

SENATE BILL REPORT

HB 2803

As of Second Reading

Title: An act relating to limiting the rates paid to providers for medical services for incarcerated offenders, increasing the copay on medical services, and authorizing the department of corrections to submit medicaid applications on behalf of incarcerated offenders.

Brief Description: Concerning health care services for incarcerated offenders.

Sponsors: Representative Cody.

Brief History: Passed House: 3/06/12, 93-0.

Committee Activity:

Staff: Shani Bauer (786-7468)

Background: Health Care Services for Offenders. When an offender enters the custody of the Department of Corrections (DOC), a health profile for the offender must be prepared, including a financial assessment of the offender's ability to pay for all or a portion of the health care services received from personal resources or private insurance. Offenders are required to pay a co-pay of no less than \$3 per visit. The co-pay may be collected from the offender's institution account and is deposited into the General Fund. Offenders are not required to pay a co-pay for emergency treatment, visits initiated by health care staff, or treatment for a serious health care need.

DOC has taken several steps over the past few years to contain health care costs. These steps include:

- payment of all eligible inpatient hospital and related services through Medicaid;
- utilizing a management team of nurses to monitor payments to outside providers as well as care provided within DOC facilities;
- contracting with the Washington State Health Care Authority pharmaceutical consortium to reduce the cost of prescription drugs in prisons; and
- implementing protocols and processes to ensure services are evidence-based and medically necessary.

Regulation of Hospitals. Hospitals in Washington must be licensed by the Department of Health (DOH). DOH establishes standards for the construction, maintenance, and operation

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of hospitals, including standards for the care and treatment of patients. DOH issues, denies, and revokes licenses; conducts surveys and inspections of hospitals; determines sanctions for violations of DOH standards; and receives regular reports on each hospital's governance and finances, as well as certain patient care measures.

Summary of Bill: Offenders must participate in the costs of their health care services by paying an amount that is commensurate with their resources as determined by the Department of Corrections (DOC) or a nominal amount no less than \$4 per visit. All co-payments collected must be used to reduce expenditures for offender health care at DOC. An offender must make a co-payment even if the health care service is for emergency treatment, initiated by health care staff, or treatment for a serious health care need.

To the extent allowed by federal law and that federal financial participation is available, DOC is authorized to act on behalf of an inmate for purposes of applying for Medicaid eligibility.

Providers of hospital services that are licensed with DOH must contract with DOC for inpatient, outpatient, and ancillary services, as a condition of licensure. Payments to hospitals from DOC for these services must be:

- paid through the Provider One system operated by the Health Care Authority;
- reimbursed using the reimbursement methodology in use by the state Medicaid program; and
- reimbursed at a rate no more than the amount payable under the Medicaid reimbursement structure.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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