

SENATE BILL REPORT

SB 6322

As Reported by Senate Committee On:
Law & Justice, February 3, 2016

Title: An act relating to the payment of health services by hospitals for inmates.

Brief Description: Concerning the payment of health services by hospitals for inmates.

Sponsors: Senators Pearson and Hewitt.

Brief History:

Committee Activity: Law & Justice: 1/21/16, 2/03/16 [DPS-WM, DNP, w/oRec].

SENATE COMMITTEE ON LAW & JUSTICE

Majority Report: That Substitute Senate Bill No. 6322 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Padden, Chair; O'Ban, Vice Chair; Pearson and Roach.

Minority Report: Do not pass.

Signed by Senator Darneille.

Minority Report: That it be referred without recommendation.

Signed by Senators Pedersen, Ranking Minority Member; Frockt.

Staff: Lindsay Erickson (786-7465)

Background: The Department of Corrections may enter into contracts with health care practitioners, health care facilities, and other entities or agents as may be necessary to provide medical, behavioral health, and chemical dependency treatment care to inmates. Under current law, the Department of Corrections must only reimburse a provider of hospital services to a hospital patient at a rate no more than the amount payable under the Medicaid reimbursement structure, plus a percentage increase that is determined in the operating budget.

Health care providers and health care facilities may disclose health care information without a patient's consent to certain persons and entities, including, among others, previous and successor providers, immediate family members, emergency personnel and law enforcement in certain circumstances, and institutions to which the patient is detained. Permitted disclosure does not include disclosure of information related to sexually transmitted diseases

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or mental health services. In some instances, information may not be shared if the patient has instructed against disclosure in writing.

Summary of Bill (Recommended Substitute): The Department of Corrections must pay an enhanced rate of 150 percent of the amount payable under the Medicaid reimbursement structure to hospitals that meet all of the following criteria:

- The hospital is an acute care hospital in Washington that does not receive cost-based payment as a critical access hospital under the state Medicaid program.
- The hospital receives at least 1.5 percent of its net patient revenues from services paid by DOC.
- The hospital receives at least 35 percent of its total net patient revenues from a combination of Medicare and Medicaid net patient revenues.

EFFECT OF CHANGES MADE BY LAW & JUSTICE COMMITTEE (Recommended Substitute): Removes language that required DOC to reimburse hospitals at the Washington State Labor & Industries rate.

Adds provision that the DOC must pay an enhanced rate of 150 percent of the amount payable under the Medicaid reimbursement structure for hospitals meeting specific revenue criteria.

Appropriation: None.

Fiscal Note: Requested on January 14, 2016.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill: PRO: There are times when prisoners require more extensive health care than what is provided at the correctional facility. For smaller rural hospitals caring for a disproportional number of DOC inmates, the reimbursement of services at the Medicaid rate makes it difficult for them to operate. In order to achieve licensure, hospitals must accept Medicaid payments for DOC patients. Medicaid pays 80% of the cost for inpatient services and less than 50% of the cost for outpatient services. The L&I rate pays a higher percentage rate. The current structure is not necessarily saving DOC any money because they are having to transport inmates to these hospitals with guards, which is costly.

Persons Testifying on Original Bill: PRO: Senator Pearson, prime sponsor; Len McComb, WA State Hospital Assoc.; Eric Jensen, CEO of Evergreen Health Monroe.

Persons Signed In to Testify But Not Testifying on Original Bill: No one.