



**NCSL**

NATIONAL CONFERENCE of STATE LEGISLATURES

*The Forum for America's Ideas*

# Costs Savings and Care Innovations for Prisoner Health Care



NCSL Webinar  
November 1, 2013



**NCSL**

NATIONAL CONFERENCE of STATE LEGISLATURES

*The Forum for America's Ideas*



**NCSL is committed to the success of state legislators and staff. Founded in 1975, we are a respected bipartisan organization providing states support, ideas, connections and a strong voice on Capitol Hill.**



**NCSL**

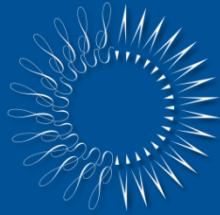
NATIONAL CONFERENCE of STATE LEGISLATURES

*The Forum for America's Ideas*

# Presenters

- Matt McKillop, Senior Associate, State Health Care Spending Project, The Pew Charitable Trusts
- Owen Murray, D.O., MBA, University of Texas
- Aaron Edwards, Senior Fiscal and Policy Analyst, Legislative Analyst's Office, California





THE  
**PEW**  
CHARITABLE TRUSTS

MacArthur  
Foundation

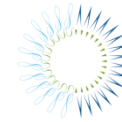
*Managing Prison Health Care Spending*

Matt McKillop

November 1, 2013



MacArthur  
Foundation



THE  
**PEW**  
CHARITABLE TRUSTS

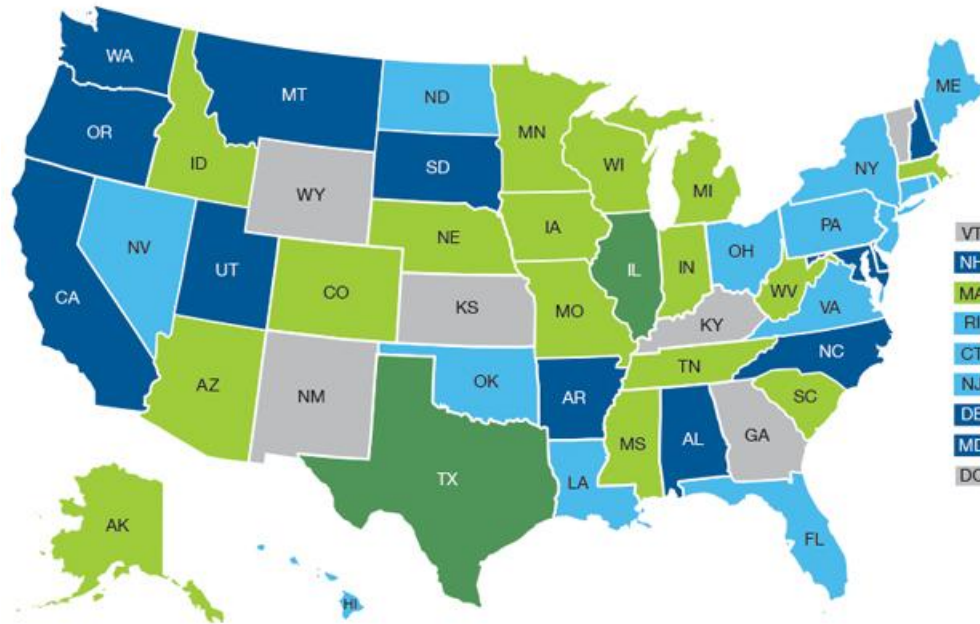
MacArthur  
Foundation



## Managing Prison Health Care Spending

# Spending on Inmate Health Care Rose in 42 of the 44 States, With Median Growth of 52 Percent Over 7 Years

Correctional health care spending change by state, 2001–08

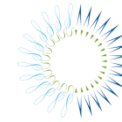


## CATEGORIES:



Note: All spending figures are in 2008 dollars. Nominal fiscal 2001 data provided to Pew by the Bureau of Justice Statistics were converted to 2008 dollars using the Implicit Price Deflator for state and local government consumption expenditures and gross investment included in the Bureau of Economic Analysis' National Income and Product Accounts.

Source: U.S. Department of Justice, Bureau of Justice Statistics  
© 2013 The Pew Charitable Trusts



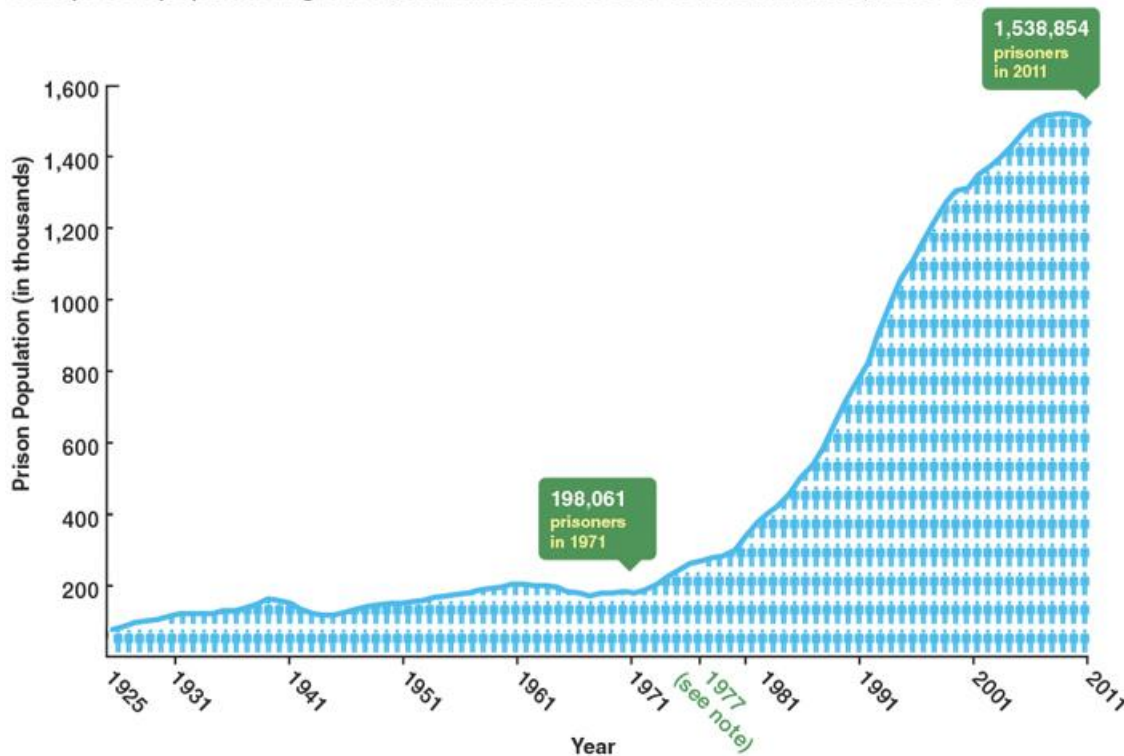
THE  
**PEW**  
CHARITABLE TRUSTS

MacArthur  
Foundation

- In **42 of the 44 states**, total prison health care spending increased. The median growth was **52 percent** from 2001 to 2008.
- **A dozen states** saw their inmate health care bills grow **90 percent or more**.
- **Per-inmate** health care spending went up in **35 of the 44 states**. The median growth was **32 percent**.

# The National Prison Population Skyrocketed 677 Percent From 1971 to 2011

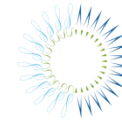
U.S. prison population growth, sentenced state and federal inmates, 1925-11



Note: Annual figures prior to 1977 reflect the total number of sentenced prisoners in custody. Beginning in 1977, all figures reflect the jurisdictional population as reported in the Bureau of Justice Statistics' "Prisoners" series.

Sources: Sourcebook of Criminal Justice Statistics, University at Albany; U.S. Department of Justice, Bureau of Justice Statistics

© 2013 The Pew Charitable Trusts



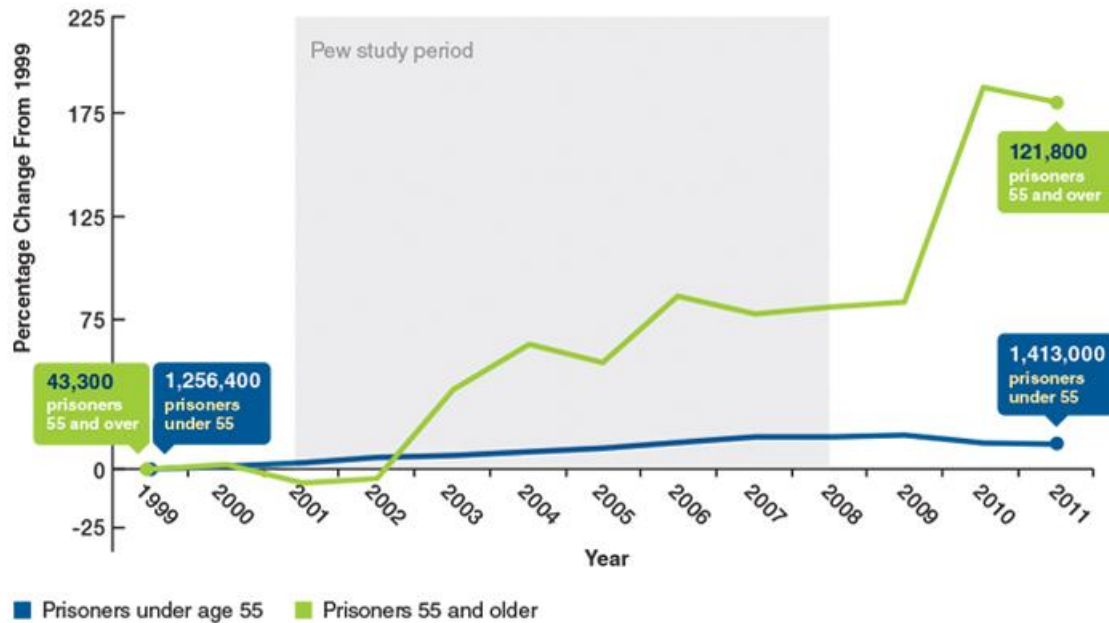
THE  
**PEW**  
CHARITABLE TRUSTS

MacArthur  
Foundation

- The number of sentenced state and federal prisoners grew **15 percent** from 2001 to 2008.
- This rise was part of a trend that spanned four decades.

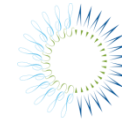
# Nationwide, the Number of Prisoners Age 55 and Older Rose Sharply Over the Past Decade

Percentage change in sentenced prison populations by age group, state and federal, 1999-11



Note: The Bureau of Justice Statistics estimates the age distribution of prisoners using data from the Federal Justice Statistics Program and statistics that states voluntarily submit to the National Corrections Reporting Program. State participation has varied, which can cause year-to-year fluctuations in the Bureau's estimates but does not affect long-term trend comparisons. Between 2009 and 2010, the number of states submitting data increased substantially.

Source: U.S. Department of Justice, Bureau of Justice Statistics  
© 2013 The Pew Charitable Trusts



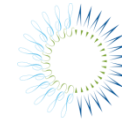
THE  
**PEW**  
CHARITABLE TRUSTS

MacArthur  
Foundation

- Elderly prisoners push up states' per-inmate health care expenses.
- Like peers outside prison, they're more likely to have chronic medical and mental illnesses.
- The number of inmates age 55 and older rose **94 percent** from 2001 to 2008.
- **More than 120,000** state and federal prisoners were 55 or older in 2011.



# A legal standard for care

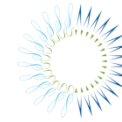


THE  
**PEW**  
CHARITABLE TRUSTS

MacArthur  
Foundation



# Strategic use of telehealth

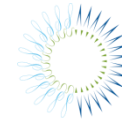


THE  
**PEW**  
CHARITABLE TRUSTS

MacArthur  
Foundation

- More than half the states have used telehealth technologies in prisons.
- This strategy can help **improve prisoners' access to primary care doctors and specialists** while **reducing transportation and guarding expenses**.
- There can be **public safety benefits**, too, because inmates likely need fewer trips off prison grounds for medical care.
- In Texas one study found that telehealth, combined with other measures, contributed to lower average blood sugar rates for diabetic inmates and a reduction in AIDS-related deaths. Another study estimated that **telehealth saved Texas \$780 million between 1994 and 2008**.

# Effective management of outsourcing agreements



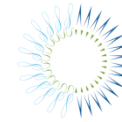
THE  
**PEW**  
CHARITABLE TRUSTS

MacArthur  
Foundation

- Effective management and oversight is critical.
- **New Jersey** partners with University Correctional Health Care, which is based at Rutgers University.
- This partnership achieved improved health outcomes for **prisoners with hypertension and HIV** and a **reduction in inmates' medical complaints**.
- Expenses were **\$10 million below budget** in 2008, and have remained mostly flat since.



# Enrolling eligible prisoners in Medicaid



THE  
**PEW**  
CHARITABLE TRUSTS

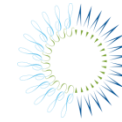
MacArthur  
Foundation

- Qualifying services limited to inpatient care delivered outside of prison.
- Medicaid **does not** cover health care delivered inside prisons.
- States can obtain federal Medicaid reimbursement.
- States expanding Medicaid eligibility under the ACA likely to benefit most. But even in these states, Medicaid will still cover only inpatient health care provided outside of prison.
- **Ohio** may save a total of **\$273 million** from 2014 to 2022.
- **California** stands to save nearly **\$70 million a year** on inmates' health care due to Medicaid expansion.





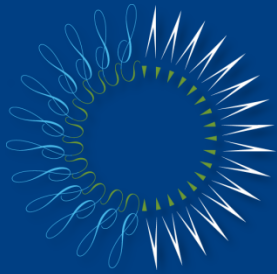
# Using medical or geriatric parole policies



THE  
**PEW**  
CHARITABLE TRUSTS

MacArthur  
Foundation

- Paroling offenders who qualify reduces expensive round-the-clock guarding and transportation costs.
- Significant obstacles, my some states have employed policies, while **preserving public safety.**
- From 2010 to October 2012, **California** granted medical parole to 47 inmates, reducing its correctional health care expenses by more than **\$20 million.**



THE  
**PEW**  
CHARITABLE TRUSTS

MacArthur  
Foundation

Matt McKillop

[mmckillop@pewtrusts.org](mailto:mmckillop@pewtrusts.org)

202-540-6398

[www.pewstates.org/healthcarespending](http://www.pewstates.org/healthcarespending)

The University of Texas Medical Branch

---

# Correctional Managed Care Overview

**Owen J. Murray, DO, MBA**

Vice President, Offender Services

Correctional Managed Care

The University of Texas Medical Branch

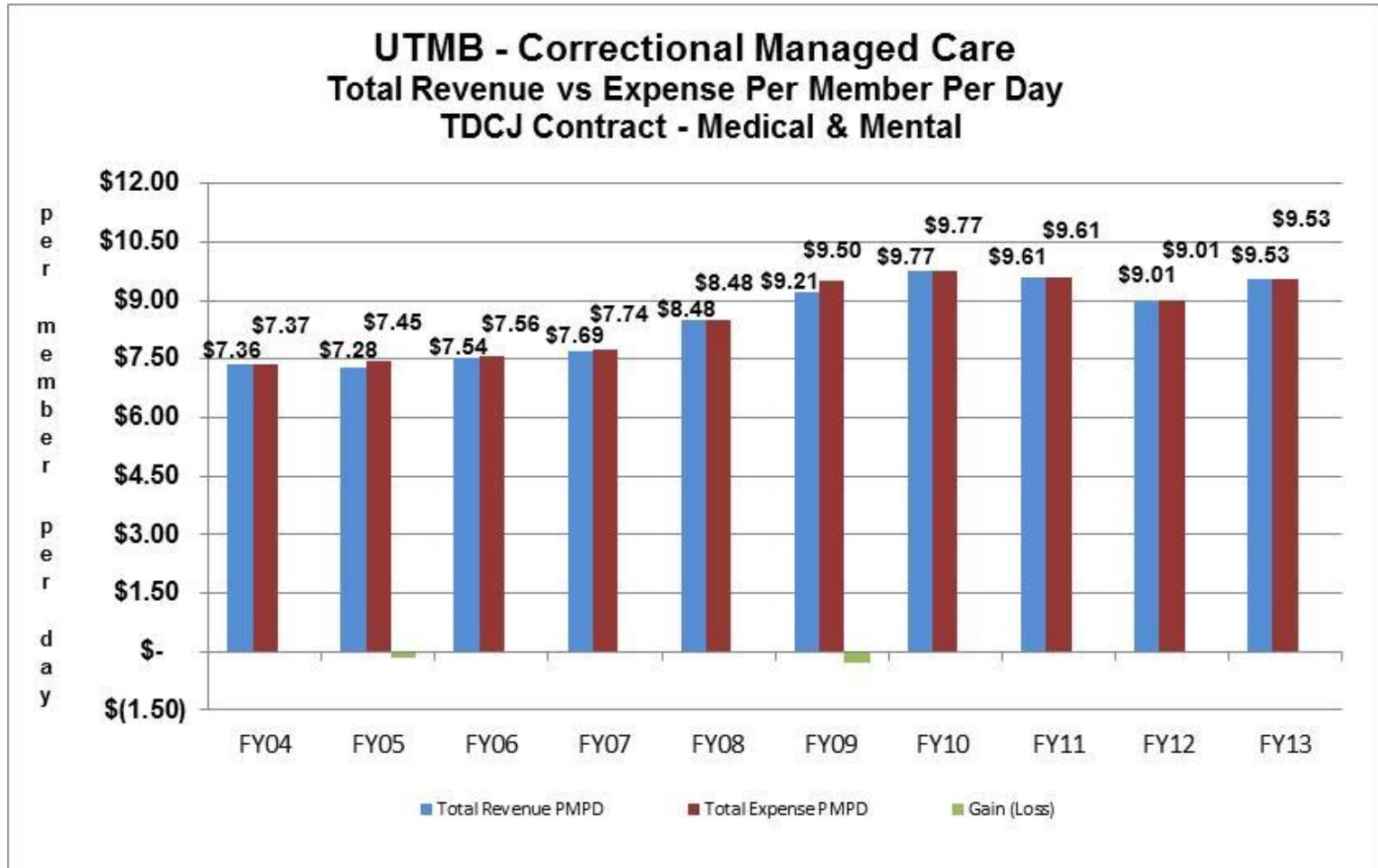
---

# UTMB Correctional Managed Care

- Legislatively created partnership in 1994
- FTEs: 3,000
- Patients: 120,000
- 83 facilities: full medical, dental and psych
- 2 inpatient medical and mental health units
- Dialysis, infectious disease, geriatric and assistive disability programs
- Medical transportation
- EMR, telemedicine and radiology
- Pharmacy
- Hospital Galveston and Free World hospital network



# Revenue vs. Expense PMPD



---

# Keys to Success

- State Commitment to a Model of Care
- Hospital Galveston
- 340B Pharmaceutical Pricing
- Strategic Technology Investments
- Dedicated Staff



---

# Commitment to a Model of Care

- Improves staff continuity and security
- Provides a discernible career path
- Improves dialogue with Legislature
- Allows for investment in the program

---

# Hospital Galveston

- Manages tertiary hospital and planned offender care
- Secure facility accommodating all custodies
- Utilizes corrections knowledgeable staff
- Allows care to be balanced with available resources
- All specialty clinical services are available
- Reduces risk and litigation

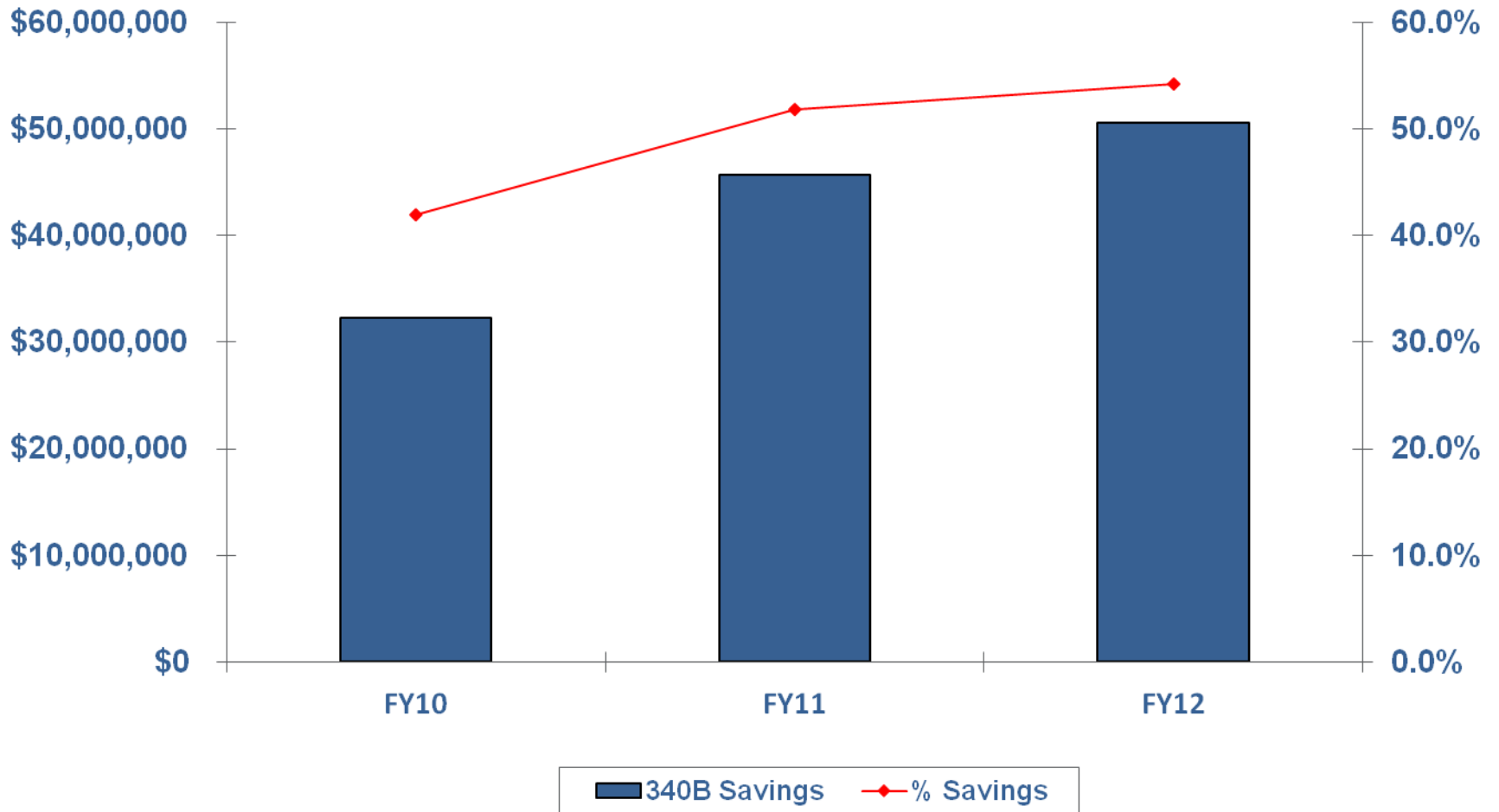


---

# 340B Pharmacy Pricing

- Unique to the state of Texas
- UTMB is the eligible entity
- Disproportionate share hospital, employ prescribers, manage the medical record
- FY12 savings - \$50M
- Benefit will grow due to Hepatitis C and new generation treatment

# 340B Savings



---

# Strategic Technology

- Telemedicine has increased access to care, decreased offender movement, and increased public safety
- Provided 100K encounters in FY13
- Primary care services drives of volume
- Improved recruitment and retention
- EMR has improved productivity and continuity of care
- EMR has and improved patient outcomes and reduced state risk
- Pharmacy systems, DMGs, and formulary have reduced cost

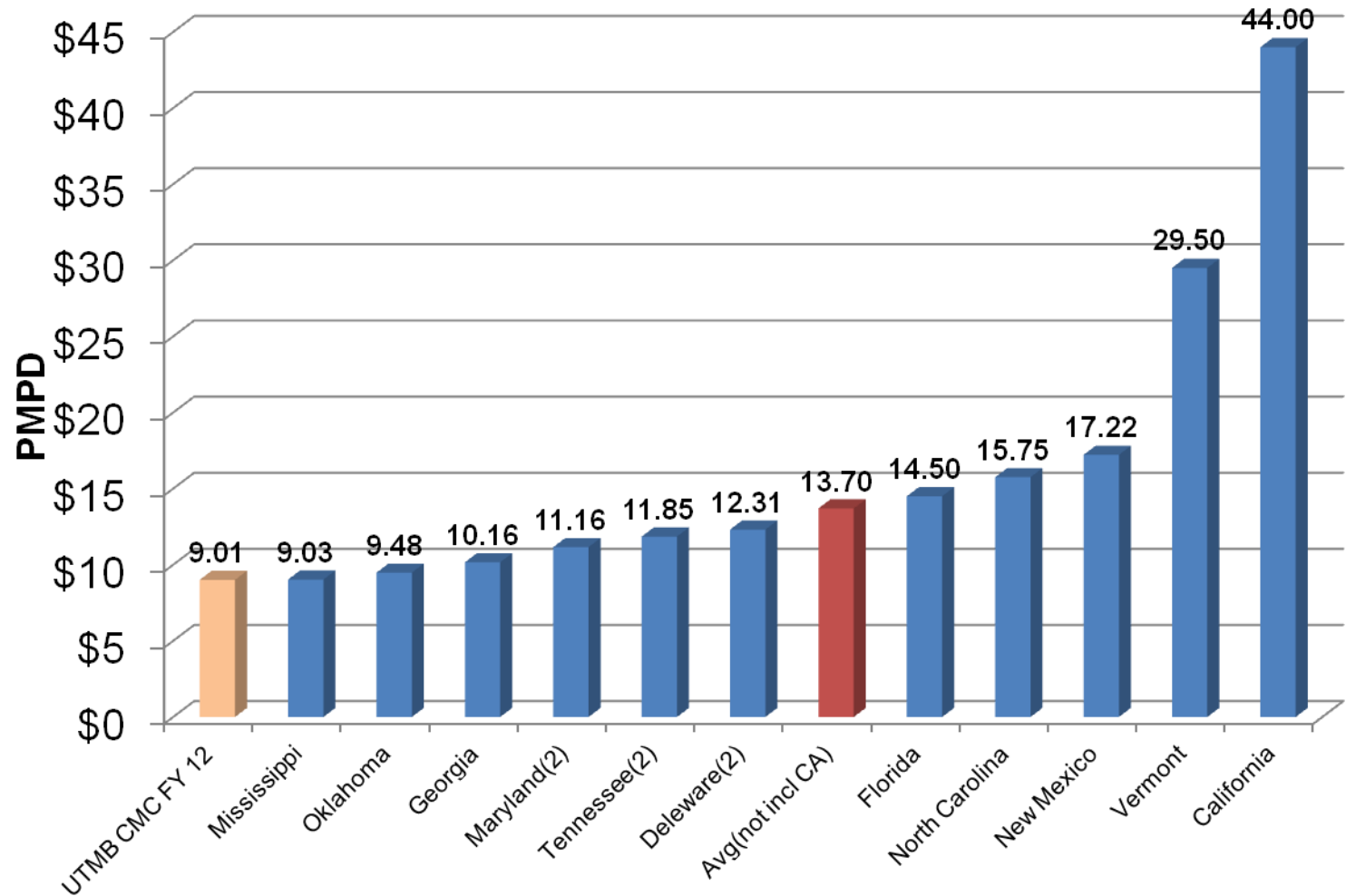
---

## Dedicated Staff

- Texas has the lowest staff per offender ratio in the nation
- CMC has had to reduce FTEs by 33% since 1994
- All facilities are ACA accredited
- Clinical outcomes remain exemplary
- Commitment to the delivery model has improved retention



# Texas PMPD Cost Compared to Other States



(2) CMS Data

# Obtaining Federal Funds for Inmate Medical Care



**Legislative Analyst's Office**

Presented to:  
National Conference of State Legislators Webinar  
November 1, 2013

# Presentation Overview

---

- **Background on California's prison medical care program and Medicaid.**
- **New opportunities for prison medical care savings created by the Affordable Care Act (ACA).**
- **Update on efforts in California to obtain federal Medicaid reimbursements for inmate medical care.**

# California's Prison Medical Care Program

---

- In 2001, inmates filed suit in federal court alleging that the state failed to provide a constitutional level of medical care.
- In 2006, a federal court appointed a Receiver to take over operation of the state's prison medical care system.
- In 2011-12, the Receiver spent \$263 million for off-site contract medical services including \$109 million for inpatient care.

# Medicaid and Inmate Eligibility

---

- Medicaid is a joint federal-state program providing health insurance to certain low-income populations.
- Currently, California receives one dollar of federal funds for each dollar it spends on services for its Medicaid enrollees.
- Inmates are generally excluded from Medicaid *except* when receiving off-site inpatient care.
- Because many California inmates are childless adults, most California inmates have not qualified for Medicaid, even when receiving off-site inpatient care.

# ACA Allows States to Expand Their Medicaid Programs

---

- **The Legislature has exercised its authority under the ACA to expand its Medicaid program.**
  - Coverage extended to low-income childless adults beginning in 2014.
  - Federal match increases to 100 percent initially, steps down to 90 percent by 2020.
- **It also approved the Low-Income Health Plan (LIHP) to extend temporary coverage to low-income childless adults in participating counties in the years preceding the expansion.**



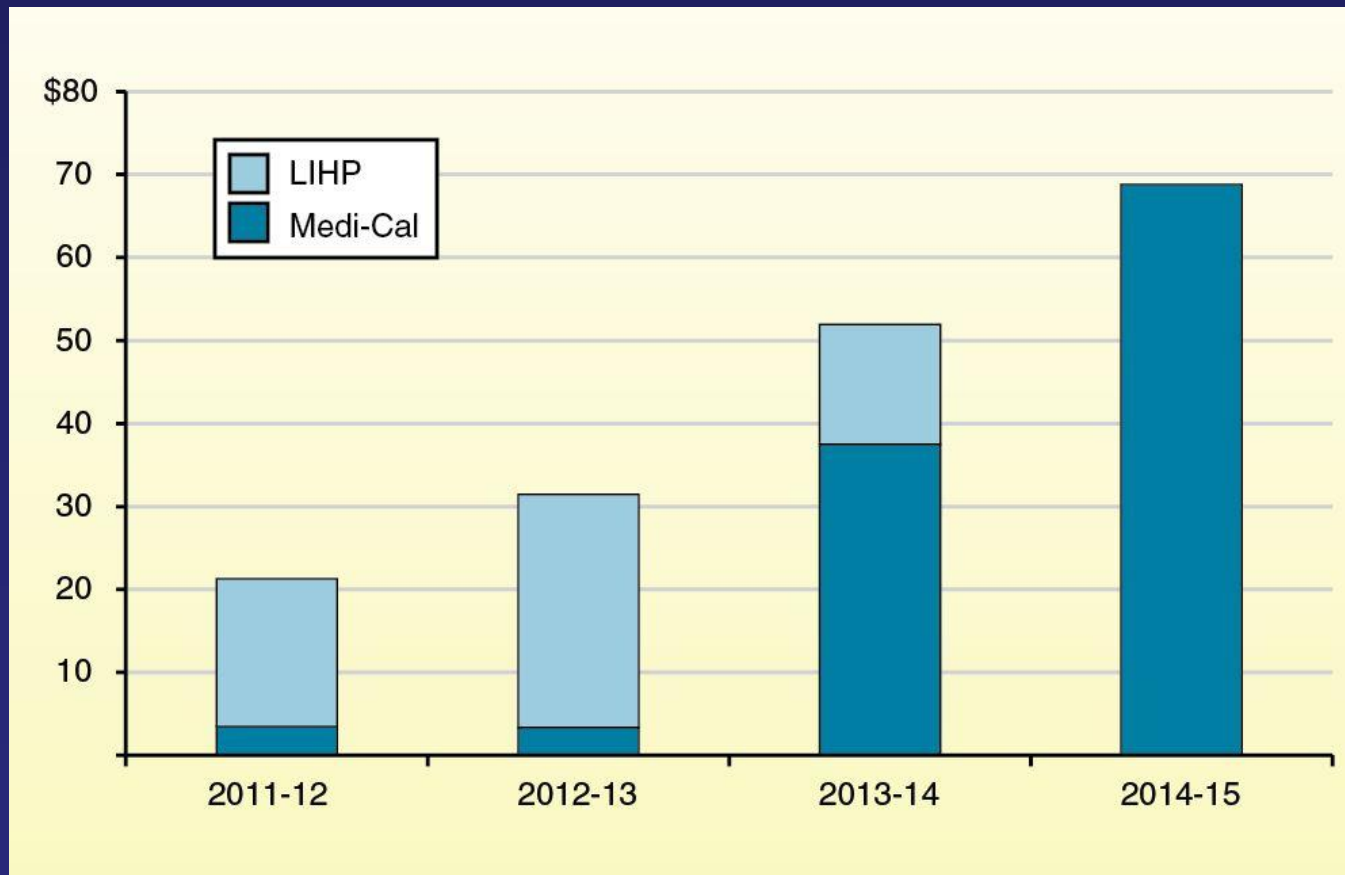
# ACA Creates Opportunities for Prison Medical Care Savings

---

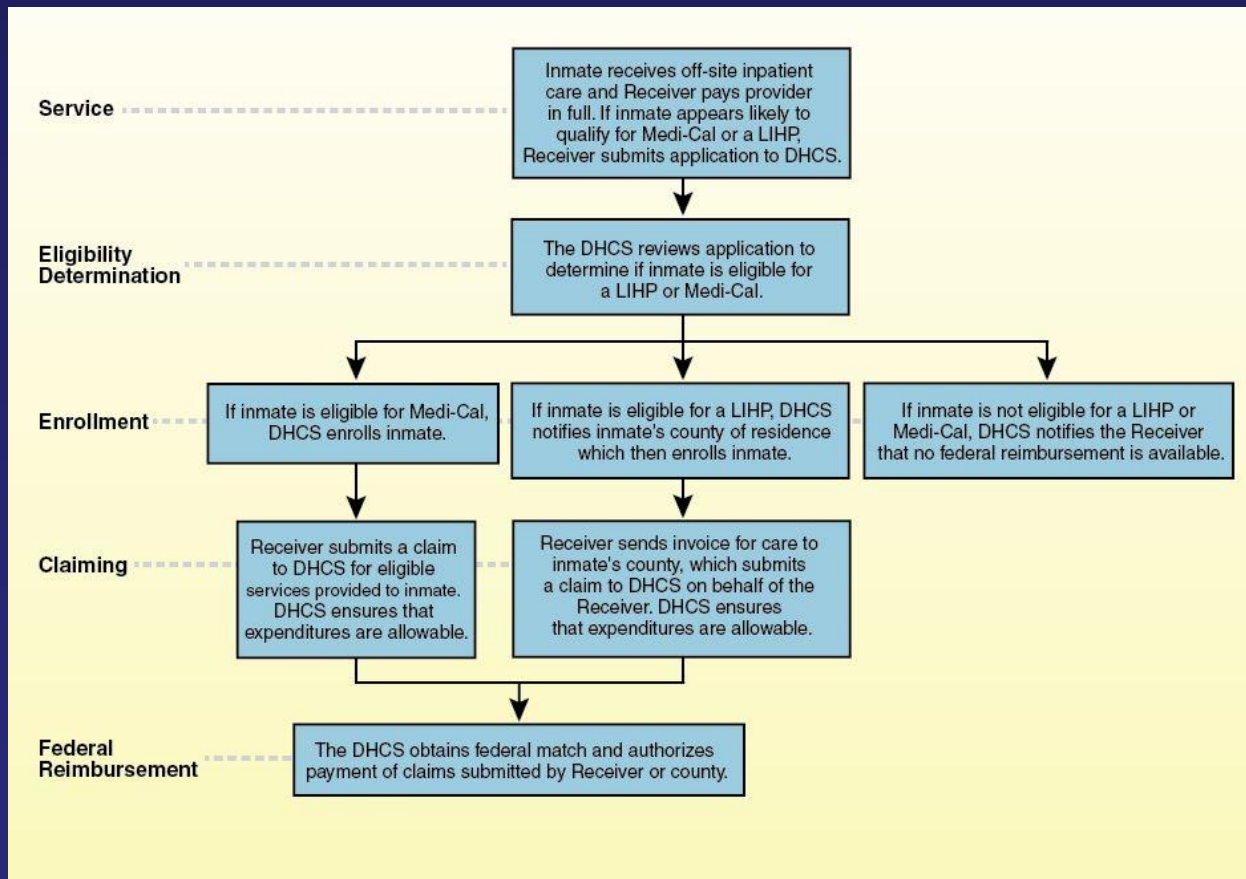
- **Because the state extended coverage to low-income childless adults, the number of Medicaid eligible inmates will increase significantly.**
- **Most will be newly eligible and qualify for a 100 percent federal match.**
- **The state could offset a significant share of General Fund costs for off-site inpatient medical care for inmates.**

# Potential Increase in Federal Reimbursement for Inmate Care

---



# Current Process of Obtaining Federal Funding for Inmate Care



# Additional Materials

---

- **For more information see our recently released reports:**
  - *The 2013-14 Budget: Obtaining Federal Funds for Inmate Medical Care—A Status Report* (February 5, 2013).
  - *The 2013-14 Budget: Maximizing Federal Reimbursement for Parolee Mental Health Care* (May 6, 2013).

# Questions?

---

- **My contact information:**

**Aaron Edwards**

**Senior Fiscal and Policy Analyst**

**California Legislative Analyst's Office**

**[Aaron.Edwards@lao.ca.gov](mailto:Aaron.Edwards@lao.ca.gov)**

**(916) 319-8351**

**Visit the LAO website at:  
[www.lao.ca.gov](http://www.lao.ca.gov)**





**NCSL**

NATIONAL CONFERENCE *of* STATE LEGISLATURES

*The Forum for America's Ideas*

# Questions & Contact Information

The webinar archive and powerpoints will be available online at: <http://www.ncsl.org>

Contact

[Health-info@ncsl.org](mailto:Health-info@ncsl.org)