

AMENDED IN ASSEMBLY AUGUST 15, 2005

AMENDED IN ASSEMBLY JULY 13, 2005

AMENDED IN ASSEMBLY JUNE 20, 2005

AMENDED IN ASSEMBLY JUNE 14, 2005

AMENDED IN SENATE MAY 3, 2005

AMENDED IN SENATE APRIL 27, 2005

AMENDED IN SENATE APRIL 6, 2005

SENATE BILL

No. 616

Introduced by Senator Speier

February 22, 2005

An act to amend Section 6254.14 of the Government Code, and to amend Section 6126 of, and to add Sections 5024.3 and 5024.4 to the Penal Code, relating to health care services.

LEGISLATIVE COUNSEL'S DIGEST

SB 616, as amended, Speier. Inmate health care.

Existing law requires hospitals that do not contract with the Department of Corrections and Rehabilitation for emergency health care services to provide those services at a Medicare rate. Existing law prohibits the department from reimbursing a hospital that provides those services at a rate that exceeds the hospital's reasonable and allowable costs.

This bill would require the department to make a reasonable effort to lower health care expenditures, as specified. The bill would require the department to strive to renegotiate each health care contract that is not competitively bid as it expires, to obtain services at the most advantageous price, with a goal of 115% of the Medicare rate. The bill

would require the department, to the extent possible, to provide health care services to inmates at the prison site, if it would be more cost-effective than transporting inmates to outside hospitals.

This bill would require the department, to work with the San Francisco Veterans Administration Medical Center or its designee, for the treatment of parolees who are military veterans, as specified.

Existing law specifies the duties of the Office of Inspector General.

This bill would include in those duties the requirement to establish a process, in consultation with the California Medical Board, to facilitate the receipt, review, and investigation of complaints from employees of the Department of Corrections and Rehabilitation who provide health care services.

Existing law protects from disclosure records of the Department of Corrections and Rehabilitation that relate to health care service contract negotiations.

This bill would require the department to disclose to the State Auditor certain information related to health care service contracts that are not competitively bid. The bill would authorize the State Auditor to disclose that information to the Joint Legislative Audit Committee, upon request.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:
3 (a) State expenditures for the delivery of health care services
4 to adult inmates in state prisons doubled from the 2000-01 fiscal
5 year to the 2002-03 fiscal year.
6 (b) Expenditures are continuing to increase at high annual
7 rates, with expenditures projected to surpass \$1 billion in the
8 2005-06 fiscal year.
9 (c) While the Department of Corrections and Rehabilitation
10 acknowledges that it must reduce its costs and improve the
11 delivery of health care, its plans for reorganizing the delivery of
12 health care services, by its own admission, will not be fully
13 realized until 2010.

1 (d) It is critical that the department take further immediate
2 steps beyond its initial reorganization plans of 2005 to improve
3 the delivery of health care.

4 ~~(e) To achieve health care savings in the Department of~~
5 ~~Corrections and Rehabilitation in the near and immediate future,~~
6 ~~the Legislature hereby enacts the Inmate Health Care Efficiency~~
7 ~~Act of 2005.~~

8 SEC. 2. Section 6254.14 of the Government Code is amended
9 to read:

10 6254.14. (a) (1) Except as provided in Sections 6254 and
11 6254.7 and this section, nothing in this chapter shall be construed
12 to require disclosure of records of the Department of Corrections
13 and Rehabilitation that relate to health care services contract
14 negotiations, and that reveal the deliberative processes,
15 discussions, communications, or any other portion of the
16 negotiations, including, but not limited to, records related to
17 those negotiations such as meeting minutes, research, work
18 product, theories, or strategy of the department, or its staff, or
19 members of the California Medical Assistance Commission, or
20 its staff, who act in consultation with, or on behalf of, the
21 department.

22 (2) Except for the portion of a contract that contains the rates
23 of payment, contracts for health care services entered into by the
24 Department of Corrections and Rehabilitation or its predecessor
25 department, or the California Medical Assistance Commission on
26 or after July 1, 1993, shall be open to inspection one year after
27 they are fully executed. In the event that a contract for health care
28 services that is entered into prior to July 1, 1993, is amended on
29 or after July 1, 1993, the amendment, except for any portion
30 containing rates of payment, shall be open to inspection one year
31 after it is fully executed.

32 (3) Three years after a contract or amendment is open to
33 inspection under this subdivision, the portion of the contract or
34 amendment containing the rates of payment shall be open to
35 inspection.

36 (4) Notwithstanding any other provision of law, the entire
37 contract or amendment shall be open to inspection by the Joint
38 Legislative Audit Committee and the Bureau of State Audits. The
39 Joint Legislative Audit Committee and the Bureau of State
40 Audits shall maintain the confidentiality of the contracts and

1 amendments until the contract or amendment is fully open to
2 inspection by the public.

3 (5) The Department of Corrections and Rehabilitation shall
4 disclose to the State Auditor the rate of payment for any health
5 care service contract that is not competitively bid, within 60 days
6 from the date the contract is signed by the parties, or if required
7 to be signed by the Department of General Services, from the
8 date that department signs the contract. The department shall
9 identify the contractor and the general terms of the contract in
10 reporting to the Auditor. The Auditor, upon request by a member
11 of the Joint Legislative Audit Committee, shall provide to the
12 member the information received from the department, including
13 the specific rate of payment. The requirements of this paragraph
14 shall only be applicable until January 1, 2009.

15 (6) It is the intent of the Legislature that confidentiality of
16 health care provider contracts, and of the contracting process as
17 provided in this subdivision, is intended to protect the
18 competitive nature of the negotiation process, and shall not affect
19 public access to other information relating to the delivery of
20 health care services.

21 (b) The inspection authority and confidentiality requirements
22 established in subdivisions (q), (v), and (w) of Section 6254 for
23 the Legislative Audit Committee shall also apply to the Bureau
24 of State Audits.

25 SEC. 3. Section 5024.3 is added to the Penal Code, to read:

26 5024.3. (a) The department shall at all times utilize the least
27 expensive prescription drug products available and that are
28 consistent with the medical needs of the inmate.

29 (b) The department shall strive to renegotiate each contract for
30 health care services that is not competitively bid as it expires, to
31 obtain services at the most advantageous price, with a goal of
32 115 percent of the Medicare rate, when appropriate.

33 (c) (1) For purposes of this subdivision, "remote travel"
34 means road travel of 150 round trip miles or more between a
35 prison and a hospital providing services to an inmate from that
36 prison.

37 (2) The department shall compile, within 30 days of the
38 effective date of this section, a list of existing hospital service
39 contracts that involve remote travel, including identifying those
40 prisons involved.

1 (d) To the extent possible, and consistent with the medical
2 needs of an inmate, the department shall contract for health care
3 services that cannot be provided by existing department
4 employees with providers who will perform those services at the
5 prison site, if the demand for those services would make the
6 contract cost effective by saving costs of custody transportation.

7 SEC. 4. Section 5024.4 is added to the Penal Code, to read:

8 5024.4. The department shall work with the San Francisco
9 Veterans Administration Medical Center, or its designee, with
10 the following objectives to be met within 180 days of the
11 effective date of this act:

12 (a) Establish procedures that would enable parolees who are
13 military veterans to access in a timely fashion applicable medical
14 treatments available from the Medical Center or other Veterans
15 Administration facilities; and that would enable inmates who are
16 military veterans and who are within 90 days of being released
17 on parole to access in a timely fashion, when they are placed on
18 parole, applicable medical treatments available from the Medical
19 Center or other Veterans Administration facilities.

20 (b) The department shall consult with the San Francisco
21 Veterans Administration Medical Center or its designee for the
22 purposes of identifying methods to ensure that parolees who meet
23 the conditions set in subdivision (a) maintain treatment during
24 parole.

25 SEC. 5. Section 6126 of the Penal Code, as amended by
26 Section 61 of Chapter 10 of the Statutes of 2005, is amended to
27 read:

28 6126. (a) (1) The Inspector General shall review
29 departmental policy and procedures, conduct audits of
30 investigatory practices and other audits, and conduct
31 investigations of the Department of Corrections and
32 Rehabilitation, as requested by either the Secretary of the
33 Department of Corrections and Rehabilitation or a Member of the
34 Legislature, pursuant to the approval of the Inspector General
35 under policies to be developed by the Inspector General. The
36 Inspector General may, under policies developed by the Inspector
37 General, initiate an investigation or an audit on his or her own
38 accord.

39 (2) The Inspector General shall audit each warden of an
40 institution one year after his or her appointment, and shall audit

1 each correctional institution at least once every four years. These
2 audit reports shall be provided to the Legislature and shall be
3 made public. The requirements of this paragraph shall be phased
4 in by the Inspector General so that they are fully met by July 1,
5 2009.

6 (b) Upon completion of an investigation or audit, the Inspector
7 General shall provide a response to the requester.

8 (c) The Inspector General shall, during the course of an
9 investigatory audit, identify areas of full and partial compliance,
10 or noncompliance, with departmental investigatory policies and
11 procedures, specify deficiencies in the completion and
12 documentation of investigatory processes, and recommend
13 corrective actions, including, but not limited to, additional
14 training with respect to investigative policies, additional policies,
15 or changes in policy, as well as any other findings or
16 recommendations that the Inspector General deems appropriate.

17 (d) The Inspector General, pursuant to Section 6126.6, shall
18 review the Governor’s candidates for appointment to serve as
19 warden for the state’s adult correctional institutions.

20 (e) The Inspector General shall, in consultation with the
21 Department of Finance, develop a methodology for producing a
22 workload budget to be used for annually adjusting the budget of
23 the office of the Inspector General, beginning with the budget for
24 the 2005-06 fiscal year.

25 (f) The Inspector General, using existing resources and in
26 consultation with the California Medical Board, shall establish a
27 process to facilitate the receipt, review, and possible
28 investigation of complaints from employees of the Department of
29 Corrections and Rehabilitation who provide health care services.
30 The Inspector General and the board may enter into a
31 memorandum of understanding regarding the implementation of
32 ~~the Inmate Health Care Efficiency Act of 2005.~~ *this subdivision.*