
SENATE BILL 5779

State of Washington

64th Legislature

2015 Regular Session

By Senators Parlette and Darneille

Read first time 02/02/15. Referred to Committee on Human Services,
Mental Health & Housing.

1 AN ACT Relating to reducing penalties applied to regional support
2 networks and behavioral health organizations; amending RCW 71.24.310
3 and 71.24.310; providing an effective date; and providing an
4 expiration date.

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

6 **Sec. 1.** RCW 71.24.310 and 2013 2nd sp.s. c 4 s 994 are each
7 amended to read as follows:

8 The legislature finds that administration of chapter 71.05 RCW
9 and this chapter can be most efficiently and effectively implemented
10 as part of the regional support network defined in RCW 71.24.025. For
11 this reason, the legislature intends that the department and the
12 regional support networks shall work together to implement chapter
13 71.05 RCW as follows:

14 (1) By June 1, 2006, regional support networks shall recommend to
15 the department the number of state hospital beds that should be
16 allocated for use by each regional support network. The statewide
17 total allocation shall not exceed the number of state hospital beds
18 offering long-term inpatient care, as defined in this chapter, for
19 which funding is provided in the biennial appropriations act.

20 (2) If there is consensus among the regional support networks
21 regarding the number of state hospital beds that should be allocated

1 for use by each regional support network, the department shall
2 contract with each regional support network accordingly.

3 (3) If there is not consensus among the regional support networks
4 regarding the number of beds that should be allocated for use by each
5 regional support network, the department shall establish by emergency
6 rule the number of state hospital beds that are available for use by
7 each regional support network. The emergency rule shall be effective
8 September 1, 2006. The primary factor used in the allocation shall be
9 the estimated number of adults with acute and chronic mental illness
10 in each regional support network area, based upon population-adjusted
11 incidence and utilization.

12 (4) The allocation formula shall be updated at least every three
13 years to reflect demographic changes, and new evidence regarding the
14 incidence of acute and chronic mental illness and the need for long-
15 term inpatient care. In the updates, the statewide total allocation
16 shall include (a) all state hospital beds offering long-term
17 inpatient care for which funding is provided in the biennial
18 appropriations act; plus (b) the estimated equivalent number of beds
19 or comparable diversion services contracted in accordance with
20 subsection (5) of this section.

21 (5) The department is encouraged to enter performance-based
22 contracts with regional support networks to provide some or all of
23 the regional support network's allocated long-term inpatient
24 treatment capacity in the community, rather than in the state
25 hospital. The performance contracts shall specify the number of
26 patient days of care available for use by the regional support
27 network in the state hospital.

28 (6) If a regional support network uses more state hospital
29 patient days of care than it has been allocated under subsection (3)
30 or (4) of this section, or than it has contracted to use under
31 subsection (5) of this section, whichever is less, it shall reimburse
32 the department for that care, except during the period of July 1,
33 2012, through December 31, 2013, where reimbursements may be
34 temporarily altered per section 204, chapter 4, Laws of 2013 2nd sp.
35 sess. The reimbursement rate per day shall be one-half of the
36 hospital's total annual budget for long-term inpatient care, divided
37 by the total patient days of care assumed in development of that
38 budget.

39 (7) (~~One-half of~~) Any reimbursements received pursuant to
40 subsection (6) of this section shall be (~~used to support the cost of~~

1 ~~operating the state hospital and, during the 2007-2009 fiscal~~
2 ~~biennium, implementing new services that will enable a regional~~
3 ~~support network to reduce its utilization of the state hospital. The~~
4 ~~department shall distribute the remaining half of such~~
5 ~~reimbursements)) distributed among regional support networks that~~
6 have used less than their allocated or contracted patient days of
7 care at that hospital, proportional to the number of patient days of
8 care not used.

9 **Sec. 2.** RCW 71.24.310 and 2014 c 225 s 40 are each amended to
10 read as follows:

11 The legislature finds that administration of chapter 71.05 RCW
12 and this chapter can be most efficiently and effectively implemented
13 as part of the behavioral health organization defined in RCW
14 71.24.025. For this reason, the legislature intends that the
15 department and the behavioral health organizations shall work
16 together to implement chapter 71.05 RCW as follows:

17 (1) By June 1, 2006, behavioral health organizations shall
18 recommend to the department the number of state hospital beds that
19 should be allocated for use by each behavioral health organization.
20 The statewide total allocation shall not exceed the number of state
21 hospital beds offering long-term inpatient care, as defined in this
22 chapter, for which funding is provided in the biennial appropriations
23 act.

24 (2) If there is consensus among the behavioral health
25 organizations regarding the number of state hospital beds that should
26 be allocated for use by each behavioral health organization, the
27 department shall contract with each behavioral health organization
28 accordingly.

29 (3) If there is not consensus among the behavioral health
30 organizations regarding the number of beds that should be allocated
31 for use by each behavioral health organization, the department shall
32 establish by emergency rule the number of state hospital beds that
33 are available for use by each behavioral health organization. The
34 emergency rule shall be effective September 1, 2006. The primary
35 factor used in the allocation shall be the estimated number of adults
36 with acute and chronic mental illness in each behavioral health
37 organization area, based upon population-adjusted incidence and
38 utilization.

1 (4) The allocation formula shall be updated at least every three
2 years to reflect demographic changes, and new evidence regarding the
3 incidence of acute and chronic mental illness and the need for long-
4 term inpatient care. In the updates, the statewide total allocation
5 shall include (a) all state hospital beds offering long-term
6 inpatient care for which funding is provided in the biennial
7 appropriations act; plus (b) the estimated equivalent number of beds
8 or comparable diversion services contracted in accordance with
9 subsection (5) of this section.

10 (5) The department is encouraged to enter performance-based
11 contracts with behavioral health organizations to provide some or all
12 of the behavioral health organization's allocated long-term inpatient
13 treatment capacity in the community, rather than in the state
14 hospital. The performance contracts shall specify the number of
15 patient days of care available for use by the behavioral health
16 organization in the state hospital.

17 (6) If a behavioral health organization uses more state hospital
18 patient days of care than it has been allocated under subsection (3)
19 or (4) of this section, or than it has contracted to use under
20 subsection (5) of this section, whichever is less, it shall reimburse
21 the department for that care(~~(, except during the period of July 1,~~
22 ~~2012, through December 31, 2013, where reimbursements may be~~
23 ~~temporarily altered per section 204, chapter 4, Laws of 2013 2nd sp-~~
24 ~~sess)).~~ The reimbursement rate per day shall be one-half of the
25 hospital's total annual budget for long-term inpatient care, divided
26 by the total patient days of care assumed in development of that
27 budget.

28 (~~One-half of~~) Any reimbursements received pursuant to
29 subsection (6) of this section shall be (~~used to support the cost of~~
30 ~~operating the state hospital and, during the 2007-2009 fiscal~~
31 ~~biennium, implementing new services that will enable a behavioral~~
32 ~~health organization to reduce its utilization of the state hospital.~~
33 ~~The department shall distribute the remaining half of such~~
34 ~~reimbursements)) distributed among behavioral health organizations
35 that have used less than their allocated or contracted patient days
36 of care at that hospital, proportional to the number of patient days
37 of care not used.~~

38 NEW SECTION. Sec. 3. Section 1 of this act expires April 1,
39 2016.

1 NEW SECTION. **Sec. 4.** Section 2 of this act takes effect April
2 1, 2016.

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