
HOUSE BILL 1817

State of Washington

53rd Legislature

1993 Regular Session

By Representatives L. Johnson, Morris, Long, Edmondson, Valle, Rayburn, Karahalios, Riley, Springer, Campbell and Cothern

Read first time 02/10/93. Referred to Committee on Corrections.

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 1991-1993 biennium. The department shall provide data that includes
7 but is not limited to:

8 (a) Mortality and morbidity rates by institution and state-wide,
9 including monthly morbidity rates broken down by the type of morbidity,
10 by age, sex, and ethnicity. The analysis shall include medical,
11 dental, and mental health-related morbidity data.

12 (b) The frequency of offender medical, dental, pharmacy, mental
13 health, and other ancillary services encounters for each department of
14 corrections facility and system-wide. The data shall include both on-
15 site and off-site encounters, and offender encounters that are the
16 result of the offender being transferred to other facilities. Data
17 shall include a breakdown of cost per encounter data for purchased
18 services by type of consultant or contract professional and for
19 services provided by department of corrections personnel. Analysis
20 shall include a comprehensive analysis of all inpatient medical
21 services in department of corrections facilities and community
22 facilities, including, but not limited to, the number of
23 admissions/transfers in, discharges/transfers out, inpatient days, and
24 short stays.

25 (c) The average cost per encounter for medical, dental, and
26 ancillary services provided in each facility and off-site, and an
27 average cost per encounter system-wide. Total cost data for all
28 encounters state-wide shall be included. Cost data shall be calculated
29 three ways by using: Direct costs only; indirect costs only; and a
30 combination of indirect and direct costs together. Indirect costs
31 include, but are not limited to patient transportation costs.

32 (d) A complete inventory of both inpatient and outpatient medical,
33 dental, and mental health facilities and equipment, including leased
34 and rented facilities or equipment. The inventory shall include the
35 itemized cost or value of all durable medical equipment in each
36 facility and the age and expected, predicted, or recommended
37 replacement date for equipment that has a replacement value above five
38 hundred dollars. The inventory of department of corrections medical

1 facilities shall include the square footage, design, and layout of the
2 physical structure.

3 (e) An analysis of purchased medical, dental, and ancillary
4 consultant or contract and noncontract services by institution and
5 state-wide with a focus on the expenditures for these services in each
6 corrections facility. The analysis shall include a comparison of
7 expenditures for purchased on-site noncontracted costs per inmate,
8 purchased on-site contracted costs per inmate, and the cost for
9 nonpurchased on-site department of corrections provided health care
10 services by institution and state-wide. A description of purchasing
11 practices and the names of vendors.

12 (f) A comprehensive analysis of all pharmaceuticals prescribed for
13 inmates, including the names of each pharmaceutical, average number of
14 prescriptions per inmate per institution, total number of prescriptions
15 used per facility and system-wide, the unit cost for each
16 pharmaceutical, and total cost per corrections facility and system-
17 wide.

18 (g) A description of the current capacity of each facility and the
19 range of medical procedures that could be appropriately and
20 professionally handled in the facility based on the equipment available
21 and optimal staffing.

22 (h) A description and analysis of medical information systems
23 capabilities for each facility and all facilities state-wide. The
24 analysis shall include the type of patient data collected, how it is
25 stored, how it is retrieved, how extensively electronic information
26 systems are used, and their capabilities, including patient tracking
27 and methods used to protect confidentiality.

28 (2) The analysis shall include, if and how, health care information
29 is currently used proactively to address the need for staffing needs
30 and the control of medically related costs.

31 (3) The department of corrections shall recommend actions that will
32 safely and effectively control medical costs. Each cost control
33 recommendation shall be accompanied by a realistic action plan. The
34 plan shall include a time line, who will be effected, and expected
35 fiscal savings. The recommendation shall also identify what aspects,
36 if any, of the corrections health care system can be privatized as a
37 cost savings to the department.

1 (4) The department shall gather appropriate data on all offenders
2 and assess if the offenders medical care can be covered by third-party
3 billing through their spouse or any other appropriate sources.

4 (5) The department of corrections shall identify all inmates that
5 have a chronic health condition that requires twenty-four hour nursing
6 level of care. The analysis shall also include for each offender:
7 Description of health conditions, level of functional disability,
8 expected prognosis, type and amount of health care provided, type of
9 special housing needs or special accommodations required to maintain
10 the offender, all health care costs per day, the crime the offender was
11 incarcerated for, level of security risk, and the total costs for
12 providing care for all of these offenders, including both direct and
13 indirect costs. The department shall describe their protocol or
14 procedures for handling such offenders and provide recommendations on
15 consolidation, other care options, or administrative procedures that
16 could reduce the cost of providing this level of care within
17 correctional institutions.

18 (6) The department of corrections shall consult with the
19 legislative budget committee on all aspects of the study design. The
20 legislative budget committee shall also monitor and provide
21 consultation on the implementation of the study and make comments on
22 the final recommendations and actions plans made by the department of
23 corrections. The department of corrections shall provide a final copy
24 of their findings and recommendations, in addition to the comments and
25 suggestions provided by the legislative budget committee, to
26 appropriate committees of the legislature by December 12, 1993. The
27 department of health shall review the final report and make
28 recommendations on how the department of corrections health data system
29 can be integrated with the department of health data system.

30 NEW SECTION. **Sec. 3.** The department of corrections shall consult
31 with the state health care authority to identify how the department of
32 corrections shall develop a working plan to correspond to the health
33 care reform measures that require all departments to place all state
34 purchased health services in a community-rated, single risk pool under
35 the direct administrative authority of the state purchasing agent by
36 July 1, 1997. The department of corrections shall report the findings
37 to the chairs of the house of representatives health care committee and
38 committee on corrections and the chairs of the senate committee on

1 health and human services and the law and justice committee by December
2 12, 1993.

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

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