

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1650

57th Legislature
2001 Regular Legislative Session

Passed by the House April 19, 2001
Yeas 93 Nays 0

Speaker of the House of Representatives

Speaker of the House of Representatives

Passed by the Senate April 18, 2001
Yeas 42 Nays 0

President of the Senate

Approved

CERTIFICATE

We, Timothy A. Martin and Cynthia Zehnder, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1650** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

Chief Clerk

FILED

Governor of the State of Washington

**Secretary of State
State of Washington**

1 history of confinement in a state, federal, or local correctional
2 facility. It is also the purpose of this chapter to promote the early
3 identification of mentally ill children and to ensure that they receive
4 the mental health care and treatment which is appropriate to their
5 developmental level. This care should improve home, school, and
6 community functioning, maintain children in a safe and nurturing home
7 environment, and should enable treatment decisions to be made in
8 response to clinical needs in accordance with sound professional
9 judgment while also recognizing parents' rights to participate in
10 treatment decisions for their children;

11 (2) Accountability of efficient and effective services through
12 state of the art outcome and performance measures and statewide
13 standards for monitoring client and system outcomes, performance, and
14 reporting of information. These processes shall be designed so as to
15 maximize the use of available resources for direct care of people with
16 a mental illness;

17 (3) Minimum service delivery standards;

18 (4) Priorities for the use of available resources for the care of
19 the mentally ill consistent with the priorities defined in the statute;

20 (5) Coordination of services within the department, including those
21 divisions within the department that provide services to children,
22 between the department and the office of the superintendent of public
23 instruction, and among state mental hospitals, county authorities,
24 community mental health services, and other support services, which
25 shall to the maximum extent feasible also include the families of the
26 mentally ill, and other service providers; and

27 (6) Coordination of services aimed at reducing duplication in
28 service delivery and promoting complementary services among all
29 entities that provide mental health services to adults and children.

30 It is the policy of the state to encourage the provision of a full
31 range of treatment and rehabilitation services in the state for mental
32 disorders. The legislature intends to encourage the development of
33 county-based and county-managed mental health services with adequate
34 local flexibility to assure eligible people in need of care access to
35 the least-restrictive treatment alternative appropriate to their needs,
36 and the availability of treatment components to assure continuity of
37 care. To this end, counties are encouraged to enter into joint
38 operating agreements with other counties to form regional systems of
39 care which integrate planning, administration, and service delivery

1 duties assigned to counties under chapters 71.05 and 71.24 RCW to
2 consolidate administration, reduce administrative layering, and reduce
3 administrative costs.

4 It is further the intent of the legislature to integrate the
5 provision of services to provide continuity of care through all phases
6 of treatment. To this end the legislature intends to promote active
7 engagement with mentally ill persons and collaboration between families
8 and service providers.

9 NEW SECTION. **Sec. 2.** A new section is added to chapter 71.24 RCW
10 to read as follows:

11 The department shall operate the community mental health service
12 delivery system authorized under this chapter within the following
13 constraints:

14 (1) The full amount of federal funds for mental health services,
15 plus qualifying state expenditures as appropriated in the biennial
16 operating budget, shall be appropriated to the department each year in
17 the biennial appropriations act to carry out the provisions of the
18 community mental health service delivery system authorized in this
19 chapter.

20 (2) The department may expend funds defined in subsection (1) of
21 this section in any manner that will effectively accomplish the outcome
22 measures defined in section 5 of this act.

23 (3) The department shall implement strategies that accomplish the
24 outcome measures identified in section 5 of this act that are within
25 the funding constraints in this section.

26 (4) The department shall monitor expenditures against the
27 appropriation levels provided for in subsection (1) of this section.

28 NEW SECTION. **Sec. 3.** A new section is added to chapter 71.24 RCW
29 to read as follows:

30 (1) The department shall ensure the coordination of allied services
31 for mental health clients. The department shall implement strategies
32 for resolving organizational, regulatory, and funding issues at all
33 levels of the system, including the state, the regional support
34 networks, and local service providers.

35 (2) The department shall propose, in operating budget requests,
36 transfers of funding among programs to support collaborative service
37 delivery to persons who require services from multiple department

1 programs. The department shall report annually to the appropriate
2 committees of the senate and house of representatives on actions and
3 projects it has taken to promote collaborative service delivery.

4 NEW SECTION. **Sec. 4.** A new section is added to chapter 71.24 RCW
5 to read as follows:

6 It is the intent of the legislature that the community mental
7 health service delivery system focus on maintaining mentally ill
8 individuals in the community. The program shall be evaluated and
9 managed through a limited number of performance measures designed to
10 hold each regional support network accountable for program success.

11 NEW SECTION. **Sec. 5.** A new section is added to chapter 71.24 RCW
12 to read as follows:

13 (1) The department, in collaboration with a work group appointed by
14 the secretary and made up of consumers, advocates, service providers,
15 and representatives of regional support networks, shall develop
16 performance measures for use in evaluating and managing the community
17 mental health service delivery system authorized under this chapter.
18 The performance measures shall be consistent with the provisions of RCW
19 71.24.405(3) which may include but are not limited to:

- 20 (a) Access to services;
- 21 (b) Quality and appropriateness of care;
- 22 (c) Outcome measures; including, but not limited to:
 - 23 (i) Consumer change over time;
 - 24 (ii) Consumer perception of hope for the future;
 - 25 (iii) Percent of consumers who have safe and stable housing;
 - 26 (iv) Percent of adults employed for one or more days in the last
27 thirty days;
 - 28 (v) Percent of consumers without a jail or detention stay;
 - 29 (vi) Percent of available school days attended in the past thirty
30 days;
 - 31 (vii) Percent of consumers without a psychiatric hospitalization;
 - 32 and
 - 33 (d) Structure and plan management.

34 (2) The department shall require that service providers and
35 regional support networks collect uniform performance measure
36 information and report it to the department regularly. The department
37 shall develop benchmarks that compare performance measure information

1 from all regional support networks and providers to provide a clear
2 indication of the most effective regional support networks and
3 providers. Benchmark information shall be published quarterly and
4 provided to the legislature, the governor, regional support networks,
5 and all providers of mental health services.

6 NEW SECTION. **Sec. 6.** A new section is added to chapter 71.24 RCW
7 to read as follows:

8 Every regional support network and mental health services provider
9 shall be evaluated using the criteria in section 5 of this act.

10 NEW SECTION. **Sec. 7.** A new section is added to chapter 71.24 RCW
11 to read as follows:

12 The department shall provide a report to the appropriate committees
13 of the legislature on the development, implementation, and achievement
14 of the performance measures by regional support networks and service
15 providers on an annual basis, no later than June 30th of each year,
16 beginning in 2002. The report shall include how the department is
17 using the outcome measure information obtained under section 5 of this
18 act to manage the community mental health service delivery system.

19 **Sec. 8.** RCW 71.24.025 and 1999 c 10 s 2 are each amended to read
20 as follows:

21 Unless the context clearly requires otherwise, the definitions in
22 this section apply throughout this chapter.

23 (1) "Acutely mentally ill" means a condition which is limited to a
24 short-term severe crisis episode of:

25 (a) A mental disorder as defined in RCW 71.05.020 or, in the case
26 of a child, as defined in RCW 71.34.020;

27 (b) Being gravely disabled as defined in RCW 71.05.020 or, in the
28 case of a child, a gravely disabled minor as defined in RCW 71.34.020;
29 or

30 (c) Presenting a likelihood of serious harm as defined in RCW
31 71.05.020 or, in the case of a child, as defined in RCW 71.34.020.

32 (2) "Available resources" means funds appropriated for the purpose
33 of providing community mental health programs under RCW 71.24.045,
34 federal funds, except those provided according to Title XIX of the
35 Social Security Act, and state funds appropriated under this chapter or
36 chapter 71.05 RCW by the legislature during any biennium for the

1 purpose of providing residential services, resource management
2 services, community support services, and other mental health services.
3 This does not include funds appropriated for the purpose of operating
4 and administering the state psychiatric hospitals, except as negotiated
5 according to RCW 71.24.300(1)((~~d~~)) (e).

6 (3) "Child" means a person under the age of eighteen years.

7 (4) "Chronically mentally ill adult" means an adult who has a
8 mental disorder and meets at least one of the following criteria:

9 (a) Has undergone two or more episodes of hospital care for a
10 mental disorder within the preceding two years; or

11 (b) Has experienced a continuous psychiatric hospitalization or
12 residential treatment exceeding six months' duration within the
13 preceding year; or

14 (c) Has been unable to engage in any substantial gainful activity
15 by reason of any mental disorder which has lasted for a continuous
16 period of not less than twelve months. "Substantial gainful activity"
17 shall be defined by the department by rule consistent with Public Law
18 92-603, as amended.

19 (5) "Community mental health program" means all mental health
20 services, activities, or programs using available resources.

21 (6) "Community mental health service delivery system" means public
22 or private agencies that provide services specifically to persons with
23 mental disorders as defined under RCW 71.05.020 and receive funding
24 from public sources.

25 (7) "Community support services" means services authorized,
26 planned, and coordinated through resource management services
27 including, at (~~least~~) a minimum, assessment, diagnosis, emergency
28 crisis intervention available twenty-four hours, seven days a week,
29 prescreening determinations for mentally ill persons being considered
30 for placement in nursing homes as required by federal law, screening
31 for patients being considered for admission to residential services,
32 diagnosis and treatment for acutely mentally ill and severely
33 emotionally disturbed children discovered under screening through the
34 federal Title XIX early and periodic screening, diagnosis, and
35 treatment program, investigation, legal, and other nonresidential
36 services under chapter 71.05 RCW, case management services, psychiatric
37 treatment including medication supervision, counseling, psychotherapy,
38 assuring transfer of relevant patient information between service
39 providers, and other services determined by regional support

1 networks(~~(, and maintenance of a patient tracking system for~~
2 ~~chronically mentally ill adults and severely emotionally disturbed~~
3 ~~children)~~)).

4 (8) "County authority" means the board of county commissioners,
5 county council, or county executive having authority to establish a
6 community mental health program, or two or more of the county
7 authorities specified in this subsection which have entered into an
8 agreement to provide a community mental health program.

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

11 (10) "Licensed service provider" means an entity licensed according
12 to this chapter or chapter 71.05 RCW or an entity deemed to meet state
13 minimum standards as a result of accreditation by a recognized
14 behavioral health accrediting body recognized and having a current
15 agreement with the department, that meets state minimum standards or
16 individuals licensed under chapter 18.57, 18.71, 18.83, or 18.79 RCW,
17 as it applies to registered nurses and advanced registered nurse
18 practitioners.

19 (11) "Mental health services" means all services provided by
20 regional support networks and other services provided by the state for
21 the mentally ill.

22 (12) "Mentally ill persons" and "the mentally ill" mean persons and
23 conditions defined in subsections (1), (4), (17), and (18) of this
24 section.

25 (13) "Regional support network" means a county authority or group
26 of county authorities recognized by the secretary that enter into joint
27 operating agreements to contract with the secretary pursuant to this
28 chapter.

29 (14) "Residential services" means a complete range of residences
30 and supports authorized by resource management services and which may
31 involve a facility, a distinct part thereof, or services which support
32 community living, for acutely mentally ill persons, chronically
33 mentally ill adults, severely emotionally disturbed children, or
34 seriously disturbed adults determined by the regional support network
35 to be at risk of becoming acutely or chronically mentally ill. The
36 services shall include at least evaluation and treatment services as
37 defined in chapter 71.05 RCW, acute crisis respite care, long-term
38 adaptive and rehabilitative care, and supervised and supported living
39 services, and shall also include any residential services developed to

1 service mentally ill persons in nursing homes. Residential services
2 for children in out-of-home placements related to their mental disorder
3 shall not include the costs of food and shelter, except for children's
4 long-term residential facilities existing prior to January 1, 1991.

5 (15) "Resource management services" mean the planning,
6 coordination, and authorization of residential services and community
7 support services administered pursuant to an individual service plan
8 for: (a) Acutely mentally ill adults and children; (b) chronically
9 mentally ill adults; (c) severely emotionally disturbed children; or
10 (d) seriously disturbed adults determined solely by a regional support
11 network to be at risk of becoming acutely or chronically mentally ill.
12 Such planning, coordination, and authorization shall include mental
13 health screening for children eligible under the federal Title XIX
14 early and periodic screening, diagnosis, and treatment program.
15 Resource management services include seven day a week, twenty-four hour
16 a day availability of information regarding mentally ill adults' and
17 children's enrollment in services and their individual service plan to
18 county-designated mental health professionals, evaluation and treatment
19 facilities, and others as determined by the regional support network.

20 (16) "Secretary" means the secretary of social and health services.

21 (17) "Seriously disturbed person" means a person who:

22 (a) Is gravely disabled or presents a likelihood of serious harm to
23 himself or herself or others, or to the property of others, as a result
24 of a mental disorder as defined in chapter 71.05 RCW;

25 (b) Has been on conditional release status, or under a less
26 restrictive alternative order, at some time during the preceding two
27 years from an evaluation and treatment facility or a state mental
28 health hospital;

29 (c) Has a mental disorder which causes major impairment in several
30 areas of daily living;

31 (d) Exhibits suicidal preoccupation or attempts; or

32 (e) Is a child diagnosed by a mental health professional, as
33 defined in chapter 71.34 RCW, as experiencing a mental disorder which
34 is clearly interfering with the child's functioning in family or school
35 or with peers or is clearly interfering with the child's personality
36 development and learning.

37 (18) "Severely emotionally disturbed child" means a child who has
38 been determined by the regional support network to be experiencing a
39 mental disorder as defined in chapter 71.34 RCW, including those mental

1 disorders that result in a behavioral or conduct disorder, that is
2 clearly interfering with the child's functioning in family or school or
3 with peers and who meets at least one of the following criteria:

4 (a) Has undergone inpatient treatment or placement outside of the
5 home related to a mental disorder within the last two years;

6 (b) Has undergone involuntary treatment under chapter 71.34 RCW
7 within the last two years;

8 (c) Is currently served by at least one of the following child-
9 serving systems: Juvenile justice, child-protection/welfare, special
10 education, or developmental disabilities;

11 (d) Is at risk of escalating maladjustment due to:

12 (i) Chronic family dysfunction involving a mentally ill or
13 inadequate caretaker;

14 (ii) Changes in custodial adult;

15 (iii) Going to, residing in, or returning from any placement
16 outside of the home, for example, psychiatric hospital, short-term
17 inpatient, residential treatment, group or foster home, or a
18 correctional facility;

19 (iv) Subject to repeated physical abuse or neglect;

20 (v) Drug or alcohol abuse; or

21 (vi) Homelessness.

22 (19) "State minimum standards" means minimum requirements
23 established by rules adopted by the secretary and necessary to
24 implement this chapter for: (a) Delivery of mental health services;
25 (b) licensed service providers for the provision of mental health
26 services; (c) residential services; and (d) community support services
27 and resource management services.

28 (20) "Tribal authority," for the purposes of this section and RCW
29 71.24.300 only, means: The federally recognized Indian tribes and the
30 major Indian organizations recognized by the secretary insofar as these
31 organizations do not have a financial relationship with any regional
32 support network that would present a conflict of interest.

33 **Sec. 9.** RCW 71.24.030 and 1999 c 10 s 3 are each amended to read
34 as follows:

35 The secretary is authorized to make grants to and/or purchase
36 services from counties or combinations of counties in the establishment
37 and operation of community mental health programs.

1 **Sec. 10.** RCW 71.24.035 and 1999 c 10 s 4 are each amended to read
2 as follows:

3 (1) The department is designated as the state mental health
4 authority.

5 (2) The secretary ((may)) shall provide for public, client, and
6 licensed service provider participation in developing the state mental
7 health program, developing contracts with regional support networks,
8 and any waiver request to the federal government under medicaid.

9 (3) The secretary shall provide for participation in developing the
10 state mental health program for children and other underserved
11 populations, by including representatives on any committee established
12 to provide oversight to the state mental health program.

13 (4) The secretary shall be designated as the county authority if a
14 county fails to meet state minimum standards or refuses to exercise
15 responsibilities under RCW 71.24.045.

16 (5) The secretary shall:

17 (a) Develop a biennial state mental health program that
18 incorporates county biennial needs assessments and county mental health
19 service plans and state services for mentally ill adults and children.
20 The secretary may also develop a six-year state mental health plan;

21 (b) Assure that any regional or county community mental health
22 program provides access to treatment for the county's residents in the
23 following order of priority: (i) The acutely mentally ill; (ii)
24 chronically mentally ill adults and severely emotionally disturbed
25 children; and (iii) the seriously disturbed. Such programs shall
26 provide:

27 (A) Outpatient services;

28 (B) Emergency care services for twenty-four hours per day;

29 (C) Day treatment for mentally ill persons which includes training
30 in basic living and social skills, supported work, vocational
31 rehabilitation, and day activities. Such services may include
32 therapeutic treatment. In the case of a child, day treatment includes
33 age-appropriate basic living and social skills, educational and
34 prevocational services, day activities, and therapeutic treatment;

35 (D) Screening for patients being considered for admission to state
36 mental health facilities to determine the appropriateness of admission;

37 (E) Employment services, which may include supported employment,
38 transitional work, placement in competitive employment, and other work-
39 related services, that result in mentally ill persons becoming engaged

1 in meaningful and gainful full or part-time work. Other sources of
2 funding such as the division of vocational rehabilitation may be
3 utilized by the secretary to maximize federal funding and provide for
4 integration of services;

5 (F) Consultation and education services; and

6 (G) Community support services;

7 (c) Develop and adopt rules establishing state minimum standards
8 for the delivery of mental health services pursuant to RCW 71.24.037
9 including, but not limited to:

10 (i) Licensed service providers. The secretary shall provide for
11 deeming of compliance with state minimum standards for those entities
12 accredited by recognized behavioral health accrediting bodies
13 recognized and having a current agreement with the department;

14 (ii) Regional support networks; and

15 (iii) ~~((Residential and))~~ Inpatient services, evaluation and
16 treatment services and facilities under chapter 71.05 RCW, resource
17 management services, and community support services;

18 (d) Assure that the special needs of minorities, the elderly,
19 disabled, children, and low-income persons are met within the
20 priorities established in this section;

21 (e) Establish a standard contract or contracts, consistent with
22 state minimum standards, which shall be used ~~((by the))~~ in contracting
23 with regional support networks or counties. The standard contract
24 shall include a maximum fund balance, which shall not exceed ten
25 percent;

26 (f) Establish, to the extent possible, a standardized auditing
27 procedure which minimizes paperwork requirements of county authorities
28 and licensed service providers. The audit procedure shall focus on the
29 outcomes of service and not the processes for accomplishing them;

30 (g) Develop and maintain an information system to be used by the
31 state, counties, and regional support networks that includes a tracking
32 method which allows the department and regional support networks to
33 identify mental health clients' participation in any mental health
34 service or public program on an immediate basis. The information
35 system shall not include individual patient's case history files.
36 Confidentiality of client information and records shall be maintained
37 as provided in this chapter and in RCW 71.05.390, 71.05.400, 71.05.410,
38 71.05.420, 71.05.430, and 71.05.440. The design of the system and the
39 data elements to be collected shall be reviewed by the work group

1 appointed by the secretary under section 5(1) of this act and
2 representing the department, regional support networks, service
3 providers, consumers, and advocates. The data elements shall be
4 designed to provide information that is needed to measure performance
5 and achieve the service outcomes identified in section 5 of this act;

6 (h) License service providers who meet state minimum standards;

7 (i) Certify regional support networks that meet state minimum
8 standards;

9 (j) Periodically (~~inspect~~) monitor the compliance of certified
10 regional support networks and their network of licensed service
11 providers for compliance with the contract between the department, the
12 regional support network, and federal and state rules at reasonable
13 times and in a reasonable manner;

14 (k) Fix fees to be paid by evaluation and treatment centers to the
15 secretary for the required inspections;

16 (l) Monitor and audit counties, regional support networks, and
17 licensed service providers as needed to assure compliance with
18 contractual agreements authorized by this chapter; and

19 (m) Adopt such rules as are necessary to implement the department's
20 responsibilities under this chapter.

21 (6) The secretary shall use available resources only for regional
22 support networks.

23 (7) Each certified regional support network and licensed service
24 provider shall file with the secretary, on request, such data,
25 statistics, schedules, and information as the secretary reasonably
26 requires. A certified regional support network or licensed service
27 provider which, without good cause, fails to furnish any data,
28 statistics, schedules, or information as requested, or files fraudulent
29 reports thereof, may have its certification or license revoked or
30 suspended.

31 (8) The secretary may suspend, revoke, limit, or restrict a
32 certification or license, or refuse to grant a certification or license
33 for failure to conform to: (a) The law; (b) applicable rules and
34 regulations; (c) applicable standards; or (d) state minimum standards.

35 (9) The superior court may restrain any regional support network or
36 service provider from operating without certification or a license or
37 any other violation of this section. The court may also review,
38 pursuant to procedures contained in chapter 34.05 RCW, any denial,
39 suspension, limitation, restriction, or revocation of certification or

1 license, and grant other relief required to enforce the provisions of
2 this chapter.

3 (10) Upon petition by the secretary, and after hearing held upon
4 reasonable notice to the facility, the superior court may issue a
5 warrant to an officer or employee of the secretary authorizing him or
6 her to enter at reasonable times, and examine the records, books, and
7 accounts of any regional support network or service provider refusing
8 to consent to inspection or examination by the authority.

9 (11) Notwithstanding the existence or pursuit of any other remedy,
10 the secretary may file an action for an injunction or other process
11 against any person or governmental unit to restrain or prevent the
12 establishment, conduct, or operation of a regional support network or
13 service provider without certification or a license under this chapter.

14 (12) The standards for certification of evaluation and treatment
15 facilities shall include standards relating to maintenance of good
16 physical and mental health and other services to be afforded persons
17 pursuant to this chapter and chapters 71.05 and 71.34 RCW, and shall
18 otherwise assure the effectuation of the purposes of these chapters.

19 (13)(a) The department, in consultation with affected parties,
20 shall establish a distribution formula that reflects county needs
21 assessments based on the number of persons who are acutely mentally
22 ill, chronically mentally ill, severely emotionally disturbed children,
23 and seriously disturbed. The formula shall take into consideration the
24 impact on counties of demographic factors in counties which result in
25 concentrations of priority populations as set forth in subsection
26 (5)(b) of this section. These factors shall include the population
27 concentrations resulting from commitments under chapters 71.05 and
28 71.34 RCW to state psychiatric hospitals, as well as concentration in
29 urban areas, at border crossings at state boundaries, and other
30 significant demographic and workload factors.

31 (b) The formula shall also include a projection of the funding
32 allocations that will result for each county, which specifies
33 allocations according to priority populations, including the allocation
34 for services to children and other underserved populations.

35 (14) The secretary shall assume all duties assigned to the
36 nonparticipating counties under chapters 71.05, 71.34, and 71.24 RCW.
37 Such responsibilities shall include those which would have been
38 assigned to the nonparticipating counties under regional support
39 networks.

1 The regional support networks, or the secretary's assumption of all
2 responsibilities under chapters 71.05, 71.34, and 71.24 RCW, shall be
3 included in all state and federal plans affecting the state mental
4 health program including at least those required by this chapter, the
5 medicaid program, and P.L. 99-660. Nothing in these plans shall be
6 inconsistent with the intent and requirements of this chapter.

7 (15) The secretary shall:

8 (a) Disburse funds for the regional support networks within sixty
9 days of approval of the biennial contract. The department must either
10 approve or reject the biennial contract within sixty days of receipt.

11 (b) Enter into biennial contracts with regional support networks.
12 The contracts shall be consistent with available resources. No
13 contract shall be approved that does not include progress toward
14 meeting the goals of this chapter by taking responsibility for: (i)
15 Short-term commitments; (ii) residential care; and (iii) emergency
16 response systems.

17 (c) Allocate one hundred percent of available resources to the
18 regional support networks in accordance with subsection (13) of this
19 section.

20 (d) Notify regional support networks of their allocation of
21 available resources at least sixty days prior to the start of a new
22 biennial contract period.

23 (e) Deny funding allocations to regional support networks based
24 solely upon formal findings of noncompliance with the terms of the
25 regional support network's contract with the department. Written
26 notice and at least thirty days for corrective action must precede any
27 such action. In such cases, regional support networks shall have full
28 rights to appeal under chapter 34.05 RCW.

29 ~~((f) Identify in its departmental biennial operating and capital
30 budget requests the funds requested by regional support networks to
31 implement their responsibilities under this chapter.))~~

32 (16) The department, in cooperation with the state congressional
33 delegation, shall actively seek waivers of federal requirements and
34 such modifications of federal regulations as are necessary to allow
35 federal medicaid reimbursement for services provided by free-standing
36 evaluation and treatment facilities certified under chapter 71.05 RCW.
37 The department shall periodically report its efforts to the ~~((health
38 care and corrections))~~ appropriate committees of the senate and the
39 ~~((human services committee of the))~~ house of representatives.

1 (~~(17) The secretary shall establish a task force to examine the~~
2 ~~recruitment, training, and compensation of qualified mental health~~
3 ~~professionals in the community, which shall include the advantages and~~
4 ~~disadvantages of establishing a training academy, loan forgiveness~~
5 ~~program, or educational stipends offered in exchange for commitments of~~
6 ~~employment in mental health.))~~

7 **Sec. 11.** RCW 71.24.037 and 1999 c 10 s 5 are each amended to read
8 as follows:

9 (1) The secretary shall by rule establish state minimum standards
10 for licensed service providers and services.

11 (2) Minimum standards for licensed service providers shall, at a
12 minimum, establish: Qualifications for staff providing services
13 directly to mentally ill persons, the intended result of each service,
14 and the rights and responsibilities of persons receiving mental health
15 services pursuant to this chapter. The secretary shall provide for
16 deeming of licensed service providers as meeting state minimum
17 standards as a result of accreditation by a recognized behavioral
18 health accrediting body recognized and having a current agreement with
19 the department.

20 (3) (~~Minimum standards for residential services shall be based on~~
21 ~~clients' functional abilities and not solely on their diagnoses,~~
22 ~~limited to health and safety, staff qualifications, and program~~
23 ~~outcomes. Minimum standards for residential services shall be~~
24 ~~developed in collaboration with consumers, families, counties,~~
25 ~~regulators, and residential providers serving the mentally ill. The~~
26 ~~minimum standards shall encourage the development of broad range~~
27 ~~residential programs, including integrated housing and cross systems~~
28 ~~programs where appropriate, and shall not unnecessarily restrict~~
29 ~~programming flexibility.~~

30 (4)) Minimum standards for community support services and resource
31 management services shall include at least qualifications for resource
32 management services, client tracking systems, and the transfer of
33 patient information between service providers.

34 **Sec. 12.** RCW 71.24.045 and 1992 c 230 s 5 are each amended to read
35 as follows:

36 The county authority shall:

1 (1) Contract as needed with licensed service providers. The county
2 authority may, in the absence of a licensed service provider entity,
3 become a licensed service provider entity pursuant to minimum standards
4 required for licensing by the department for the purpose of providing
5 services not available from licensed service providers;

6 (2) Operate as a licensed service provider if it deems that doing
7 so is more efficient and cost effective than contracting for services.
8 When doing so, the county authority shall comply with rules promulgated
9 by the secretary that shall provide measurements to determine when a
10 county provided service is more efficient and cost effective;

11 (3) Monitor and perform biennial fiscal audits of licensed service
12 providers who have contracted with the county to provide services
13 required by this chapter. The monitoring and audits shall be performed
14 by means of a formal process which insures that the licensed service
15 providers and professionals designated in this subsection meet the
16 terms of their contracts(~~(, including the minimum standards of service~~
17 ~~delivery as established by the department))~~);

18 (4) Assure that the special needs of minorities, the elderly,
19 disabled, children, and low-income persons are met within the
20 priorities established in this chapter;

21 (5) Maintain patient tracking information in a central location as
22 required for resource management services and the department's
23 information system;

24 (6) Use not more than two percent of state-appropriated community
25 mental health funds, which shall not include federal funds, to
26 administer community mental health programs under RCW 71.24.155:
27 PROVIDED, That county authorities serving a county or combination of
28 counties whose population is one hundred twenty-five thousand or more
29 may be entitled to sufficient state-appropriated community mental
30 health funds to employ up to one full-time employee or the equivalent
31 thereof in addition to the two percent limit established in this
32 subsection when such employee is providing staff services to a county
33 mental health advisory board;

34 (7) Coordinate services for individuals who have received services
35 through the community mental health system and who become patients at
36 a state mental hospital.

37 **Sec. 13.** RCW 71.24.049 and 1999 c 10 s 6 are each amended to read
38 as follows:

1 By January 1st of each odd-numbered year, the ((~~county authority~~))
2 regional support network shall identify: (1) The number of children in
3 each priority group, as defined by this chapter, who are receiving
4 mental health services funded in part or in whole under this chapter,
5 (2) the amount of funds under this chapter used for children's mental
6 health services, (3) an estimate of the number of unserved children in
7 each priority group, and (4) the estimated cost of serving these
8 additional children and their families.

9 **Sec. 14.** RCW 71.24.155 and 1987 c 505 s 65 are each amended to
10 read as follows:

11 Grants shall be made by the department to ((~~counties~~)) regional
12 support networks for community mental health programs totaling not less
13 than ninety-five percent of available resources. The department may
14 use up to forty percent of the remaining five percent to provide
15 community demonstration projects, including early intervention or
16 primary prevention programs for children, and the remainder shall be
17 for emergency needs and technical assistance under this chapter.

18 **Sec. 15.** RCW 71.24.160 and 1989 c 205 s 7 are each amended to read
19 as follows:

20 The ((~~county authority~~)) regional support networks shall make
21 satisfactory showing to the secretary that state funds shall in no case
22 be used to replace local funds from any source being used to finance
23 mental health services prior to January 1, 1990.

24 **Sec. 16.** RCW 71.24.250 and 1982 c 204 s 14 are each amended to
25 read as follows:

26 The ((~~county authority~~)) regional support network may accept and
27 expend gifts and grants received from private, county, state, and
28 federal sources.

29 **Sec. 17.** RCW 71.24.300 and 1999 c 214 s 8 and 1999 c 10 s 9 are
30 each reenacted and amended to read as follows:

31 A county authority or a group of county authorities whose combined
32 population is no less than forty thousand may enter into a joint
33 operating agreement to form a regional support network. Upon the
34 request of a tribal authority or authorities within a regional support
35 network the joint operating agreement or the county authority shall

1 allow for the inclusion of the tribal authority to be represented as a
2 party to the regional support network. The roles and responsibilities
3 of the county and tribal authorities shall be determined by the terms
4 of that agreement including a determination of membership on the
5 governing board and advisory committees, the number of tribal
6 representatives to be party to the agreement, and the provisions of law
7 and shall assure the provision of culturally competent services to the
8 tribes served. The state mental health authority may not determine the
9 roles and responsibilities of county authorities as to each other under
10 regional support networks by rule, except to assure that all duties
11 required of regional support networks are assigned and that counties
12 and the regional support network do not duplicate functions and that a
13 single authority has final responsibility for all available resources
14 and performance under the regional support network's contract with the
15 secretary.

16 (1) Regional support networks shall submit an overall six-year
17 operating and capital plan, timeline, and budget and submit progress
18 reports and an updated two-year plan biennially thereafter, to assure
19 within available resources all of the following duties:

20 (a) Administer and provide for the availability of all resource
21 management services, residential services, and community support
22 services.

23 (b) Assume the powers and duties of county authorities within its
24 area as described in RCW 71.24.045 (1) through (7).

25 (c) Administer and provide for the availability of all
26 investigation, transportation, court-related, and other services
27 provided by the state or counties pursuant to chapter 71.05 RCW.

28 ((+e)) (d) Provide within the boundaries of each regional support
29 network evaluation and treatment services for at least eighty-five
30 percent of persons detained or committed for periods up to seventeen
31 days according to chapter 71.05 RCW. Regional support networks with
32 populations of less than one hundred fifty thousand may contract to
33 purchase evaluation and treatment services from other networks.
34 Insofar as the original intent of serving persons in the community is
35 maintained, the secretary is authorized to approve exceptions on a
36 case-by-case basis to the requirement to provide evaluation and
37 treatment services within the boundaries of each regional support
38 network. Such exceptions are limited to contracts with neighboring or
39 contiguous regions.

1 (~~(d)~~) (e) Administer a portion of funds appropriated by the
2 legislature to house mentally ill persons in state institutions from
3 counties within the boundaries of any regional support network, with
4 the exception of persons currently confined at, or under the
5 supervision of, a state mental hospital pursuant to chapter 10.77 RCW,
6 and provide for the care of all persons needing evaluation and
7 treatment services for periods up to seventeen days according to
8 chapter 71.05 RCW in appropriate residential services, which may
9 include state institutions. The regional support networks shall
10 reimburse the state for use of state institutions at a rate equal to
11 that assumed by the legislature when appropriating funds for such care
12 at state institutions during the biennium when reimbursement occurs.
13 The secretary shall submit a report to the appropriate committees of
14 the senate and house of representatives on the efforts to implement
15 this section by October 1, 2002. The duty of a state hospital to
16 accept persons for evaluation and treatment under chapter 71.05 RCW is
17 limited by the responsibilities assigned to regional support networks
18 under this section.

19 (~~(e)~~) (f) Administer and provide for the availability of all
20 other mental health services, which shall include patient counseling,
21 day treatment, consultation, education services, employment services as
22 defined in RCW 71.24.035, and mental health services to children as
23 provided in this chapter designed to achieve the outcomes specified in
24 section 5 of this act.

25 (~~(f)~~) (g) Establish standards and procedures for reviewing
26 individual service plans and determining when that person may be
27 discharged from resource management services.

28 (2) Regional support networks shall assume all duties assigned to
29 county authorities by this chapter and chapter 71.05 RCW.

30 (3) A regional support network may request that any state-owned
31 land, building, facility, or other capital asset which was ever
32 purchased, deeded, given, or placed in trust for the care of the
33 mentally ill and which is within the boundaries of a regional support
34 network be made available to support the operations of the regional
35 support network. State agencies managing such capital assets shall
36 give first priority to requests for their use pursuant to this chapter.

37 (4) Each regional support network shall appoint a mental health
38 advisory board which shall review and provide comments on plans and
39 policies developed under this chapter. The composition of the board

1 shall be broadly representative of the demographic character of the
2 region and the mentally ill persons served therein. Length of terms of
3 board members shall be determined by the regional support network.

4 (5) Regional support networks shall assume all duties specified in
5 their plans and joint operating agreements through biennial contractual
6 agreements with the secretary. ~~((Such contracts may include agreements
7 to provide periods of stable community living and work or other day
8 activities for specific chronically mentally ill persons who have
9 completed commitments at state hospitals on ninety-day or one hundred
10 eighty-day civil commitments or who have been residents at state
11 hospitals for no less than one hundred eighty days within the previous
12 year. Periods of stable community living may involve acute care in
13 local evaluation and treatment facilities but may not involve use of
14 state hospitals.))~~

15 (6) Counties or groups of counties participating in a regional
16 support network are not subject to RCW 71.24.045(6).

17 ~~((As part of each biennial plan, each regional support network
18 shall establish and submit to the state, procedures and agreements to
19 assure access to sufficient additional local evaluation and treatment
20 facilities to meet the requirements of this chapter while reducing
21 short-term admissions to state hospitals. These shall be commitments
22 to construct and operate, or contract for the operation of,
23 freestanding evaluation and treatment facilities or agreements with
24 local evaluation and treatment facilities which shall include (a)
25 required admission and treatment for short-term inpatient care for any
26 person enrolled in community support or residential services, (b)
27 discharge planning procedures, (c) limitations on admissions or
28 transfers to state hospitals, (d) adequate psychiatric supervision, (e)
29 prospective payment methods, and (f) contractual assurances regarding
30 referrals to local evaluation and treatment facilities from regional
31 support networks.~~

32 ~~(8))~~ Regional support networks may receive technical assistance
33 from the housing trust fund and may identify and submit projects for
34 housing and housing support services to the housing trust fund
35 established under chapter 43.185 RCW. Projects identified or submitted
36 under this subsection must be fully integrated with the regional
37 support network six-year operating and capital plan, timeline, and
38 budget required by subsection (1) of this section.

1 **Sec. 18.** RCW 71.24.400 and 1999 c 10 s 10 are each amended to read
2 as follows:

3 The legislature finds that the current complex set of federal,
4 state, and local rules and regulations, audited and administered at
5 multiple levels, which affect the community mental health service
6 delivery system, focus primarily on the process of providing mental
7 health services and do not sufficiently address consumer and system
8 outcomes. The legislature finds that the department and the community
9 mental health service delivery system must make ongoing efforts to
10 achieve the purposes set forth in RCW 71.24.015 related to reduced
11 administrative layering, duplication, elimination of process measures
12 not specifically required by the federal government for the receipt of
13 federal funds, and reduced administrative costs.

14 **Sec. 19.** RCW 71.24.405 and 1999 c 10 s 11 are each amended to read
15 as follows:

16 The department shall establish a ((single)) comprehensive and
17 collaborative ((project)) effort within regional support networks and
18 with local mental health service providers aimed at creating innovative
19 and streamlined community mental health service delivery systems, in
20 order to carry out the purposes set forth in RCW 71.24.400 and to
21 capture the diversity of the community mental health service delivery
22 system.

23 The ((project)) department must accomplish the following:

24 (1) Identification, review, and cataloging of all rules,
25 regulations, duplicative administrative and monitoring functions, and
26 other requirements that currently lead to inefficiencies in the
27 community mental health service delivery system and, if possible,
28 eliminate the requirements;

29 (2) The systematic and incremental development of a single system
30 of accountability for all federal, state, and local funds provided to
31 the community mental health service delivery system. Systematic
32 efforts should be made to include federal and local funds into the
33 single system of accountability;

34 (3) The elimination of process regulations and related contract and
35 reporting requirements. In place of the regulations and requirements,
36 a set of outcomes for mental health adult and children clients
37 according to chapter 71.24 RCW must be used to measure the performance
38 of mental health service providers and regional support networks. Such

1 outcomes shall focus on stabilizing out-of-home and hospital care,
2 increasing stable community living, increasing age-appropriate
3 activities, achieving family and consumer satisfaction with services,
4 and system efficiencies;

5 (4) Evaluation of the feasibility of contractual agreements between
6 the department of social and health services and regional support
7 networks and mental health service providers that link financial
8 incentives to the success or failure of mental health service providers
9 and regional support networks to meet outcomes established for mental
10 health service clients;

11 (5) The involvement of mental health consumers and their
12 representatives (~~((in the pilot projects))~~). Mental health consumers and
13 their representatives will be involved in the development of outcome
14 standards for mental health clients (~~((and other related aspects of the
15 pilot projects))~~) under section 5 of this act; and

16 (6) An independent evaluation component to measure the success of
17 the (~~((projects))~~) department in fully implementing the provisions of RCW
18 71.24.400 and this section.

19 NEW SECTION. **Sec. 20.** The legislature finds that an excessive
20 amount of public funds are spent on administrative activities in the
21 community mental health system. The department of social and health
22 services shall develop a plan to reduce administrative expenses in the
23 community mental health system, including the mental health division,
24 to no more than ten percent of available funds. The plan shall
25 identify and prioritize core administrative functions that must be
26 continued to comply with federal or state statutes. The department
27 shall submit their plan to the appropriate committees of the senate and
28 house of representatives no later than December 15, 2001. The plan
29 shall assume an implementation date of July 1, 2003.

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