

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1817

53rd Legislature
1993 Regular Session

Passed by the House March 16, 1993
Yeas 98 Nays 0

**Speaker of the
House of Representatives**

Passed by the Senate April 18, 1993
Yeas 42 Nays 2

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Alan Thompson, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1817** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1817

Passed Legislature - 1993 Regular Session

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.

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