism and other drug addiction program.  
8 If two or more counties jointly establish the program, they shall  
9 designate one county to provide administrative and financial services.

10 (2) To be eligible for funds from the department for the support of  
11 the county alcoholism and other drug addiction program, the county  
12 legislative authority shall establish a county alcoholism and other  
13 drug addiction board under RCW 70.96A.300 and appoint a county  
14 alcoholism and other drug addiction program coordinator under RCW  
15 70.96A.310.

16 (3) The county legislative authority may apply to the department  
17 for financial support for the county program of alcoholism and other  
18 drug addiction. To receive financial support, the county legislative  
19 authority shall submit a plan that meets the following conditions:

20 (a) It shall describe the services and activities to be provided;

21 (b) It shall include anticipated expenditures and revenues;

22 (c) It shall be prepared by the county alcoholism and other drug  
23 addiction program board and be adopted by the county legislative  
24 authority;

25 (d) It shall reflect maximum effective use of existing services and  
26 programs; and

27 (e) It shall meet other conditions that the secretary may require.

28 (4) The county may accept and spend gifts, grants, and fees, from  
29 public and private sources, to implement its program of alcoholism and  
30 other drug addiction.

31 (5) The department shall require that any agreement to provide  
32 financial support to a county that performs the activities of a service  
33 coordination organization for alcoholism and other drug addiction  
34 services must incorporate the expected outcomes and criteria to measure  
35 the performance of service coordination organizations as provided in  
36 chapter 70.-- RCW (the new chapter created in section 11 of this act).

1       (6) The county may subcontract for detoxification, residential  
2 treatment, or outpatient treatment with treatment programs that are  
3 approved treatment programs. The county may subcontract for other  
4 services with individuals or organizations approved by the department.

5       ~~((+6+))~~ (7) To continue to be eligible for financial support from  
6 the department for the county alcoholism and other drug addiction  
7 program, an increase in state financial support shall not be used to  
8 supplant local funds from a source that was used to support the county  
9 alcoholism and other drug addiction program before the effective date  
10 of the increase.

11       **Sec. 9.** RCW 71.24.330 and 2008 c 261 s 6 are each amended to read  
12 as follows:

13       (1)(a) Contracts between a regional support network and the  
14 department shall include mechanisms for monitoring performance under  
15 the contract and remedies for failure to substantially comply with the  
16 requirements of the contract including, but not limited to, financial  
17 penalties, termination of the contract, and reprocurement of the  
18 contract.

19       **(b) The department shall incorporate the criteria to measure the**  
20 **performance of service coordination organizations into contracts with**  
21 **regional support networks as provided in chapter 70.-- RCW (the new**  
22 **chapter created in section 11 of this act).**

23       (2) The regional support network procurement processes shall  
24 encourage the preservation of infrastructure previously purchased by  
25 the community mental health service delivery system, the maintenance of  
26 linkages between other services and delivery systems, and maximization  
27 of the use of available funds for services versus profits. However, a  
28 regional support network selected through the procurement process is  
29 not required to contract for services with any county-owned or operated  
30 facility. The regional support network procurement process shall  
31 provide that public funds appropriated by the legislature shall not be  
32 used to promote or deter, encourage, or discourage employees from  
33 exercising their rights under Title 29, chapter 7, subchapter II,  
34 United States Code or chapter 41.56 RCW.

35       (3) In addition to the requirements of RCW 71.24.035, contracts  
36 shall:

1 (a) Define administrative costs and ensure that the regional  
2 support network does not exceed an administrative cost of ten percent  
3 of available funds;

4 (b) Require effective collaboration with law enforcement, criminal  
5 justice agencies, and the chemical dependency treatment system;

6 (c) Require substantial implementation of department adopted  
7 integrated screening and assessment process and matrix of best  
8 practices;

9 (d) Maintain the decision-making independence of designated mental  
10 health professionals;

11 (e) Except at the discretion of the secretary or as specified in  
12 the biennial budget, require regional support networks to pay the state  
13 for the costs associated with individuals who are being served on the  
14 grounds of the state hospitals and who are not receiving long-term  
15 inpatient care as defined in RCW 71.24.025;

16 (f) Include a negotiated alternative dispute resolution clause; and

17 (g) Include a provision requiring either party to provide one  
18 hundred eighty days' notice of any issue that may cause either party to  
19 voluntarily terminate, refuse to renew, or refuse to sign a mandatory  
20 amendment to the contract to act as a regional support network. If  
21 either party decides to voluntarily terminate, refuse to renew, or  
22 refuse to sign a mandatory amendment to the contract to serve as a  
23 regional support network they shall provide ninety days' advance notice  
24 in writing to the other party.

25 **Sec. 10.** RCW 74.39A.090 and 2004 c 141 s 3 are each amended to  
26 read as follows:

27 (1) The legislature intends that any staff reassigned by the  
28 department as a result of shifting of the reauthorization  
29 responsibilities by contract outlined in this section shall be  
30 dedicated for discharge planning and assisting with discharge planning  
31 and information on existing discharge planning cases. Discharge  
32 planning, as directed in this section, is intended for residents and  
33 patients identified for discharge to long-term care pursuant to RCW  
34 70.41.320, 74.39A.040, and 74.42.058. The purpose of discharge  
35 planning is to protect residents and patients from the financial  
36 incentives inherent in keeping residents or patients in a more

1 expensive higher level of care and shall focus on care options that are  
2 in the best interest of the patient or resident.

3 (2) The department shall contract with area agencies on aging:

4 (a) To provide case management services to consumers receiving home  
5 and community services in their own home; and

6 (b) To reassess and reauthorize home and community services in home  
7 or in other settings for consumers consistent with the intent of this  
8 section:

9 (i) Who have been initially authorized by the department to receive  
10 home and community services; and

11 (ii) Who, at the time of reassessment and reauthorization, are  
12 receiving home and community services in their own home.

13 (3) In the event that an area agency on aging is unwilling to enter  
14 into or satisfactorily fulfill a contract or an individual consumer's  
15 need for case management services will be met through an alternative  
16 delivery system, the department is authorized to:

17 (a) Obtain the services through competitive bid; and

18 (b) Provide the services directly until a qualified contractor can  
19 be found.

20 (4)(a) The department shall include, in its oversight and  
21 monitoring of area agency on aging performance, assessment of case  
22 management roles undertaken by area agencies on aging in this section.  
23 The scope of oversight and monitoring includes, but is not limited to,  
24 assessing the degree and quality of the case management performed by  
25 area agency on aging staff for elderly and (~~disabled~~) persons with  
26 disabilities in the community.

27 (b) The department shall incorporate the expected outcomes and  
28 criteria to measure the performance of service coordination  
29 organizations into contracts with area agencies on aging as provided in  
30 chapter 70.-- RCW (the new chapter created in section 11 of this act).

31 (5) Area agencies on aging shall assess the quality of the in-home  
32 care services provided to consumers who are receiving services under  
33 the medicaid personal care, community options programs entry system or  
34 chore services program through an individual provider or home care  
35 agency. Quality indicators may include, but are not limited to, home  
36 care consumers satisfaction surveys, how quickly home care consumers  
37 are linked with home care workers, and whether the plan of care under

1 RCW 74.39A.095 has been honored by the agency or the individual  
2 provider.

3 (6) The department shall develop model language for the plan of  
4 care established in RCW 74.39A.095. The plan of care shall be in clear  
5 language, and written at a reading level that will ensure the ability  
6 of consumers to understand the rights and responsibilities expressed in  
7 the plan of care.

8 NEW SECTION. **Sec. 11.** Sections 1 through 6 of this act constitute  
9 a new chapter in Title 70 RCW.

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