

SENATE BILL REPORT

SB 5288

As Reported by Senate Committee On:
Human Services & Corrections, February 18, 2013

Title: An act relating to contracts for health care services for incarcerated offenders.

Brief Description: Concerning contracts for health care services for incarcerated offenders.

Sponsors: Senators Hill, Hargrove and Shin; by request of Department of Corrections.

Brief History:

Committee Activity: Human Services & Corrections: 2/04/13, 2/18/13 [DP].

SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

Majority Report: Do pass.

Signed by Senators Carrell, Chair; Pearson, Vice Chair; Darneille, Ranking Member; Hargrove, Harper and Padden.

Staff: Shani Bauer (786-7468)

Background: The Department of Corrections (DOC) has taken several steps over the past few years to contain health care costs for offenders in its custody. These steps include the following:

- payment of all eligible inpatient hospital and related services through Medicaid;
- utilizing a management team of nurses to monitor payments to outside providers and for 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.

Last session, the Legislature took additional steps to assist DOC in containing health care costs by requiring providers of hospital services that are licensed with the Department of Health to 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

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- reimbursed at a rate no more than the amount payable under the Medicaid reimbursement structure.

Summary of Bill: Payments to all health care contractors including, but not limited to, hospitals, providers, and ancillary vendors 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.

Staff Summary of Public Testimony: PRO: The intent of the legislation last year was to limit hospitals and providers, but through an inadvertent drafting error, the language limits the requirements to hospitals. We realize that if this is mandated for doctors, it could result in access issues which would in turn impact the savings.

CON: This is a problem in rural communities where Medicaid and a local correctional facility make up a large part of the revenue. Small hospitals find it very difficult to absorb Medicaid rates that are significantly less than the cost of care. Inpatient care is currently provided at the Medicaid rate. Last year's legislation expanded this to outpatient. This bill is an even greater expansion which is a significant burden.

Persons Testifying: PRO: Susan Lucas, DOC.

CON: Andrew Busz, WA State Hospital Assn.