

# FINAL BILL REPORT

## SSB 6430

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Synopsis as Enacted

**Brief Description:** Providing continuity of care for recipients of medical assistance during periods of incarceration.

**Sponsors:** Senate Committee on Human Services, Mental Health & Housing (originally sponsored by Senators Parlette, Darneille, O'Ban and Conway).

**Senate Committee on Human Services, Mental Health & Housing**  
**Senate Committee on Ways & Means**  
**House Committee on Health Care & Wellness**  
**House Committee on Appropriations**

**Background:** Medicaid is a program which provides health insurance to low-income individuals and families. Medicaid is administered as a partnership between state and federal government, in which the federal government provides funding to the states to subsidize insurance in exchange for the state accepting restrictions on how the federal funds may be spent. One such rule, called the "inmate exclusion," prohibits the use of federal funding to provide Medicaid services to a person who is an inmate of a public institution. Another rule, the institution for mental diseases (IMD) rule, excludes the use of federal funds for treatment costs for persons aged 22-64 in a hospital larger than 16 beds which primarily provides mental health services.

The federal government grants waivers of existing Medicaid rules to states under certain circumstances. An example of this is a Section 1115 waiver, under which, subject to negotiation, the federal government allows a state to provide services or extend coverage under Medicaid into areas which would normally be disallowed, in order to demonstrate the existence of an opportunity to increase the quality and efficiency of health networks or health care. A Section 1115 waiver must be budget neutral over time for the federal government. Washington currently holds several Medicaid waivers and is in the process of applying for more.

In 2004, the Center for Medicaid and Medicare Services sent a letter to state Medicaid directors encouraging all states to suspend and not terminate Medicaid services while a person is an inmate of a public institution or IMD.

**Summary:** The Washington State Health Care Authority (HCA) must suspend, rather than terminate, medical assistance benefits by July 1, 2017, for persons who are incarcerated or

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committed to a state hospital. HCA must allow a person to apply for medical assistance in suspense status during incarceration, whether or not the release date of the person is known. HCA must provide a progress report including a detailed fiscal estimate to the Governor and Legislature by December 1, 2016.

The Department of Social and Health Services (DSHS) and HCA must publish guidance and provide trainings to behavioral health organizations, managed care organizations, and behavioral health providers relating to how these entities may provide outreach, assistance, transition planning, and rehabilitation case management reimbursable under federal law to persons who are incarcerated, involuntarily hospitalized, or in the process of transitioning out of one of these services. The guidance and training may highlight preventive activities not reimbursable under federal law which may be cost-effective in a managed care environment. The purpose of the guidance and training is to champion best clinical practices. DSHS and HCA must provide a status update to the Legislature by December 31, 2016.

HCA must collaborate with DSHS, the Washington State Association of Counties, Washington Association of Sheriffs and Police Chiefs (WASPC), and accountable communities of health to request expenditure authority from the federal government to provide behavioral health services to persons who are incarcerated in local jails. HCA may narrow its submission to discrete programs or regions of the state as deemed advisable to effectively demonstrate the potential to achieve savings by integrating medical assistance across community and correctional settings.

HCA must request permission from the federal government to allow the state to cover persons participating in work release or other partial confinement programs at the state, county, or city level under the state Medicaid program.

Upon request, a jail must share records about persons confined in jail with federal, state, or local agencies to determine eligibility for services such as medical, mental health, chemical dependency, or veterans' services, and to allow for provision of treatment during the jail stay or following release. Receiving agencies must hold the records in confidence, and comply with all relevant privacy statutes.

The bill is subject to a null and void clause.

**Votes on Final Passage:**

Senate	49	0	
House	97	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** June 9, 2016