



North Carolina Department of Public Safety

Prevent. Protect. Prepare.

Pat McCrory, Governor

Frank L. Perry, Secretary

MEMORANDUM

TO: Chairs of House Appropriations Subcommittee on Justice and Public Safety
Chairs of Senate Appropriations Subcommittees on Justice and Public Safety
Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety

FROM: Frank L. Perry, Secretary
W. David Guice, Commissioner

RE: Inmate Medical Cost Containment

DATE: February 1, 2014

Pursuant to S.L. 2013-360, Section 16C.4.(c) The Department of Public Safety shall report to the Joint Legislative Oversight Committee on Justice and Public Safety and the Chairs of the House of Representative Appropriations Subcommittee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety no later than November 1, 2013, and quarterly thereafter on:

- 1. The percentage of the total inmates requiring hospitalization or hospital services who receive that treatment at each hospital.*
- 2. The volume of services provided by community medical providers that can be scheduled in advance and, of that volume, the percentage of those services that are provided by contracted providers.*
- 3. The volume of services provided by community medical providers that cannot be scheduled in advance and, of that volume, the percentage of those services that are provided by contracted providers.*
- 4. The volume of services provided by community medical providers that are emergent cases requiring hospital admissions and emergent cases not requiring hospital admissions.*
- 5. The volume of inpatient medical services provided to Medicaid-eligible inmates, the cost of treatment, and the estimated savings of paying the nonfederal portion of Medicaid for the services.*
- 6. The status of the Division's efforts to contract with hospitals to provide secure wards in each of the State's five prison regions.*

Below are the details of that report. If there are any questions regarding this, please contact the Division of Adult Correction and Juvenile Justice Deputy Director of Health Services Terri Catlett at (919)838-3567.

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To ensure that correct information relative to Section 16C.4(c) is reported, the Department clarified with the Fiscal Research Division that the volumes of services referenced are for hospitalization and hospital services data.

This report is for hospitalizations or hospital services of inmates which occurred from September 1, 2013 - December 31, 2013.

The average prison census for this quarter was 37,611. Based upon utilization review data, an average of 0.16% of the population received hospital based services (i.e. they were an inpatient or they went to a community hospital for an outpatient procedure or consultation).

During this time period, there were 335 hospital admissions. Of these 335 admissions 80% (268) were emergent and 20% (67) were scheduled. Further analysis of the 268 emergent admissions, reveals that 62% (166) occurred at contracted hospitals, while 38% (102) were to non-contracted hospitals. With regards to the 67 scheduled admissions, 63% (42) were to contracted hospitals while 37% (25) were to non-contracted facilities. Overall, during this quarter, 62% (208) of admissions (both emergent and scheduled) went to contracted facilities while the remaining 38% (127) went to non-contracted facilities.

Figure 1 below shows the distribution of emergent and scheduled hospital admissions in contracted and non-contracted facilities from October 1, 2013 through December 31, 2013. Note: Figure 1 is based on data currently available which may be updated after the date of this report.

December 31, 2013

HOSPITAL ADMISSIONS	Emergent	Scheduled	Total	Percentage
CONTRACT HOSPITALS	166	42	208	62
NON-CONTRACT HOSPITALS	102	25	127	38
Grand Total	268	67	335	100%

It is important to note that during this quarter, the total volume of cases sent out to the community for emergent care was 1573. This represents 104 more cases than last quarter. Data also indicates that 79% (1236) of these emergency room visits did not result in an admission; only 21% (335) of all emergency room visits resulted in an admission to a community hospital.

From October 1, 2013 – December 31, 2013, 130 cases were identified as eligible for Medicaid. Based upon the *State Auditor's May 2012 Financial Related Audit Report*, the average savings of each case would be \$18,181.81. Using the methods applied in the audit, the estimated savings from October 1 through December 31, 2013 would be approximately \$ 2,363,635.30.

Due to the full activation of Central Prison Health Care Complex, the Division is not actively seeking contracts with hospitals for secure wards within the five prison regions.