

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 1817**

Chapter 504, Laws of 1993

(partial veto)

53rd Legislature  
1993 Regular Session

DEPARTMENT OF CORRECTIONS INMATE HEALTH CARE SYSTEM REVIEW

EFFECTIVE DATE: 5/18/93

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

BRIAN EBERSOLE  
**Speaker of the  
House of Representatives**

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

JOEL PRITCHARD  
**President of the Senate**

Approved May 18, 1993, with the  
exception of section 2, which is  
vetoed.

MIKE LOWRY  
**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.

ALAN THOMPSON  
**Chief Clerk**

FILED

May 18, 1993 - 2:35 p.m.

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 1817**

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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 Cothern)

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 *\*Sec. 2 was vetoed, see message at end of chapter.*

21 NEW SECTION. **Sec. 3.** The department of corrections shall consult  
22 with the state health care authority to identify how the department of  
23 corrections shall develop a working plan to correspond to the health  
24 care reform measures that require all departments to place all state  
25 purchased health services in a community-rated, single risk pool under  
26 the direct administrative authority of the state purchasing agent by  
27 July 1, 1997. The department of corrections shall report the findings  
28 to the chairs of the house of representatives health care committee and  
29 committee on corrections and the chairs of the senate committee on  
30 health and human services and the law and justice committee by December  
31 12, 1993.

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

Passed the House March 16, 1993.  
Passed the Senate April 18, 1993.  
Approved by the Governor May 18, 1993, with the exception of  
certain items which were vetoed.  
Filed in Office of Secretary of State May 18, 1993.

1 Note: Governor's explanation of partial veto is as follows:

2 "I am returning herewith, without my approval as to section 2,  
3 Substitute House Bill 1817, entitled:

4 "AN ACT Relating to the department of corrections health care  
5 costs;"

6 Section 2 of this bill directs the Department of Corrections to  
7 conduct a comprehensive review and analysis of its offender health care  
8 system. The department provides health care to roughly 10,400 clients  
9 in a large decentralized institutional system comprised of 16 separate  
10 facilities. A study of this depth would certainly produce valuable  
11 information, but without additional funding it will be impossible to  
12 meet the December 1993 deadline.

13 I fully expect the Department of Corrections to be an active  
14 participant in health care reform. Consistent with sections 1 and 3 of  
15 this act, and health care reform legislation, I am directing the  
16 Department of Corrections to review the inmate health care system and  
17 take steps to reduce health care expenditures. Additionally, the  
18 department will develop a plan to improve and make more cost effective  
19 the health care delivery system of our state prison system, and  
20 implement the provisions of health care reform.

21 For these reasons, I have vetoed section 2 of Substitute House Bill  
22 1817.

23 With the exception of section 2, Substitute House Bill 1817 is  
24 approved."