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ENGROSSED SUBSTITUTE SENATE BILL 6444

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AS AMENDED BY THE HOUSE

Passed Legislature - 2010 Regular Session

State of Washington                      61st Legislature                      2010 Regular Session

By Senate Ways & Means (originally sponsored by Senators Prentice and Tom; by request of Governor Gregoire)

READ FIRST TIME 02/27/10.

1            AN ACT Relating to fiscal matters; amending RCW 13.06.050,  
2 15.76.115, 28A.300.380, 28B.50.837, 28B.76.565, 28B.76.610,  
3 28B.102.080, 38.52.105, 43.17.390, 43.20A.725, 43.43.839, 43.43.944,  
4 43.60A.185, 43.131.406, 43.70.110, 43.78.030, 43.79.460, 43.79.465,  
5 43.89.010, 43.105.080, 43.155.050, 43.320.110, 43.320.165, 48.02.190,  
6 66.08.170, 67.70.044, 67.70.230, 70.105D.070, 74.31.030, 74.31.060,  
7 70.93.180, 70.105D.130, 70.146.100, 79.105.150, 80.01.080, 80.36.430,  
8 82.14.495, and 83.100.230; amending 2010 c 3 ss 101, 102, 103, 104,  
9 105, 106, 107, 108, 109, 110, 111, 112, 113, 201, 202, 203, 204, 205,  
10 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 301, 302, 303,  
11 304, 305, 306, 401, 402, 501, and 601; amending 2009 c 564 ss 101, 102,  
12 103, 104, 105, 106, 107, 108, 110, 111, 112, 113, 114, 115, 116, 117,  
13 118, 119, 121, 122, 123, 124, 131, 132, 133, 134, 135, 136, 138, 140,  
14 141, 142, 144, 145, 147, 148, 150, 149, 152, 155, 201, 213, 214, 216,  
15 217, 218, 220, 224, 226, 221, 301, 304, 305, 308, 310, 501, 502, 503,  
16 504, 505, 506, 507, 508, 509, 510, 511, 512, 514, 515, 516, 518, 601,  
17 602, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617,  
18 618, 619, 620, 621, 701, 703, 704, 708, 710, 717, 720, 801, 805, and  
19 914; amending 2010 c 247 ss 502, 407, and 503; reenacting and amending  
20 RCW 28B.105.110, 46.09.170, and 67.40.040; adding a new section to  
21 chapter 43.215 RCW; adding a new section to chapter 43.79 RCW; adding

1 contract oversight obligations that require provider site visits or  
2 require provider response. The department shall identify all related  
3 oversight and review activities and identify opportunities for  
4 consolidation of multiple clinical and business management review  
5 activities as appropriate with a view to minimizing the cost of both  
6 conducting and receiving the audits or other review or oversight  
7 activities.

8 (c) The department shall expand its provider audit capacity through  
9 its provider one payment system. The department shall identify  
10 medicaid payment system enhancements that will maximize new technical  
11 capabilities. The department shall explore new technical capabilities  
12 of its fraud and abuse detection system to identify more efficient ways  
13 to correlate audit efforts to the levels of risk and materiality.  
14 Results of focused audits must be used to enhance educational  
15 materials. The department shall report to the governor and legislature  
16 by December 1, 2010, on the status of developing this audit capacity.

17 (d) The department shall conduct a review and assessment of audit  
18 processes and timeframes. The department shall review audit outcomes  
19 from the past three fiscal years and will concentrate on identifying  
20 opportunities to shorten timeframes between the various stages of an  
21 audit, including the letter of intent to audit, records collection to  
22 issuance of the draft audit, dispute resolution activities, issuance of  
23 the final audit, and administrative hearings. The department shall  
24 initiate a provider outreach and education program to include  
25 communication materials that clearly identify expectations of the  
26 department and the provider being audited. The department must develop  
27 and publish an orientation to medicaid audits publication by October 1,  
28 2010, that includes audit requirements, expectations of providers and  
29 the department, and associated timelines. The department shall report  
30 to the governor and relevant policy and fiscal committees of the  
31 legislature by December 1, 2010, on the status of these activities.

32 **Sec. 202.** 2010 c 3 s 201 (uncodified) is amended to read as  
33 follows:

34 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--CHILDREN AND FAMILY**  
35 **SERVICES PROGRAM**

36 General Fund--State Appropriation (FY 2010) . . . . . ((\$314,698,000))  
37 \$315,002,000

1	General Fund--State Appropriation (FY 2011) . . . . .	(( <del>\$316,181,000</del> ))
2		<u>\$306,947,000</u>
3	General Fund--Federal Appropriation . . . . .	(( <del>\$494,889,000</del> ))
4		<u>\$506,248,000</u>
5	General Fund--Private/Local Appropriation . . . . .	(( <del>\$828,000</del> ))
6		<u>\$3,320,000</u>
7	Home Security Fund Appropriation . . . . .	(( <del>\$8,389,000</del> ))
8		<u>\$10,183,000</u>
9	Domestic Violence Prevention Account--State	
10	Appropriation . . . . .	\$1,154,000
11	Education Legacy Trust Account--State Appropriation . . . . .	\$725,000
12	TOTAL APPROPRIATION . . . . .	(( <del>\$1,136,864,000</del> ))
13		<u>\$1,143,579,000</u>

14       The appropriations in this section are subject to the following  
15 conditions and limitations:

16       (1) ~~((~~\$5,563,000~~ of the general fund state appropriation for~~  
17 ~~fiscal year 2010 and \$5,563,000 of the general fund state~~  
18 ~~appropriation for fiscal year 2011 are provided solely for intensive~~  
19 ~~family preservation services as defined in RCW 74.14C.010 and for~~  
20 ~~evidence based services that prevent out of home placement and reduce~~  
21 ~~length of stay in the child welfare system.~~

22       ~~(2) \$993,000)~~ \$937,000 of the general fund--state appropriation  
23 for fiscal year 2010 and ~~((~~\$993,000~~))~~ \$742,000 of the general fund--  
24 state appropriation for fiscal year 2011 are provided solely to  
25 contract for the operation of one pediatric interim care facility. The  
26 facility shall provide residential care for up to ~~((seventeen))~~  
27 thirteen children through two years of age. Seventy-five percent of  
28 the children served by the facility must be in need of special care as  
29 a result of substance abuse by their mothers. The facility shall also  
30 provide on-site training to biological, adoptive, or foster parents.  
31 The facility shall provide at least three months of consultation and  
32 support to parents accepting placement of children from the facility.  
33 The facility may recruit new and current foster and adoptive parents  
34 for infants served by the facility. The department shall not require  
35 case management as a condition of the contract.

36       ~~((~~3~~) -- \$375,000))~~ (2) \$369,000 of the general fund--state  
37 appropriation for fiscal year 2010, ~~((~~\$375,000~~))~~ \$366,000 of the  
38 general fund--state appropriation for fiscal year 2011, and

1 (~~(\$322,000)~~) \$316,000 of the general fund--federal appropriation are  
2 provided solely for up to three nonfacility-based programs for the  
3 training, consultation, support, and recruitment of biological, foster,  
4 and adoptive parents of children through age three in need of special  
5 care as a result of substance abuse by their mothers, except that each  
6 program may serve up to three medically fragile nonsubstance-abuse-  
7 affected children. In selecting nonfacility-based programs, preference  
8 shall be given to programs whose federal or private funding sources  
9 have expired or that have successfully performed under the existing  
10 pediatric interim care program.

11 (~~(4)~~) (3) \$2,500,000 of the general fund--state appropriation for  
12 fiscal year 2010 and (~~(\$2,500,000)~~) \$93,000 of the general fund--state  
13 appropriation for fiscal year 2011, and \$2,407,000 of the home security  
14 fund--state appropriation are provided solely for secure crisis  
15 residential centers. Within appropriated amounts, the department shall  
16 collaborate with providers to maintain no less than forty-five beds  
17 that are geographically representative of the state. The department  
18 shall examine current secure crisis residential staffing requirements,  
19 flexible payment options, center specific waivers, and other  
20 appropriate methods to accomplish this outcome.

21 (~~(5)~~) (4) A maximum of (~~(\$76,831,000)~~) \$73,209,000 of the general  
22 fund--state appropriations and (~~(\$56,901,000)~~) \$54,596,000 of the  
23 general fund--federal appropriations for the 2009-11 biennium shall be  
24 expended for behavioral rehabilitative services and these amounts are  
25 provided solely for this purpose. The department shall work with  
26 behavioral rehabilitative service providers to safely keep youth with  
27 emotional, behavioral, or medical needs at home, with relatives, or  
28 with other permanent placement resources and decrease the length of  
29 (~~(stay)~~) service through improved emotional, behavioral, or medical  
30 outcomes for children in behavioral rehabilitative services in order to  
31 achieve the appropriated levels.

32 (a) Contracted providers shall act in good faith and accept the  
33 hardest to (~~(place)~~) serve children, to the greatest extent possible,  
34 in order to improve their emotional, behavioral, or medical conditions.

35 (b) The department and the contracted provider shall mutually agree  
36 and establish an exit date for when the child is to exit the behavioral  
37 rehabilitative service provider. The department and the contracted  
38 provider should mutually agree, to the greatest extent possible, on a

1 viable placement for the child to go to once the child's treatment  
2 process has been completed. The child shall exit only when the  
3 emotional, behavioral, or medical condition has improved or if the  
4 provider has not shown progress toward the outcomes specified in the  
5 signed contract at the time of exit. This subsection (b) does not  
6 prevent or eliminate the department's responsibility for removing the  
7 child from the provider if the child's emotional, behavioral, or  
8 medical condition worsens or is threatened.

9 (c) The department is encouraged to use performance-based contracts  
10 with incentives directly tied to outcomes described in this section.  
11 The contracts should incentivize contracted providers to accept the  
12 hardest to ~~((place))~~ serve children and incentivize improvement in  
13 children's emotional, mental, and medical well-being within the  
14 established exit date. The department is further encouraged to  
15 increase the use of behavioral rehabilitative service group homes, wrap  
16 around services to facilitate and support placement of youth at home  
17 with relatives, or other permanent resources, and other means to  
18 control expenditures.

19 (d) The total foster care per capita amount shall not increase more  
20 than four percent in the 2009-11 biennium and shall not include  
21 behavioral rehabilitative service.

22 ~~((+6))~~ (5) Within amounts provided for the foster care and  
23 adoption support programs, the department shall control reimbursement  
24 decisions for foster care and adoption support cases such that the  
25 aggregate average cost per case for foster care and for adoption  
26 support does not exceed the amounts assumed in the projected caseload  
27 expenditures.

28 ~~((+7) — Within — amounts — appropriated — in — this — section,))~~ (6)  
29 \$14,460,000 of the general fund--state appropriation for fiscal year  
30 2011 and \$6,231,000 of the general fund--federal appropriation are  
31 provided solely for the department to provide contracted prevention and  
32 early intervention services. The legislature recognizes the need for  
33 flexibility as the department transitions to performance-based  
34 contracts. The following services are included in the prevention and  
35 early intervention block grant: Crisis family intervention services,  
36 family preservation services, intensive family preservation services,  
37 evidence-based programs, public health nurses, and early family support  
38 services. The legislature intends for the department to maintain and

1 build on existing evidence-based and research-based programs with the  
2 goal of utilizing contracted prevention and intervention services to  
3 keep children safe at home and to safely reunify families. Priority  
4 shall be given to proven intervention models, including evidence-based  
5 prevention and early intervention programs identified by the Washington  
6 state institute for public policy and the department. The department  
7 shall include information on the number, type, and outcomes of the  
8 evidence-based programs being implemented in its reports on child  
9 welfare reform efforts and shall provide the legislature and governor  
10 a report regarding the allocation of resources in this subsection by  
11 September 30, 2010. The department shall expend federal funds under  
12 this subsection in compliance with federal regulations.

13 ~~((8) — \$37,000)~~ (7) \$36,000 of the general fund--state  
14 appropriation for fiscal year 2010, ~~((37,000))~~ \$36,000 of the general  
15 fund--state appropriation for fiscal year 2011, and ~~((32,000))~~ \$31,000  
16 of the general fund--federal appropriation are provided solely for the  
17 implementation of chapter 465, Laws of 2007 (child welfare).

18 ~~((9))~~ (8) \$125,000 of the general fund--state appropriation for  
19 fiscal year 2010 and \$125,000 of the general fund--state appropriation  
20 for fiscal year 2011 are provided solely for continuum of care  
21 services. \$100,000 of this amount is for Casey family partners and  
22 \$25,000 of this amount is for volunteers of America crosswalk in fiscal  
23 year 2010. \$100,000 of this amount is for Casey family partners and  
24 \$25,000 of this amount is for volunteers of America crosswalk in fiscal  
25 year 2011.

26 ~~((10) — \$616,000)~~ (9) \$1,904,000 of the general fund--state  
27 appropriation for fiscal year 2010, ~~((616,000))~~ \$1,832,000 of the  
28 general fund--state appropriation for fiscal year 2011, and  
29 ~~((368,000))~~ \$357,000 of the general fund--federal appropriation are  
30 provided solely to contract with medical professionals for  
31 comprehensive safety assessments of high-risk families and for foster  
32 care assessments. The safety assessments will use validated assessment  
33 tools to guide intervention decisions through the identification of  
34 additional safety and risk factors. ~~((800,000 of this amount is for))~~  
35 The department will maintain the availability of comprehensive foster  
36 care assessments and follow up services for children in out-of-home  
37 care who do not have permanent plans, comprehensive safety assessments  
38 for families receiving in-home child protective services or family

1 voluntary services (~~((\$800,000 of this amount is for))~~), and  
2 comprehensive safety assessments (~~(of)~~) for families with an infant age  
3 birth to fifteen days where the infant was, at birth, diagnosed as  
4 substance exposed and the department received an intake referral  
5 related to the infant due to the substance exposure. The department  
6 must consolidate contracts, streamline administration, and explore  
7 efficiencies to achieve savings.

8 (~~((11) \$7,970,000)~~) (10) \$7,679,000 of the general fund--state  
9 appropriation for fiscal year 2010, (~~((7,711,000))~~) \$6,643,000 of the  
10 general fund--state appropriation for fiscal year 2011, and  
11 (~~((5,177,000))~~) \$4,971,000 of the general fund--federal appropriation  
12 are provided solely for court-ordered supervised visits between parents  
13 and dependent children and for sibling visits. The department shall  
14 work collaboratively with the juvenile dependency courts and revise the  
15 supervised visit reimbursement procedures to stay within appropriations  
16 without impeding reunification outcomes between parents and dependent  
17 children. The department shall report to the legislative fiscal  
18 committees (~~(quarterly)~~) on September 30, 2010, and December 30, 2010,  
19 the number of children in foster care who receive supervised visits,  
20 their frequency, length of time of each visit, and whether  
21 reunification is attained.

22 (~~((12) \$1,789,000)~~) (11) \$145,000 of the general fund--state  
23 appropriation for fiscal year 2010, \$871,000 of the general fund--state  
24 appropriation for fiscal year 2011, and \$773,000 of the home security  
25 fund--state appropriation is provided solely for street youth program  
26 services.

27 (~~((13) \$1,584,000)~~) (12) \$1,522,000 of the general fund--state  
28 appropriation for fiscal year 2010, (~~((1,584,000))~~) \$1,340,000 of the  
29 general fund--state appropriation for fiscal year 2011, and  
30 (~~((1,586,000))~~) \$1,464,000 of the general fund--federal appropriation  
31 are provided solely for the department to recruit foster parents. The  
32 recruitment efforts shall include collaborating with community-based  
33 organizations and current or former foster parents to recruit foster  
34 parents.

35 (~~((14))~~) (13) \$493,000 of the general fund--state appropriation for  
36 fiscal year 2010, \$303,000 of the general fund--state appropriation for  
37 fiscal year 2011, \$466,000 of the general fund--private/local  
38 appropriation, and \$725,000 of the education legacy trust account--

1 state appropriation (~~(13)~~) are provided solely for children's  
2 administration to contract with an educational advocacy provider with  
3 expertise in foster care educational outreach. Funding is provided  
4 solely for contracted education coordinators to assist foster children  
5 in succeeding in K-12 and higher education systems. Funding shall be  
6 prioritized to regions with high numbers of foster care youth and/or  
7 regions where backlogs of youth that have formerly requested  
8 educational outreach services exist. The department shall utilize  
9 private matching funds to maintain educational advocacy services.

10 (~~(15)~~—\$1,300,000) (14) \$1,677,000 of the home security fund  
11 account--state appropriation is provided solely for HOPE beds.

12 (~~(16)~~—\$5,300,000) (15) \$5,193,000 of the home security fund  
13 account--state appropriation is provided solely for the crisis  
14 residential centers.

15 (~~(17)~~) (16) The appropriations in this section reflect reductions  
16 in the appropriations for the children's administration administrative  
17 expenses. It is the intent of the legislature that these reductions  
18 shall be achieved, to the greatest extent possible, by reducing those  
19 administrative costs that do not affect direct client services or  
20 direct service delivery or programs.

21 (~~(18)~~) (17) Within the amounts appropriated in this section, the  
22 department shall contract for a pilot project with family and community  
23 networks in Whatcom county and up to four additional counties to  
24 provide services. The pilot project shall be designed to provide a  
25 continuum of services that reduce out-of-home placements and the  
26 lengths of stay for children in out-of-home placement. The department  
27 and the community networks shall collaboratively select the additional  
28 counties for the pilot project and shall collaboratively design the  
29 contract. Within the framework of the pilot project, the contract  
30 shall seek to maximize federal funds. The pilot project in each county  
31 shall include the creation of advisory and management teams which  
32 include members from neighborhood-based family advisory committees,  
33 residents, parents, youth, providers, and local and regional department  
34 staff. The Whatcom county team shall facilitate the development of  
35 outcome-based protocols and policies for the pilot project and develop  
36 a structure to oversee, monitor, and evaluate the results of the pilot  
37 projects. The department shall report the costs and savings of the



1 pilot project to the appropriate committees of the legislature by  
2 November 1 of each year.

3 ~~((19))~~ (18) \$157,000 of the general fund--state appropriation for  
4 fiscal year 2010 and \$157,000 of the general fund--state appropriation  
5 for fiscal year 2011 are provided solely for the department to contract  
6 with a nonprofit entity for a reunification pilot project in Whatcom  
7 and Skagit counties. The contract for the reunification pilot project  
8 shall include a rate of \$46.16 per hour for evidence-based  
9 interventions, in combination with supervised visits, to provide 3,564  
10 hours of services to reduce the length of stay for children in the  
11 child welfare system. The contract shall also include evidence-based  
12 intensive parenting skills building services and family support case  
13 management services for 38 families participating in the reunification  
14 pilot project. The contract shall include the flexibility for the  
15 nonprofit entity to subcontract with trained providers.

16 ~~((20))~~ (19) \$303,000 of the general fund--state appropriation for  
17 fiscal year 2010, \$418,000 of the general fund--state appropriation for  
18 fiscal year 2011, and \$257,000 of the general fund--federal  
19 appropriation are provided solely to implement Engrossed Substitute  
20 House Bill No. 1961 (increasing adoptions act). If the bill is not  
21 enacted by June 30, 2009, the amounts provided in this subsection shall  
22 lapse.

23 ~~((21) — \$100,000)~~ (20) \$98,000 of the general fund--state  
24 appropriation for fiscal year 2010 and ~~(( \$100,000 ))~~ \$98,000 of the  
25 general fund--state appropriation for fiscal year 2011 are provided  
26 solely for the department to contract with an agency that is working in  
27 partnership with, and has been evaluated by, the University of  
28 Washington school of social work to implement promising practice  
29 constellation hub models of foster care support.

30 ~~((22))~~ (21) The legislature intends for the department to reduce  
31 the time a child remains in the child welfare system. The department  
32 shall establish a measurable goal and report progress toward meeting  
33 that goal to the legislature by January 15 of each fiscal year of the  
34 2009- 11 fiscal biennium. To the extent that actual caseloads exceed  
35 those assumed in this section, it is the intent of the legislature to  
36 address those issues in a manner similar to all other caseload  
37 programs.

1       (22) \$715,000 of the general fund--state appropriation for fiscal  
2 year 2010 and \$715,000 of the general fund--state appropriation for  
3 fiscal year 2011 are provided solely for services provided through  
4 children's advocacy centers.

5       (23) \$11,000 of the general fund--state appropriation for fiscal  
6 year 2011 and \$3,000 of the general fund--federal appropriation are  
7 provided solely for implementation of chapter 224, Laws of 2010  
8 (confinement alternatives). If the bill is not enacted by June 30,  
9 2010, the amounts provided in this subsection shall lapse.

10       (24) \$1,867,000 of the general fund--state appropriation for fiscal  
11 year 2010, \$1,790,000 of the general fund--state appropriation for  
12 fiscal year 2011, and \$4,673,000 of the general fund--federal  
13 appropriation are provided solely for the department to contract for  
14 medicaid treatment child care (MTCC) services. Children's  
15 administration case workers, local public health nurses and case  
16 workers from the temporary assistance for needy families program shall  
17 refer children to MTCC services, as long as the children meet the  
18 eligibility requirements as outlined in the Washington state plan for  
19 the MTCC services.

20       (25) The department shall contract for at least one pilot project  
21 with adolescent services providers to deliver a continuum of short-term  
22 crisis stabilization services. The pilot project shall include  
23 adolescent services provided through secure crisis residential centers,  
24 crisis residential centers, and hope beds. The department shall work  
25 with adolescent service providers to maintain availability of  
26 adolescent services and maintain the delivery of services in a  
27 geographically representative manner. The department shall examine  
28 current staffing requirements, flexible payment options, center-  
29 specific licensing waivers, and other appropriate methods to achieve  
30 savings and streamline the delivery of services. The legislature  
31 intends for the pilot project to provide flexibility to the department  
32 to improve outcomes and to achieve more efficient utilization of  
33 existing resources, while meeting the statutory goals of the adolescent  
34 services programs. The department shall provide an update to the  
35 appropriate legislative committees and governor on the status of the  
36 pilot project implementation by December 1, 2010.

37       (26) To ensure expenditures remain within available funds  
38 appropriated in this section as required by RCW 74.13A.005 and

1 74.13A.020, the secretary shall not set the amount of any adoption  
2 assistance payment or payments, made pursuant to RCW 26.33.320 and  
3 74.13A.005 through 74.13A.080, to more than ninety percent of the  
4 foster care maintenance payment for that child had he or she remained  
5 in a foster family home during the same period. This subsection does  
6 not apply to adoption assistance agreements in existence on the  
7 effective date of this section.

8 (27) Receipts from fees per chapter 289, Laws of 2010, as deposited  
9 into the prostitution prevention and intervention account for services  
10 provided to sexually exploited children as defined in RCW 13.32A.030 in  
11 secure and semi-secure crisis residential centers with access to staff  
12 trained to meet their specific needs shall be used to expand capacity  
13 for secure crisis residential centers and not supplant existing  
14 funding.

15 **Sec. 203.** 2010 c 3 s 202 (uncodified) is amended to read as  
16 follows:

17 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--JUVENILE**  
18 **REHABILITATION PROGRAM**

19	General Fund--State Appropriation (FY 2010) . . . . .	(( <del>\$104,185,000</del> ))
20		<u>\$103,437,000</u>
21	General Fund--State Appropriation (FY 2011) . . . . .	(( <del>\$92,392,000</del> ))
22		<u>\$97,761,000</u>
23	General Fund--Federal Appropriation . . . . .	(( <del>\$6,565,000</del> ))
24		<u>\$1,715,000</u>
25	General Fund--Private/Local Appropriation . . . . .	(( <del>\$1,900,000</del> ))
26		<u>\$1,899,000</u>
27	Washington Auto Theft Prevention Authority Account--	
28	State Appropriation . . . . .	\$3,896,000
29	Juvenile Accountability Incentive Account--Federal	
30	Appropriation . . . . .	(( <del>\$2,801,000</del> ))
31		<u>\$2,805,000</u>
32	<u>State Efficiency and Restructuring Account--State</u>	
33	<u>Appropriation . . . . .</u>	<u>\$4,958,000</u>
34	TOTAL APPROPRIATION . . . . .	(( <del>\$211,739,000</del> ))
35		<u>\$216,471,000</u>

36 The appropriations in this section are subject to the following  
37 conditions and limitations: