

---

**SUBSTITUTE HOUSE BILL 1817**

---

**State of Washington**

**53rd Legislature**

**1993 Regular Session**

**By** House Committee on Corrections (originally sponsored by Representatives L. Johnson, Morris, Long, Edmondson, Valle, Rayburn, Karahalios, Riley, Springer, Campbell and Cothorn)

Read first time 03/03/93.

1 AN ACT Relating to the department of corrections health care costs;  
2 creating new sections; and declaring an emergency.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that Washington state  
5 government purchases approximately one-fourth of all the health care  
6 state-wide. In addition to this huge expenditure, the state also faces  
7 health care inflation rates, far exceeding the growth rate of the  
8 economy as a whole and the general inflationary rate. Together these  
9 factors are straining state resources beyond our capability to pay.

10 The legislature finds that the department of corrections is  
11 responsible for providing health care to a large and growing number of  
12 offenders. It is also facing rapidly escalating medical, dental, and  
13 mental health care expenditures. As a result of this, the department  
14 must review its entire inmate health care system and take steps to  
15 reduce health care expenditures.

16 The legislature further finds that efforts to achieve state-wide  
17 health care reform should also include the department of correction's  
18 health care facilities. In this light, the department must develop an

1 appropriate plan that will correspond to the changing health care  
2 environment.

3 NEW SECTION. **Sec. 2.** (1) The department of corrections shall  
4 conduct a comprehensive review and analysis of their offender health  
5 care system including all its corresponding expenditures during the  
6 1991-93 biennium.

7 (2) The department shall review, analyze, and provide a report of  
8 all departmental health services quarterly reports beginning from 1988  
9 through the most current one. The report shall provide data indicating  
10 the cost and encounter trends of all medical, dental, mental health,  
11 and ancillary services provided for offenders within the division of  
12 offender programs, division of prisons, and division of community  
13 corrections. The trend data shall, to the extent possible, include,  
14 but not be limited to: (a) Total service hours and encounters for  
15 consultant/contract services delivered within a department facility or  
16 program; (b) medical encounters by department staff; (c) encounters  
17 conducted off-site; (d) total medication line visits; (e) inpatient  
18 days for department inpatient services and community facilities; (f)  
19 dental off-site and on-site encounters; (g) full mental health  
20 utilization data; (h) total prescriptions ordered for each facility and  
21 overall; (i) total laboratory services for each facility and overall;  
22 (j) total radiological procedures for each facility and overall; and  
23 (k) to the extent possible, the total ICD-9 codes for encounters  
24 specific to off-site hospital services or any other sources that  
25 provide such data. The analysis required in (a) through (k) of this  
26 subsection shall include, to the extent possible, a breakdown for each  
27 of the above categories by facility and include prerelease and work  
28 release facilities.

29 (3) The department shall describe in the report its current health  
30 information system capabilities. The report shall include, but not be  
31 limited to, its offender health information systems reporting  
32 capabilities, data sources, and principal limitations of the current  
33 system. To the extent possible and within existing resources, the  
34 description shall contain an action plan for developing and  
35 implementing a basic, yet fully integrated, health care and financial  
36 information system for all department of corrections facilities and for  
37 all offender health care. The basic offender health care data system  
38 should be able to identify cost centers, utilization patterns,

1 pharmaceuticals and supplies ordering, and tracking by patient and by  
2 cost center, encounter specific diagnosis data, both contract and  
3 noncontract provider and off-site hospital practice patterns, and all  
4 procedure costs. The action plan shall include, to the extent  
5 possible, basic information systems configurations, basic hardware  
6 specifications, the total estimated cost for hardware, software,  
7 maintenance, and personnel, the estimated time line for installation  
8 and live use, and the potential and expected system development  
9 obstacles.

10 The department shall also investigate the potential for: (a)  
11 Integrating its offender health information system with the existing  
12 health information systems at western state hospital or any other  
13 state-supported facilities willing and able to share their health care  
14 information system software and expertise; (b) sharing software and/or  
15 hardware using current modem technology; and (c) using and modifying  
16 nonproprietary software for use in a state-wide offender data base and  
17 on-line health information system.

18 (4) The department shall report its progress to date and estimated  
19 or potential saving on: (a) The development of purchasing any  
20 offenders health services through preferred contract providers state-  
21 wide; (b) the consolidated purchasing of high technology services; (c)  
22 the coordination of bulk purchasing of equipment, supplies, and  
23 pharmaceuticals; (d) the use of generic pharmaceuticals; (e) the extent  
24 to which the department has coordinated with the department of health  
25 and the department of social and health services to develop health  
26 promotion and prevention care, substance abuse treatment, and mental  
27 health treatment including the development of pilot programs using  
28 federal grant assistance for training, research, or program  
29 implementation; (f) the extent the department has developed protocols  
30 for utilization review for assessing the medical necessity and  
31 appropriateness of care purchased from contracted or fee for service  
32 community-based providers and for the appropriate level of provider  
33 contracted in-house; (g) the feasibility of involving other state or  
34 federal programs in picking up the costs for offender health care; (h)  
35 the current and potential relationships between the department and the  
36 two mental health hospitals operated by the division of mental health,  
37 and any other state-owned or operated institutions, agencies, or  
38 departments, including but not limited to the University of Washington  
39 medical school, Harborview hospital, and Eastern Washington University;

1 (i) the feasibility of developing a preferred provider contract with  
2 the state's community health care clinic consortium; (j) an estimate of  
3 the number of offenders in need of chronic long-term care, their ages,  
4 offense, level of incarceration, level of security risk, protocols if  
5 developed for managing the health care and security of these offenders,  
6 and any other cost saving recommendations for managing offenders in  
7 need of chronic long-term care; (k) the degree to which the department  
8 can recover health care costs from the offender through their wages  
9 while working in correctional industries, or directly through their own  
10 resources or insurance, or through their spouse's insurance.

11 (5) The department of corrections shall submit an initial copy of  
12 the report to the health care authority, the department of health, and  
13 the department of social and health services, for their written  
14 comments regarding recommendations for departmental coordination or  
15 cooperation, or any other cost savings recommendations by September 1,  
16 1993. The department shall provide a final copy of the report,  
17 including any comments provided by the departments, to the appropriate  
18 committees of the senate and the house of representatives by December  
19 12, 1993.

20 NEW SECTION. **Sec. 3.** The department of corrections shall consult  
21 with the state health care authority to identify how the department of  
22 corrections shall develop a working plan to correspond to the health  
23 care reform measures that require all departments to place all state  
24 purchased health services in a community-rated, single risk pool under  
25 the direct administrative authority of the state purchasing agent by  
26 July 1, 1997. The department of corrections shall report the findings  
27 to the chairs of the house of representatives health care committee and  
28 committee on corrections and the chairs of the senate committee on  
29 health and human services and the law and justice committee by December  
30 12, 1993.

31 NEW SECTION. **Sec. 4.** This act is necessary for the immediate  
32 preservation of the public peace, health, or safety, or support of the  
33 state government and its existing public institutions, and shall take  
34 effect immediately.

--- END ---