

**Rehabilitation Administration – Special Commitment Center  
135 - M2 - MH - HEP C ADJUSTMENT**

Agency Submittal: 11-2017-19-YR Agency Req

Budget Period: 2017-19

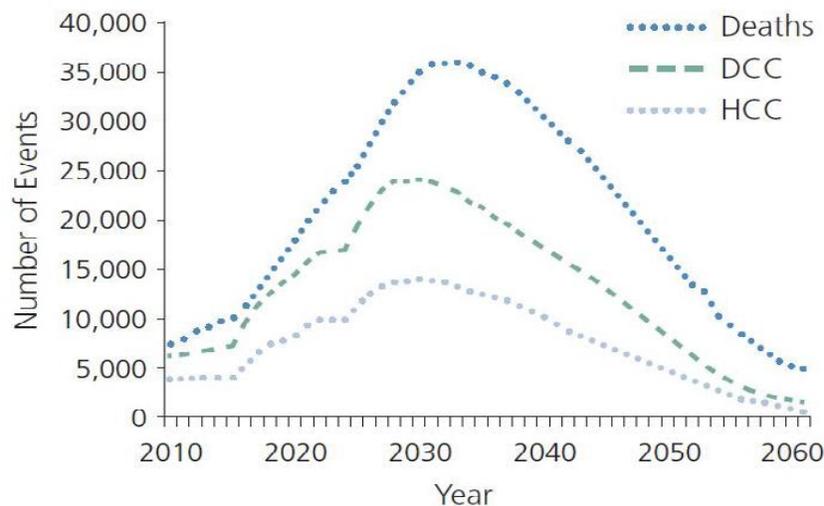
**SUMMARY**

The Rehabilitation Administration (RA), Special Commitment Center (SCC) requests funding to provide medical treatment for SCC residents who have Hepatitis C (Hep C). On May 27, 2016, a federal judge granted a preliminary injunction which requires Washington State to expand its coverage of Medicaid patients with Hep C to include those with more mild stages of the disease. Before the injunction, only individuals with more severe cases were covered. SCC request \$1,074,000 GF-State to provide this essential medical treatment. By funding this request, the SCC will be able to provide the on-going medical treatment necessary for current and new individuals identified as having Hep C.

**PROBLEM STATEMENT**

According to the Center for Disease Control (CDC), Hep C is a chronic viral infection of the liver that affects approximately one percent of the U.S. population, or about three million people nationwide. In Washington State, 75,000 to 100,000 people are estimated to be infected with chronic Hep C. If untreated, about 35 percent of patients infected will develop chronic liver disease, cirrhosis, or liver cancer over a time span of 20 to 30 years. The prevalence of Hep C in the general U.S. population is estimated to be 1.0 to 1.3 percent; however, given the past history of SCC residents, this population is enriched with risk factors for Hep C. It's not expected that the number of Hep C infections will decline in the near term and the future burden of Hep C will continue to increase with impacts to budgets and resident's health as shown below:

**Future burden of Hep C-related morbidity and mortality in the United States**



DCC, decompensated cirrhosis

HCC, hepatocellular carcinoma (liver cancer)

Source: Washington State Department of Health report, *Viral Hepatitis C in Washington State*, June 2016



**DSHS VISION**

People are healthy • People are safe • People are supported • Taxpayer resources are guarded

**DSHS MISSION**

To transform lives

**DSHS VALUES**

Honesty and Integrity • Pursuit of Excellence • Open Communication • Diversity and Inclusion • Commitment to Service

**135 - M2 - MH - Hep C Adjustment**

Liver scarring (i.e. fibrosis) caused by Hep C is categorized along a continuum, from absent (F0) to severe fibrosis (F4, which equates to cirrhosis). The more severe a person's fibrosis, the more likely they are to develop complications, and possibly die of their disease. Hep C is divided into six distinct genotypes throughout the world with multiple subtypes in each genotype class. Genotype 1 is the most common type of Hep C in the U.S. and the most difficult to treat. Eighty percent of infected SCC residents are Genotype 1.

Advances in the treatment of Hep C have led to the availability of highly effective and safe medications that are administered orally, for a span of eight to 24 weeks, depending on the genotype and severity of the disease. These medications are cost-effective at a population level as measured by the cost per quality adjusted life year gained. Although the dollar cost of treating a single individual (the Average Wholesale Price for a treatment course is approximately \$85,000 to \$95,000) is high, additional medications to treat Hep C have been approved by the federal Food and Drug Administration (FDA), resulting in price competition in the market place.

In the 2015-17 Biennial Budget, SCC received funding to provide treatment for five residents in Fiscal Year 2016 and two residents Fiscal Year 2017 diagnosed with Hep C. This funding was not carried-forward into the 2017-19 Biennium.

The SCC currently has 11 residents that have been diagnosed with Hep C. One resident has other health conditions which renders him ineligible for treatment and ten who require medical treatment. The SCC Medical Director estimates 20 percent of new residents will arrive at SCC each year already infected with Hep C. This would mean two to three new cases each year.

If this request is funded for ten residents in Fiscal Year 2018 and three in ensuing years, the SCC will be able to provide the medically necessary treatment and reduce the long-term risks and higher costs of not treating this debilitating disease.

**PROPOSED SOLUTION**

If this request is funded for ten residents in Fiscal Year 2018 and three residents in ensuing years, the SCC will be able to provide the medically necessary treatment and reduce the long-term risks and higher costs of not treating this debilitating disease. By providing the medically recognized treatment for these residents, we can expect to see a sustained viral response. The current medication regime is Harvoni and sometimes in combination with Ribavirin. Current costs are \$89,538 per resident. This medication is easier for the patient to tolerate and is the recommended treatment. This does not include the additional \$10,000 per resident for the pre-screening treatment.

**EXPECTED RESULTS**

By funding this request, the SCC will be able to provide the on-going medical treatment necessary for residents identified as being infected with Hep C and are at high risk. Providing this treatment supports residents in fully reaching their potential through the rehabilitation process.

**STAKEHOLDER IMPACT**

Stakeholders in support of this request will be the SCC residents and their families.

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Program Contact: Georgina Carleton, (360) 902-8107

OTHER CONNECTIONS

Performance Outcomes/Important Connections

**1. Does this DP provide essential support to one or more of the Governor's Results Washington priorities?**

Goal 4: Healthy & Safe Communities - Healthy People - Provide access to good medical care to improve people's lives.

**2. The decision package meets the following DSHS' strategic objectives:**

6.1: Increase public safety through provision of coordinated rehabilitative services to residents at SCC.

**3. Identify other important connections or impacts below.** (Indicate 'Yes' or 'No'. If 'Yes' identify the connections or impacts related to the proposal.)

a) Regional/County impacts? No

b) Other local government impacts? No

c) Tribal government impacts? No

d) Other state agency impacts? Yes. The Health Care Authority and Department of Corrections are responsible for the health and medical treatment of their respective populations.

e) Responds to specific task force, report, mandate or executive order? Yes. The courts have recently enjoined the Medicaid and the Public Employees Benefit Board (PEBB) medical policies that limit provision of Direct Acting Antiviral (DAA) drugs, like Harvoni, based on an individual's liver fibrosis (liver scarring).

f) Does request contain a compensation change or require changes to a Collective Bargaining Agreement? No

g) Facility/workplace needs or impacts? No

h) Capital budget impacts? No

i) Is change required to existing statutes, rules or contracts? No

j) Is the request related to litigation? No

k) Is the request related to Puget Sound recovery? No

l) Other important connections? N/A

**4. Please provide a detailed discussion of connections/impacts identified above.**

To provide medically necessary treatment to this group of individuals is necessary to ensure that they are able to function at the highest quality of life available to them. Failure to provide this treatment does not meet this standard.

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**Alternatives/Consequences/Other**

**5. What alternatives were explored by the agency, and why was this alternative chosen?**

There is no other alternative than providing treatment for this disease. Residents who are detained as sexually violent predators are done so under the civil commitment laws. Their care is entrusted to the state of Washington.

**6. How has or can the agency address the issue or need within its current appropriation level?**

The request cannot be absorbed within existing resources as the current appropriation is insufficient to fund the significant costs of Hep C treatment for SCC residents. Funds received in prior budgets were not included in carry-forward funding.

**7. Does this decision package include funding for any IT-related costs (hardware, software, services, cloud-based services, contracts or IT staff)?**

- No**
- Yes (Include an IT Addendum)**

**Fiscal Detail****135 - M2 - MH - Hep C Adjustment**

<b>Operating Expenditures</b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>
001-1 General Fund-State	895,000	179,000	269,000	179,000
<b>Total Cost</b>	<b>895,000</b>	<b>179,000</b>	<b>269,000</b>	<b>179,000</b>

<b>Staffing</b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>
FTEs	0.0	0.0	0.0	0.0

**Performance Measure Detail**

<b>Activity:</b>	<b>Incremental Changes</b>			
	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>
<b>Program: 135</b>				
M010 SCC Total Confinement Facility	0	0	0	0
No measures submitted for package				

**Object Detail**

	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>
N Grants, Benefits, and Client Services	895,000	179,000	269,000	179,000
<b>Total Objects</b>	<b>895,000</b>	<b>179,000</b>	<b>269,000</b>	<b>179,000</b>

**DSHS Source Detail****Overall Funding**

<b>Operating Expenditures</b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>
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**Fund 001-1, General Fund-State****Sources Title**

0011 General Fund State	895,000	179,000	269,000	179,000
<b>Total for Fund 001-1</b>	<b>895,000</b>	<b>179,000</b>	<b>269,000</b>	<b>179,000</b>
<b>Total Overall Funding</b>	<b>895,000</b>	<b>179,000</b>	<b>269,000</b>	<b>179,000</b>

## 2017-19 Biennial Budget M2-MH-Hep C Adjustment

### Special Commitment Center - Hep C Costs

	FY 2018	FY 2019	FY 2020	FY 2021
Estimated # of Infected Residents*	10	2	3	2
Average Cost Per Resident**	<u>\$ 89,538</u>	<u>\$ 89,538</u>	<u>\$ 89,538</u>	<u>\$ 89,538</u>
Funding Required	<b>895,000</b>	<b>179,000</b>	<b>269,000</b>	<b>179,000</b>
Carry Forward Funding	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Balance Needed	<b>\$ 895,000</b>	<b>\$ 179,000</b>	<b>\$ 269,000</b>	<b>\$ 179,000</b>

\* Estimate number of patients based on current resident population and projected new residents coming from DOC.

\*\* \$89,538 cost for Harvoni. Assume 80% will use Harvoni. Use depends on the genotype of the Hep C the Patient has. Does not include the cost for Gastroenterologist visit.

**Notes:**

1. Every resident is tested for Hep C if they have not already been tested.
2. CDC estimates 1% of the population is infected.
3. CDC estimates that 16% of the prison population is affected.
4. Costs for treatment period is assumed to be 12 weeks but could be up to 16 weeks depending on resident's medical condition.