

CERTIFICATION OF ENROLLMENT
SECOND ENGROSSED SUBSTITUTE HOUSE BILL 1388

65th Legislature
2018 Regular Session

Passed by the House February 7, 2018
Yeas 98 Nays 0

Speaker of the House of Representatives

Passed by the Senate February 28, 2018
Yeas 44 Nays 2

President of the Senate

Approved

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 **SECOND ENGROSSED SUBSTITUTE HOUSE BILL 1388** as passed by House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

SECOND ENGROSSED SUBSTITUTE HOUSE BILL 1388

Passed Legislature - 2018 Regular Session

State of Washington 65th Legislature 2017 Regular Session

By House Health Care & Wellness (originally sponsored by Representatives Cody, Rodne, Harris, Macri, and Frame; by request of Governor Inslee)

READ FIRST TIME 02/17/17.

1 AN ACT Relating to changing the designation of the state
2 behavioral health authority from the department of social and health
3 services to the health care authority and transferring the related
4 powers, functions, and duties to the health care authority and the
5 department of health; amending RCW 43.20A.025, 43.20A.065,
6 43.20A.433, 43.20A.890, 43.20A.892, 43.20A.893, 43.20A.894,
7 43.20A.896, 43.20A.897, 74.04.015, 71.05.020, 71.05.026, 71.05.027,
8 71.05.040, 71.05.100, 71.05.203, 71.05.214, 71.05.240, 71.05.285,
9 71.05.320, 71.05.325, 71.05.330, 71.05.335, 71.05.340, 71.05.350,
10 71.05.435, 71.05.510, 71.05.520, 71.05.525, 71.05.560, 71.05.590,
11 71.05.590, 71.05.620, 71.05.720, 71.05.732, 71.05.740, 71.05.745,
12 71.05.750, 71.05.755, 71.05.760, 71.05.801, 71.05.940, 71.24.015,
13 71.24.030, 71.24.035, 71.24.037, 71.24.045, 71.24.061, 71.24.100,
14 71.24.155, 71.24.160, 71.24.215, 71.24.220, 71.24.240, 71.24.300,
15 71.24.310, 71.24.320, 71.24.330, 71.24.340, 71.24.350, 71.24.360,
16 71.24.370, 71.24.380, 71.24.385, 71.24.400, 71.24.405, 71.24.415,
17 71.24.420, 71.24.430, 71.24.455, 71.24.460, 71.24.470, 71.24.480,
18 71.24.490, 71.24.500, 71.24.515, 71.24.520, 71.24.525, 71.24.530,
19 71.24.535, 71.24.540, 71.24.545, 71.24.555, 71.24.565, 71.24.580,
20 71.24.590, 71.24.595, 71.24.605, 71.24.610, 71.24.615, 71.24.620,
21 71.24.625, 71.24.630, 71.24.640, 71.24.645, 71.24.650, 71.24.805,
22 71.24.810, 71.24.850, 71.24.860, 71.24.902, 71.34.010, 71.34.300,
23 71.34.365, 71.34.375, 71.34.380, 71.34.385, 71.34.390, 71.34.395,

1 treating organizations with multiple sites and programs as single
2 entities instead of as multiple agencies.

3 (3) The department of social and health services shall review its
4 practices under RCW 71.24.035(5)(c)(i) to determine whether its
5 practices comply with the statutory mandate to deem accreditation by
6 recognized behavioral health accrediting bodies as equivalent to
7 meeting licensure requirements, comport with standard practices used
8 by other state divisions or agencies, and properly incentivize
9 voluntary accreditation to the highest industry standards.

10 (4) The task force described in subsection (1) of this section
11 must consider means to provide notice to parents when a minor
12 requests chemical dependency treatment, which are consistent with
13 federal privacy laws and consistent with the best interests of the
14 minor and the minor's family. The department of social and health
15 services must provide a report to the relevant committees of the
16 legislature by December 1, 2016.

17 NEW SECTION. Sec. 4062. A new section is added to chapter 71.24
18 RCW to read as follows:

19 (1) The authority shall, upon the request of a county authority
20 or authorities within a regional service area, collaborate with
21 counties to create an interlocal leadership structure that includes
22 participation from counties and the managed health care systems
23 serving that regional service area. The interlocal leadership
24 structure must include representation from physical and behavioral
25 health care providers, tribes, and other entities serving the
26 regional service area as necessary.

27 (2) The interlocal leadership structure regional organization
28 must be chaired by the counties and jointly administered by the
29 authority, managed health care systems, and counties. It must design
30 and implement the fully integrated managed care model for that
31 regional service area to assure clients are at the center of care
32 delivery and support integrated delivery of physical and behavioral
33 health care at the provider level.

34 (3) The interlocal leadership structure may address, but is not
35 limited to addressing, the following topics:

36 (a) Alignment of contracting, administrative functions, and other
37 processes to minimize administrative burden at the provider level to
38 achieve outcomes;

1 (b) Monitoring implementation of fully integrated managed care in
2 the regional service area, including design of an early warning
3 system to monitor ongoing success to achieve better outcomes and to
4 make adjustments to the system as necessary;

5 (c) Developing regional coordination processes for capital
6 infrastructure requests, local capacity building, and other community
7 investments;

8 (d) Identifying, using, and building on measures and data
9 consistent with, but not limited to, RCW 70.320.030 and 41.05.690,
10 for tracking and maintaining regional accountability for delivery
11 system performance; and

12 (e) Discussing whether the managed health care systems awarded
13 the contract by the authority for a regional service area should
14 subcontract with a county-based administrative service organization
15 or other local organization, which may include and determine, in
16 partnership with that organization, which value-add services will
17 best support a bidirectional system of care.

18 (4) To ensure an optimal transition, regional service areas that
19 enter as mid-adopters must be allowed a transition period of up to
20 one year during which the interlocal leadership structure develops
21 and implements a local plan, including measurable milestones, to
22 transition to fully integrated managed care. The transition plan may
23 include provisions for the counties' organization to maintain
24 existing contracts during some or all of the transition period if the
25 managed care design begins during 2017 to 2018, with the mid-adopter
26 transition year occurring in 2019.

27 (5) Nothing in this section may be used to compel contracts
28 between a provider, integrated managed health care system, or
29 administrative service organization.

30 (6) The interlocal leadership group expires December 1, 2021,
31 unless the interlocal leadership group decides locally to extend it.

32 **Sec. 4063.** RCW 71.24.902 and 1986 c 274 s 7 are each amended to
33 read as follows:

34 Nothing in this chapter shall be construed as prohibiting the
35 secretary of the department of social and health services from
36 consolidating (~~within the department~~) children's mental health
37 services with other (~~departmental~~) services related to children.