



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: May 13, 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.*

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2013 - 2014 3rd Quarter Health Services Legislative Report

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 January 1, 2014 - March 31, 2014.

The average prison census for this quarter was 37,166. 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 336 hospital admissions. Of these 336 admissions 85% (287) were emergent and 15% (49) were scheduled. Further analysis of the 287 emergent admissions, reveals that 59% (168) occurred at contracted hospitals, while 41% (119) were to non-contracted hospitals. With regards to the 49 scheduled admissions, 82% (40) were to contracted hospitals while 18% (9) 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% (128) went to non-contracted facilities.

Figure 1 below shows the distribution of emergent and scheduled hospital admissions in contracted and non-contracted facilities from January 1, 2014 through March 31, 2014. Note: Figure 1 is based on data currently available which may be updated after the date of this report.

March 31, 2014

HOSPITAL ADMISSIONS	Emergent	Scheduled	Total	Percentage
CONTRACT HOSPITALS	168	40	208	62
NON-CONTRACT HOSPITALS	119	09	128	38
Grand Total	287	49	336	100%

It is important to note that during this quarter, the total volume of cases sent out to the community for emergent care was 1401. This represents 172 less cases than last quarter. Data also indicates that 81% (1129) of these emergency room visits did not result in an admission; only 19% (272) of all emergency room visits resulted in an admission to a community hospital.

From January 1, 2014 – March 31, 2014, 170 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 January 1 through March 31, 2014 would be approximately \$ 3,090,907.70.

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.