

Department of Corrections



**Presentation for
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Harold W. Clarke, Director



Offender Healthcare Costs



SUMMARY OF DOC OFFENDER HEALTHCARE BUDGET REQUEST

- The Department requested \$20.3M in FY2019 and \$25.2M in FY2020.
- The Governor's Introduced Budget proposes to provide \$17.8M in FY2019 and \$24.2M in FY2020.
- The difference is driven by the assumption that DOC could achieve savings by taking over the operation of its major medical locations that are currently under contract.



BASIS OF OFFENDER HEALTHCARE BUDGET REQUEST

- The DOC utilized the Bureau of Labor Statistics June 2017 Consumer Price Increase (CPI-W) report to estimate projected increases in the following expense categories:
 - Outpatient Hospital Services – **6.2%** annual increase
 - Inpatient Hospital Services – **5.4%** annual increase
 - Prescription Drugs – **3.8%** annual increase
 - Medical Care Services (physicians, dental services) - **2.6%** annual increase



BASIS OF OFFENDER HEALTHCARE BUDGET REQUEST (Continued)

- Anthem administers payment for all off-site (out of the facility) healthcare for both DOC self operating and contractually managed medical sites.
- The 5% projected growth in Anthem billings is a composite of June 2017 CPI-W annual statistical change in inpatient hospital, outpatient hospital, professional services and drug costs.



BASIS OF OFFENDER HEALTHCARE BUDGET REQUEST (Continued)

- **HEPATITIS C**

- Hepatitis C protocols continue to present new treatment options.
- In FY2017, 138 offenders were treated at a cost of \$5,965,150.
- In FY2018, the Department projects it will treat 145 offenders at a cost of \$6,095,324.
- FY2019 and FY2020 budget requests are based on a 3.8% increase (CPI-W).
- We are pleased to acknowledge Hepatitis C drug costs have decreased.



WHY DOC RETAINS RESPONSIBILITY FOR ALL INPATIENT HOSPITALIZATION COSTS

- Offenders cannot be admitted by DOC doctors to an inpatient status at local hospitals. Hospitals require a stringent credentialing process for admitting privileges. DOC doctors (both contract and state employees) **do not** have admitting privileges at any public hospitals.
- ***The Commonwealth would not receive Federal Medicaid assistance for inpatient hospital expenditures paid by a third-party medical contractor.***
- Guidance released in April 2016 by the Centers for Medicare & Medicaid Services (CMS) clearly restricts federal Medicaid cost share for inpatient services to states and localities:

“If the vendor is required to pay—costs it would presumably pass along to the state or locality by incorporating them into negotiated contract payments—federal Medicaid assistance may not be sought for those who are enrolled. Alternatively, if the jurisdiction retains liability for such treatment, Medicaid may be billed.” (How and When Medicaid Covers People Under Correctional Supervision, Pew Charitable Trusts, August 2, 2016)



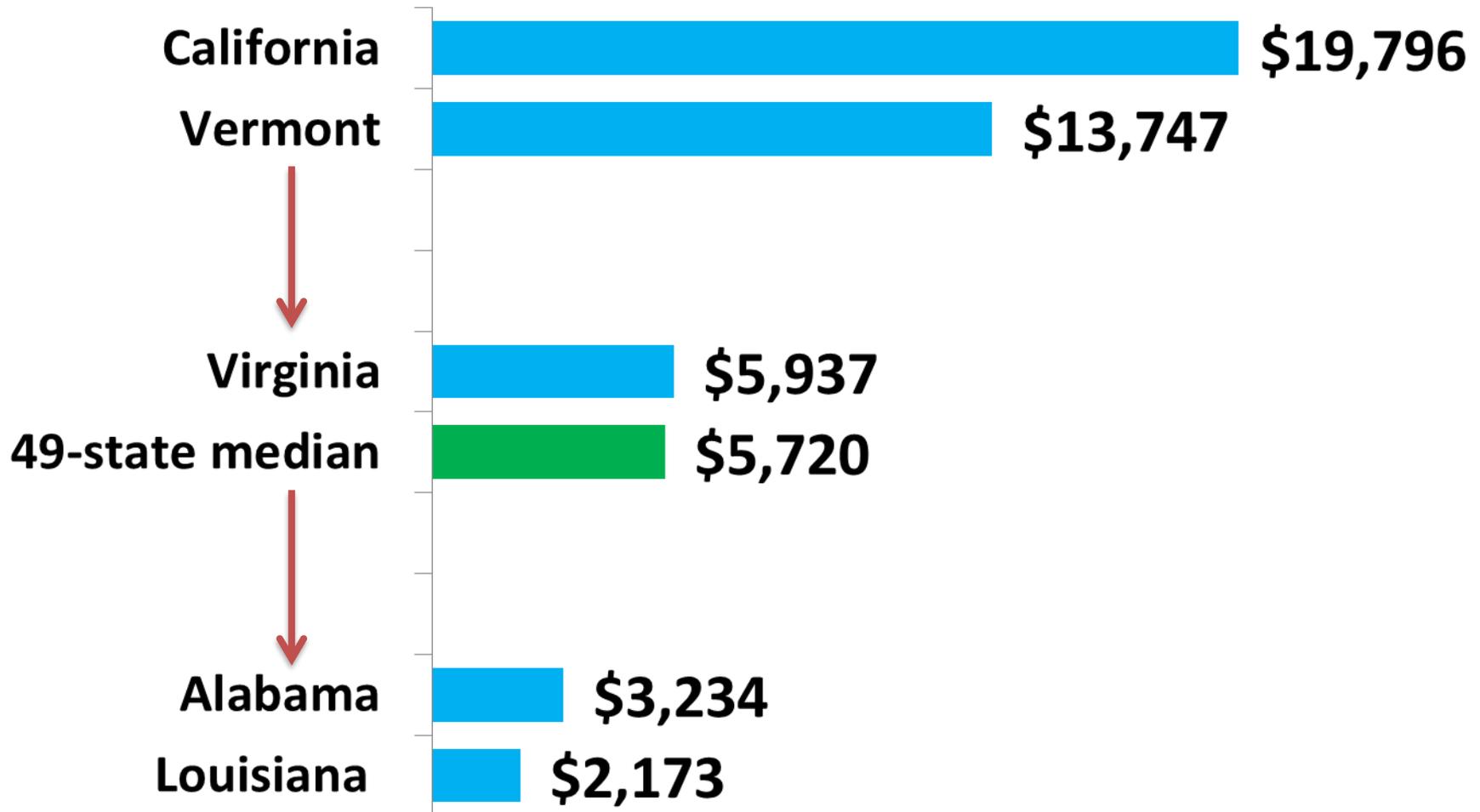
DOC OFFENDER HEALTHCARE COSTS COMPARE FAVORABLY WITH STATE EMPLOYEE COSTS

- By law DOC is required to provide adequate health care to incarcerated offenders.
- FY2017 Offender medical per capita cost: **\$6,554.**
- FY2017 Commonwealth of Virginia single employee health insurance premium cost (state and employee share): **\$8,868.**

This does not include employee co-pays or costs for over-the-counter medications.



Offender Health Care per-inmate cost (FY 2015)





Electronic Health Records

- DOC has made efforts to transition to an Electronic Health Records (EHR) system since Spring 2016. Funding was provided for implementation of female facilities in Chapter 3 (2014 Special Session) and Chapter 780 (2016 Session). This funding will likely need to be augmented.
- EHR system will be interfaced with VirginiaCORIS.
- A current contract vehicle to select an EHR vendor was utilized.
- The EHR vendor was selected and the Department worked extensively with VITA on their cloud hosting process to get approval to meet all of their IT requirements.



Electronic Health Records (Continued)

- After negotiations between the EHR vendor and DOC/VITA, the vendor in December 2017 declined to provide services to DOC based on VITA contract requirements.
- The DOC is actively engaged in finding a new vendor willing to accept the VITA contract requirements.



Seriously Mentally Ill (SMI) Offenders



Overview of SMI Initiative

- The Governor's Introduced Budget has provided \$600K/15 FTE in FY2019 and \$2.3M/36 FTE in FY2020.
- Addressing offenders with serious mental illness in Extended Restrictive Housing is a national trend led by the Department of Justice (DOJ) and the American Correctional Association (ACA).
- Approximately 27% of the DOC offender population currently requires some level of mental health service. 850 offenders have been identified as Seriously Mentally Ill and 100 of those SMI offenders are in restricted housing at any time.
- Secure Diversionary Treatment Program (SDTP) developed to provide a pathway for SMI classified offenders to break the General Population/Segregation cycle and receive appropriate mental health treatment services and programs based on an effective mental health evaluation and assessment.



Overview of SMI Initiative (Continued)

- Highly structured and secure, the SDTP meets the robust goal of public safety while providing more intensive programming to restrictive housing offenders assessed as SMI.
- Meets the proposed ACA standard of not placing an offender with serious mental illness in Extended Restrictive Housing (no longer than 30 days).
- Specialized SDTP program sites at River North Correctional Center, Marion Correctional Treatment Center, and Wallens Ridge State Prison.



Female Bed Capacity



MANAGEMENT OF FEMALE BED CAPACITY

- Female State Responsible Offenders in Jails
 - State responsible out-of-compliance female offender population has grown considerably over the last few years.
 - December 2013 – 164 out-of-compliance female offenders.
 - December 2017 – 375 out-of-compliance female offenders.
 - Statistical data shows State-responsible releases who serve their entire term of incarceration in Local and Regional Jails rather than coming into a DOC facility recidivate at a significantly higher rate.



MANAGEMENT OF FEMALE BED CAPACITY (Continued)

- Governor's Introduced Budget provided three Medical and Mental Health Staff at Central Virginia Field Unit for Women.
 - This investment (\$235K per year for 3 FTE) will allow DOC to better utilize its female bed capacity by filling all beds.
 - Allows placement of females with greater medical and mental health conditions.
- Culpeper Correctional Center for Women will eventually be needed.
 - 5 housing units (500 beds).
 - 255 staff.
 - Approximately \$23.4M annual operating costs.



Probation & Parole Caseload



PROBATION AND PAROLE OFFICER CASELOAD

- Community Corrections caseloads has increased 15.8% from June 2013 to Dec 2017. Staffing levels supervising these cases has only increased 5% during this same time period.
- We are thankful for the 35 positions recommended in Governor McAuliffe's 2018-2020 Introduced Budget.



Community Corrections Alternative Program (CCAP)

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- Community Corrections Alternative Programs as a residential sentencing option for the Circuit Courts to divert probationers from incarceration
- Programs were transformed in May, 2017 to offer evidence based programming to reduce recidivism
- There are 5 CCAP programs:
 - Harrisonburg CCAP, capacity 125 males, general programming.
 - Appalachian CCAP, capacity 106 males, cognitive behavioral programming.
 - Stafford CCAP, capacity 116 males, general programming.
 - Chesterfield CCAP – capacity 160 female beds, general programming.
 - Cold Springs CCAP – capacity 150 males, specializes in intensive drug treatment for the opiate epidemic.
- Since opening in May 2017, 60% of accepted referrals have been for opiate treatment at Cold Springs with total acceptance of 405 offenders.



Community Corrections Alternative Program (CCAP)

- The Governor's Introduced Budget provided \$439K in both FY2019 and FY2020 to offer one step to address the crisis of opiate abuse among probationers at Cold Springs CCAP Unit.
- Base funding is not adequate for treatment services.
- Program offers residential beds that effectively target high risk opiate abusing probationers.
- The treatment model provides approximately 300 hours of intensive evidenced-based substance abuse programming in a residential model.
- This level of intensity and duration is critical in order to impact the disease of opiate addiction.



Employee Compensation



Staff Turnover Rates

	Annual – Fiscal Year ending June 30, 2015			Annual – Fiscal Year ending June 30, 2016			Annual – Fiscal Year ending June 30, 2017			Fiscal Year to Date (7/1/17 - 6/30/18) <i><u>October 2017 Report</u></i>		
	Department Turnover %	# of DOC Separations	State Turnover %	Department Turnover %	# of DOC Separations	State Turnover %	Department Turnover %	# of DOC Separations	State Turnover %	Department Turnover %	# of DOC Separations	State Turnover %
All DOC	16.68%	1902	13.66%	17.46%	1985	13.81%	19.19%	2170	14.47%	19.60%	735	
Corrections Officer and Senior	21.11%	1184		23.20%	1301		25.97%	1450		27.22%	497	
Probation Officer	9.85%	61		10.99%	69		16.36%	100		16.47%	33	

- DOC has made efforts over many years to recruit and retain Correctional Officers within the Agency.
- For the third quarter 2017, 565 applicants were hired as Correctional Officers.
- For the third quarter 2017, 510 Correctional Officers separated from DOC



DOC Officer Salaries

- Correctional Officer/Senior
 - Starting Salary = \$30,484
 - Average Salary = \$35,393

- Probation Officer
 - Starting Salary = \$36,731
 - Average Salary = \$41,722



Challenges in Retention Created by Low Compensation

Assuming a DOC employee is the sole income provider for a family of four then 1,164 current employees would be eligible for SNAP/food stamps based on the employee's current compensation.

- The group would include 698 correctional officers
- The group would also include DOC employees in 33 additional position titles including executive secretaries, fiscal technicians, dental assistants, grounds supervisors, personnel assistants, food operations supervisors, time computation specialists, and storekeepers.

This causes employees to seek jobs offering higher levels of compensation with other employers