

SENATE BILL REPORT

SB 5792

As of February 26, 2013

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: Senators Honeyford, Keiser and Becker.

Brief History:

Committee Activity: Ways & Means: 2/25/13.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Carma Matti-Jackson (786-7454)

Background: An offender who is convicted and receives a sentence of confinement of less than one year must serve that term of confinement in a local correctional facility (jail). 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 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, 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.

Last session, the Legislature took steps to assist DOC in containing health care costs by establishing standardized payment rates and requiring hospitals to contract with DOC for offender health care as a condition of licensure. In addition, the 2012 Supplemental Operating Budget required DOC to convene a workgroup to review and evaluate health care cost containment strategies at jail facilities and to make recommendations to fiscal

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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.

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 Bill: Hospitals licensed and regulated by the Department of Health 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. Through contracts with DOC, jails may participate in the Provider One system operated by HCA.

Appropriation: None

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Health care costs are crippling our jails and local government. Cities and counties receive medical billings for offenders and they have no way of knowing what they should be paying. People have been known to get arrested just so they can receive health care. Once an individual is incarcerated, they are no longer eligible for Medicaid. One offender with serious health complications or wounds can absorb the jail's entire medical budget. We are asking for consistency in what we pay. It should be a choice to go through DOC as the payment administrator. Yes it costs more up front, but there are benefits in utilizing the Provider One payment system. The same individuals circulate between jails and prisons so it makes sense for the jails to go through the same payment system and methodology as DOC. This will help the local government access federal funds when Medicaid is available, it standardizes costs between DOC and the jails, and it will ensure all medical bills are adjudicated and paid in a uniform way.

CON: This is an indirect tax and another effort to pass the responsibility for health care costs to the hospitals. This is a cost shift to private pay patients. Hospitals already have working memoranda of understanding with jails and this essentially breaks those agreements. Inmates are typically less healthy than most people, may be violent, and may require security. They often arrive with infectious diseases, behavior issues, or substance abuse issues. The hospitals should be covered for the cost of care. Medicaid rates only cover 70 percent of costs. Employers and patients will need to carry the burden of covering this uncompensated care.

Persons Testifying: PRO: James McMahan, WA Assn. of County Officials; John Snaza, Thurston County Sheriff; Steve Mansfield, Lewis County Sheriff; Dave O'Leary, City of Shelton; Candice Bock, Assn. of WA Cities; Susan Lucas, DOC.

CON: Len Macomb, WA State Hospital Assn.; Kristen Rogers, Providence Health and Services; George Williams, MultiCare Health System; Eric Moll, Mason General Hospital.