

HOUSE BILL REPORT

HB 1911

As Reported by House Committee On: Appropriations

Title: An act relating to health care services for inmates in city, county, and regional jails.

Brief Description: Concerning health care services for inmates in city, county, and regional jails.

Sponsors: Representatives Alexander and Cody.

Brief History:

Committee Activity:

Appropriations: 2/26/13, 2/28/13 [DPS].

Brief Summary of Substitute Bill

- Requires providers of hospital services that are licensed with the Department of Health to contract with local correctional facilities (jails) for inpatient, outpatient, and ancillary services.
- Requires jails to reimburse hospital providers at no more than Medicaid rates plus a percentage increase that is determined in the state operating budget for treatment of offenders.
- Allows jails to contract with the Department of Corrections, at the jail's expense, to use Provider One to pay outside hospital claims.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 31 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Alexander, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Carlyle, Cody, Dahlquist, Dunshee, Fagan, Green, Haigh, Haler, Harris, Hudgins, Hunt, Jinkins, Kagi, Maxwell, Morrell, Parker, Pedersen, Pettigrew, Pike, Ross, Schmick, Seaquist, Springer, Sullivan and Taylor.

Staff: Alex MacBain (786-7288).

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background:

Health Care Services for Jail Offenders and Community Supervision Violators.

An offender who is convicted and receives a sentence of confinement of one year or less must serve that term of confinement in a local correctional facility (jail). Cities, counties, and/or groups of counties are responsible for the operation and maintenance of jails. Upon booking of an inmate into jail, general information concerning the inmate's ability to pay for medical care is identified. To the extent that the offender is unable to be financially responsible for medical care and is ineligible for Medicaid or medical care programs offered through the Health Care Authority (HCA), the jail is responsible to pay for the offender's health care costs. Necessary medical services cannot be denied or delayed because of disputes over the cost of medical care or a determination of financial responsibility.

The Department of Corrections (DOC) contracts with 60 local jurisdictions to provide jail beds, including necessary health care services, for DOC offenders who violate the terms of community supervision (violators). The maximum allowable daily rate for incarceration is published in the biennial operating budget. When a DOC violator receives medical care while incarcerated in a county or city jail, the DOC must reimburse the local entity for health care costs, either through a medical care rate that exceeds the daily rate or on a reimbursement basis.

In the 2012 session, the Legislature took steps to assist the DOC in containing health care costs by establishing standardized payment rates and requiring hospitals to contract with the DOC for offender health care as a condition of licensure. In addition, the 2012 Supplemental Operating Budget required the DOC to convene a workgroup to review and evaluate health care cost containment strategies at jail facilities and to make recommendations to committees of the Legislature by October 1, 2013. This workgroup includes jail administrators, the Washington State Patrol, the Washington Association of Sheriffs and Police Chiefs, and the Washington Association of Counties. Standardizing hospital rates and paying hospitals through a central administrative organization are recommendations of this workgroup.

Regulation of Hospitals.

Hospitals in Washington must be licensed by the Department of Health (DOH). The DOH establishes standards for the construction, maintenance, and operation of hospitals, including standards for the care and treatment of patients. The DOH issues, denies, and revokes licenses; conducts surveys and inspections of hospitals; determines sanctions for violations of DOH standards; and receives regular reports on each hospital's governance and finances, as well as certain patient care measures.

Provider One.

Provider One is the federally certified statewide Medicaid payment processing system in Washington. It interfaces with client eligibility data, authorizes services, and issues payments to health care providers.

Summary of Substitute Bill:

Hospitals licensed and regulated by the DOH must, as a condition of licensure, contract with jails for inpatient, outpatient, and ancillary services if deemed appropriate by the jail. Jails may only reimburse a provider of hospital services at a rate no more than the amount payable under the Medicaid reimbursement structure plus a percentage increase that is determined in the state operating budget. A jail is required to reimburse the DOC for costs related to participating in the Provider One system if the jail contracts with the DOC for those services.

Substitute Bill Compared to Original Bill:

The substitute bill requires a jail to reimburse the DOC for costs related to participating in the Provider One if the jail contracts with the DOC for those services. The substitute bill adds conditions under which the HCA shall directly reimburse a provider. Specifically, when the confined person is eligible for Medicaid and is admitted as an inpatient in a hospital, nursing facility, juvenile psychiatric facility, or intermediate care facility that is not part of the state or local correctional system. The requirement that a hospital contract with a jail as a condition of licensure is limited to when a contract is requested by a jail.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill extends savings that were approved last year for the DOC to local jails. Escalating health care costs are crippling jails. Attorneys work to keep prisoners in jail so they can get medical treatment. Local jails must release certain offenders because they cannot afford their health care. Recently, a man robbed a bank, walked to his car, and waited to be arrested. Within 24 hours he was getting an angioplasty at a cost of \$127,000. Jails are paying top dollar rates for medical costs. The citizens are paying for these costs. This bill creates a standardized system for health care costs. The Medicaid schedule is extremely complex and Provider One is essential to navigating the costs.

(Opposed) There were no savings from the bill passed last year for the DOC and there are no savings from this bill. This bill shifts costs to private pay patients, creating an indirect implicit tax. Raise a real tax instead of passing along the costs to employees, employers, and patients. The bill would break contracts already in existence between hospitals and jails and it would mandate payments at Medicaid rates, which only covers 73 percent of the costs.

Persons Testifying: (In support) Representative Alexander, prime sponsor; Steve Mansfield, Lewis County Sheriff; Dave O'Leary, City of Shelton; Candace Bock, Association of Washington Cities; and Susan Lucas, Department of Corrections.

(Opposed) Len McComb, Washington State Hospital Association; and Bethany Sexton, MultiCare Health System.

Persons Signed In To Testify But Not Testifying: None.