

Department of Corrections



Senate Finance
Public Safety Subcommittee
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Culpeper Correctional Center

- Governor's Introduced Budget for FY15/FY16 provides funding and FTE for DOC to transition Culpeper Juvenile Correctional Center to an adult female correctional center.
- The conversion of this facility is possible due to two trends in correctional populations:
 - The juvenile population continues to trend downward.
 - The adult female population continues to slightly trend upwards.

Culpeper Correctional Center

- While funding provided meets staffing needs, no resources are provided for necessary equipment and upgrades required to operate this location as an adult female correctional center.
- The repurposing of Culpeper Correctional Center will be effective July 1, 2014. DOC did not receive any funds in the current fiscal year to support this effort.

Culpeper Correctional Center

- Governor's Introduced Budget provides funding and positions to:
 - Operate 3 of 5 housing units which will be double bunked; funded at a level of approximately 300 beds
 - Close building #1 at the Virginia Correctional Center for Women and realign approximately 170 offenders from existing DOC female facilities to Culpeper.
 - Intake approximately 130 state-responsible female offenders from local and regional jails into DOC facilities.

Culpeper Correctional Center

- Currently there is no Appropriation Act language or written agreement that identifies equipment or supplies that will be left on site for DOC to utilize.
- Reequipping the facility will be expensive.
- The Director of DJJ has indicated that they plan to leave all existing equipment in place with the exception of vehicles, radios and restraints.
- DOC sent a team of individuals to evaluate equipment and maintenance upgrade requirements last week. The Department anticipates needing approximately \$2.5M in necessary additional equipment and maintenance.

Culpeper Correctional Center

- If DOC cannot be provided additional funds necessary for equipment and maintenance upgrades, savings will be generated by adversely impacting staff employment.
- With adequate funding, the majority of individuals currently working for the DJJ facility will retain their employment working for the DOC (preventing a negative impact on employees, their families and the community).

Privatized Healthcare Services (Provided by Corizon)

- Previous health care cost for 17 of Virginia's facilities totaled \$91 million/year.
- In response to an RFP in 2012, Corizon proposed \$76 million/year for those facilities based on a capitated financial arrangement.
- The contract with Corizon began on May 1, 2013 with a two year term and five (one) year renewal options.
- As a result of the new contract, beginning in FY 2014, the Department's operating budget was reduced by **\$10.2 million**.
- Corizon has indicated the potential loss of between \$7-\$10 million during the first contract year.
- Given the fiscal concerns raised by Corizon to operate within the terms of the existing agreement, the Department plans to initiate a new solicitation in January for health care services.

Medicaid Offender Inpatient Hospital Program

- During the 2013 General Assembly session, a new initiative was implemented to enroll eligible inmates in the Medicaid program for off-site inpatient care, up to the maximum extent permitted under Virginia's current eligibility standards, effective July 1, 2013.

Current Eligibility Criteria	Financial Requirements
Aged – 65 years and older	\$766 or less per month/assets of \$2,000
Pregnant Women	\$1,274 or less per month/asset requirements not applicable
Disabled – Disability Determination made according to Social Security guidelines	\$766 or less per month/assets of \$2,000

- As a result of this initiative, the Department's operating budget was reduced by **\$2.7 million**.

Medicaid Expansion

- Virginia's approval of Medicaid Expansion could increase the number of eligible offenders to approximately 24,000 or more.
- If expanded, the Department would recommend that the Department of Medical Assistance Services (DMAS) be identified as the first payee for all offenders for inpatient hospitalization.
- This would eliminate the need for manual retractions of payments currently made by Anthem (the Department's third party administrator) and ensure payment of the co-pay required for each hospital admission.
- Neither the DOC nor DMAS currently has the authority to submit Medicaid applications on behalf of inmates who refuse or are unable to sign the application. Legislative language (Item 384J.2) is currently proposed that would allow the Director, or his designee, to sign the Medicaid application for any offender who refuses or is unable to do so.

Appropriation Act Language Change

- Currently, Item 384.J.1 (page 319) of the Act requires DOC to assume responsibilities that are currently assigned to the Department of Medical Assistance Service (DMAS).
- DOC is not supportive of this language and has provided a copy of recommended language changes to the Act which will improve the inmate Medicaid program.

Managing Geriatric Offender

- State Responsible offenders Age 50+ have increased more than eight-fold from 822 to 6,709 since FY1990.
- State Responsible Court Commitments Age 50+ have increased almost five-fold from 265 to 1,305 since FY1990.
- The FY2013 per capita expense at Deerfield C.C. was \$33,265 while most other Medium Security Dormitories averaged \$21,927.
- Medical expenditures have increased from 13% to 15% of DOC's operating expenditures between FY2007 and FY2013.

Closing Remarks

- The conversion of the Culpeper facility to an adult female correctional center will provide needed female beds to the DOC while allowing DJJ the opportunity to reorganize operations (with minimal impact on staff and community).
- DOC is initiating a new solicitation for privatized health care services. The financial requirements to operate within the terms of the existing agreement are not yet known. However, given the fiscal concerns raised by the current vendor (Corizon), it is highly likely additional resources will be required.
- DOC continues to make extensive efforts to contain cost increases for offender health care even as the population ages and has more chronic medical conditions.