



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: July 17, 2015

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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Adult Corrections:

2014 - 2015 4th Quarter Health Services Legislative Report

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 the hospitals to provide secure wards in each of the State's five prison regions.

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 April 1 – June 30, 2015.

The average prison census for this quarter was 37, 378. Based upon utilization review data, an average of 0.0074 % 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 398 hospital admissions. Of these 398 admissions 93% (369) were emergent and 7% (29) were scheduled. Further analysis of the 369 emergent admissions, reveals that 49% (179) occurred at contracted hospitals, while 51% (190) were to non-contracted hospitals. With regards to the 29 scheduled admissions, 93% (27) were to contracted hospitals while 7% (2) were to non-contracted facilities. Overall, during this quarter, 52% (206) of admissions (both emergent and scheduled) went to contracted facilities while the remaining 48% (192) went to non-contracted facilities.

Figure 1 below shows the distribution of emergent and scheduled hospital admissions in contracted and non-contracted facilities from April 1, 2015 through June 30, 2015. Note: Figure 1 is based on data currently available which may be updated after the date of this report.

June 30, 2015

HOSPITAL ADMISSIONS	Emergent	Scheduled	Total	Percentage
CONTRACT HOSPITALS	179	27	206	56
NON-CONTRACT HOSPITALS	190	02	192	44
Grand Total	369	29	398	100%

It is important to note that during this quarter, the total volume of cases sent out to the community for emergent care was 1806. This represents 48 more cases than last quarter. Data also indicates that 80% (1438) of these emergency room visits did not result in an admission; only 20% (368) of all emergency room visits resulted in an admission to a community hospital.

From April 1, 2015 – June 30, 2015, 142 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 April 1, 2015 through June 30, 2015 would be approximately \$ 2,581,817.02.

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 four prison regions.

Juvenile Justice:

To ensure that relevant information pursuant to Section 16C.4(c) is reported, the Juvenile Justice data for the period of April 1, 2015 thru June 30, 2015 is presented below for each of the two types of secure custody facilities: youth development centers and juvenile detention centers.

Youth Development Centers

- The average youth development center census for the quarter was 275 for the four centers. There were two (2) juveniles that required hospitalization (0.007%).
- There were 133 services provided by community medical providers; eighteen (18) of these were unscheduled/urgent. All community-based services were reimbursed compliant with legislative requirements for healthcare reimbursement.

Juvenile Detention Centers

- There were 1065 admissions to juvenile detention centers in the quarter. Two (2) juveniles required hospitalization. (0.002%)
- There were 38 scheduled off-site services provided by community providers; eight (8) of these unscheduled/urgent . All community-based services were reimbursed compliant with legislative requirements for healthcare reimbursement.