

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 106
Committee Substitute Favorable 3/26/19
Committee Substitute #2 Favorable 4/26/19
PROPOSED COMMITTEE SUBSTITUTE H106-PCS40464-SA-37

Short Title: Inmate Health Care.

(Public)

Sponsors:

Referred to:

February 20, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO IMPROVE INMATE HEALTH CARE REIMBURSEMENT AND INTERNAL
3 PROCESSES AND TO ESTABLISH A TELEMEDICINE PILOT PROGRAM.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.(a)** To contain medical costs for inmates as required by
6 G.S. 143B-707.3(b), the Department of Public Safety shall develop a plan to increase the use of
7 the Central Prison Healthcare Complex (hereinafter "CPHC") which shall include all of the
8 following:

- 9 (1) Strategies, policies, and oversight mechanisms to ensure that
10 non-life-threatening emergencies for male inmates within a 60-mile radius of
11 Raleigh are treated at the CPHC urgent care facility. As part of this effort,
12 DPS shall consider the use of telemedicine.
- 13 (2) A cost comparison of health care services performed at CPHC and the North
14 Carolina Correctional Institution for Women (hereinafter "NCCIW") and
15 health care services performed by outside contracted providers. The cost
16 comparison shall include the cost of transporting inmates to and from outside
17 contracted providers.
- 18 (3) A comprehensive review of the current usage of health care facilities at CPHC
19 and NCCIW and the potential to maximize usage of those facilities through
20 (i) increasing the usage of CPHC's facilities for general anesthesia procedures
21 and increasing usage of existing on-site equipment, (ii) selling equipment no
22 longer in use or not in use due to staffing changes, (iii) increasing the provision
23 of health care services available at CPHC to female inmates, and (iv)
24 identifying potential CPHC expenditures that would ultimately result in
25 demonstrated cost savings.
- 26 (4) Methods to contain costs for palliative and long-term health care services for
27 inmates.

28 **SECTION 1.(b)** By December 1, 2019, the Department of Public Safety shall submit
29 the plan required by subsection (a) of this section to the Joint Legislative Oversight Committee
30 on Justice and Public Safety. The Department of Public Safety shall also submit its progress made
31 in achieving cost savings under the plan, the amount of any actual and estimated cost savings,
32 and any obstacles to increasing the usage of the health services facilities at CPHC and NCCIW.

33 **SECTION 2.(a)** G.S. 143B-707.3(c) reads as rewritten:



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1 "(c) The Department of Public Safety shall report quarterly to the Joint Legislative
2 Oversight Committee on Justice and Public Safety and the chairs of the House of Representatives
3 and Senate Appropriations Committees on Justice and Public Safety on:

4 ...

5 (10) The reimbursement rate for contracted providers. The Department shall
6 randomly audit high-volume contracted providers to ensure adherence to
7 billing at the contracted rate.

8 Reports submitted on August 1 shall include totals for the previous fiscal year for all the
9 information requested."

10 **SECTION 2.(b)** By February 1, 2020, the Department of Public Safety, Health
11 Services Section, shall report to the Joint Legislative Oversight Committee on Justice and Public
12 Safety and to the chairs of the House of Representatives and Senate Appropriations Committees
13 on Justice and Public Safety on alternative methods for reimbursing providers and facilities that
14 provide approved medical services to inmates, including Medicare rates.

15 **SECTION 3.(a)** Subpart A of Part 2 of Article 13 of Chapter 143B of the General
16 Statutes is amended by adding a new section to read:

17 **"§ 143B-707.5. Medicaid services for inmates.**

18 (a) The Department of Public Safety and the Department of Health and Human Services
19 shall work together to enable social workers in the Department of Public Safety, Health Services
20 Section, to qualify for and receive federal reimbursement for performing administrative activities
21 related to Medicaid eligibility for inmates. The Department of Public Safety, Health Services
22 Section, shall develop policies and procedures to account for the time social workers in the Health
23 Services Section spend on administrative activities related to Medicaid eligibility for inmates.
24 All social workers in the Health Services Section who perform administrative activities related
25 to Medicaid eligibility shall be required to receive eligibility determination training provided by
26 the Department of Health and Human Services at least quarterly.

27 (b) Beginning July 1, 2019, the Department of Public Safety, Health Services Section,
28 shall require each social worker performing administrative activities related to Medicaid
29 eligibility for inmates to document the following:

30 (1) The criteria used by the social worker when deciding to submit an application
31 for Medicaid and when deciding not to submit an application for Medicaid,
32 including any information the social worker believes disqualifies the inmate
33 for Medicaid benefits.

34 (2) An indication in the social worker's data entry of an inmate's Medicaid
35 eligibility as determined by the inmate's county department of social services.

36 (3) The number of 24-hour community provider stays prescreened for potential
37 applications, the number of applications submitted, and the number and
38 percentage of applications approved, denied, and withdrawn, which shall be
39 reported to the Health Services Section Director on a monthly basis.

40 (c) Beginning October 1, 2019, in addition to the requirements in subsection (b) of this
41 section, each Department of Public Safety, Health Services Section, social workers performing
42 administrative activities related to Medicaid eligibility for inmates shall submit Medicaid
43 applications and any supporting documents electronically through the ePass portal in the
44 Department of Health and Human Services or through other electronic means, unless paper
45 copies are required by federal law or regulation."

46 **SECTION 3.(b)** By October 1, 2019, and quarterly thereafter until full
47 implementation is achieved, the Department of Public Safety and the Department of Health and
48 Human Services shall jointly report to the Joint Legislative Oversight Committee on Justice and
49 Public Safety and the Joint Legislative Oversight Committee on Medicaid and North Carolina
50 Health Choice on progress in receiving federal reimbursement for performing administrative
51 activities related to Medicaid eligibility for inmates.

1 **SECTION 3.(c)** By October 1, 2019, the Department of Public Safety shall report to
2 the Joint Legislative Oversight Committee on Justice and Public Safety on the implementation
3 of the documentation of criteria for the submission of Medicaid applications and the electronic
4 submission of Medicaid applications.

5 **SECTION 4.** The Department of Public Safety, Health Services Section, shall issue
6 two requests for proposals (RFP) to develop an electronic supply inventory management system.
7 One RFP shall be for a system to be used at all prison facilities and one RFP shall be for a system
8 to be used exclusively at the Central Prison Healthcare Complex and the North Carolina
9 Correctional Institution for Women. The RFPs shall be for an electronic supply inventory
10 management system that is capable of all of the following:

- 11 (1) Recording the arrival and departure of each medical supply in use or for future
12 use from the point of order, including all methods of requisition and main
13 storage locations (e.g., warehouse, secondary storage location, prison unit, or
14 infirmary).
- 15 (2) Recording the dates on which a medical supply was physically at each
16 transition point, including the date of use or disposal.
- 17 (3) Identifying Department employees who have custody of or control over a
18 medical supply at each transition point, including at the time of use or
19 disposal.
- 20 (4) Ensuring that medical supplies are used prior to their expiration date.
- 21 (5) Ensuring an adequate supply of each medical product currently being used or
22 obtained for future use at each facility. Adequate supply level shall be based
23 on usage of each medical product by each facility.
- 24 (6) Biannually assessing the need for particular medical supplies and the accuracy
25 of records through an audit of the system.

26 The Department shall report the results of the RFPs to the Joint Legislative Oversight
27 Committee on Justice and Public Safety and the chairs of the House of Representatives and
28 Senate Appropriations Committees on Justice and Public Safety by December 1, 2019.

29 **SECTION 5.(a)** The Department of Public Safety, Health Services Section, and the
30 Office of State Human Resources shall jointly study the salaries of all in-prison health services
31 employees to determine what adjustments are necessary to increase the salaries of new hires and
32 existing employees of the Health Services Section to market rates.

33 **SECTION 5.(b)** The Department of Public Safety shall establish a vacancy rate
34 benchmark for each correctional facility and shall create a plan to reduce the vacancy rates. The
35 Department shall consider initiatives to reduce vacancy rates, including the following:

- 36 (1) Increasing salaries to market rates.
- 37 (2) Creating a student loan forgiveness program for the Health Services Section.
- 38 (3) Offering signing bonuses and annual cash incentives.
- 39 (4) Increasing the use of telemedicine positions.
- 40 (5) Creating dual appointment opportunities for doctors currently employed by
41 the State.
- 42 (6) Offering differential pay for health services workers employed in
43 difficult-to-staff facilities.
- 44 (7) Streamlining and potentially eliminating duplicative or unnecessary steps in
45 the hiring process.

46 **SECTION 5.(c)** The Department of Public Safety shall establish methods to measure
47 the effectiveness of the initiatives to reduce vacancy rates required in subsection (b) of this
48 section and estimate the budgetary impact and anticipated savings from the Department's reduced
49 reliance on outside contracted providers. By February 1, 2020, the Department shall submit its
50 findings on salaries and vacancy rates, including any proposed legislation and the need for
51 assistance required from the Office of Human Resources and the Office of Rural Health in the

1 Department of Health and Human Services to accomplish the objectives outlined in subsections
2 (a) and (b) of this section to the Joint Legislative Oversight Committee on Justice and Public
3 Safety.

4 **SECTION 6.(a)** By July 1, 2019, the Department of Public Safety, Health Services
5 Section, shall report to the Joint Legislative Oversight Committee on Justice and Public Safety
6 and the chairs of the House of Representatives and Senate Appropriations Committees on Justice
7 and Public Safety on the feasibility study of telehealth services referenced in the February 2019
8 Memorandum of Agreement between the Department and UNC Health Care.

9 **SECTION 6.(b)** The Department of Public Safety, Health Services Section, shall
10 establish a telemedicine pilot program to provide physical health services to inmates in remote
11 correctional facilities. The pilot program shall be established with consideration of the results of
12 the study referenced in subsection (a) of this section. The goal of the pilot program is to assess
13 whether the use of telemedicine decreases costs for inmate transportation, custody, and outside
14 providers while improving access to care. While designing the telemedicine pilot program, the
15 Department of Public Safety, Health Services Section, shall consult UNC Health Care; the 2012
16 University of North Carolina, Kenan-Flagler Business School report on telemedicine; and
17 Finding 6, Report Number 2018-08, from the Joint Legislative Program Evaluation Oversight
18 Committee. The telemedicine pilot program shall initially be established in two correctional
19 facilities serving male inmates. One pilot site shall be located in a correctional facility in the
20 eastern portion of the State and one pilot site shall be located in a correctional facility in the
21 western portion of the State. The pilot program design must connect the two correctional facility
22 pilot sites with the Central Prison Healthcare Complex and its contracted providers' facilities and
23 shall be operational on or before January 1, 2020.

24 **SECTION 6.(c)** The ability to assess, measure, and evaluate the telemedicine pilot
25 program shall be integral to the pilot program design. Assessment of the pilot program shall
26 include, but is not limited to, the following measures for each correctional facility pilot site:

- 27 (1) Number and cost of telemedicine encounters by service area.
- 28 (2) Comparison of the number and cost of telemedicine encounters, by service
29 area, to:
 - 30 a. The number of in-person encounters provided the previous year to
31 inmates housed at that facility; and
 - 32 b. The number of in-person encounters provided during the pilot period
33 at similar correctional facilities not participating in the pilot.
- 34 (3) Comparison of the number of days lapsed between referral date and treatment
35 date, by service area, to:
 - 36 a. The number of days lapsed the previous year in that facility; and
 - 37 b. The number of days lapsed during the pilot period at similar
38 correctional facilities not participating in the pilot.
- 39 (4) Amount of inmate transportation and custody costs avoided from receiving
40 telemedicine.
- 41 (5) Amount of provider transportation costs avoided from providing
42 telemedicine.
- 43 (6) Cost of initial telemedicine equipment and other related costs with
44 descriptions.
- 45 (7) Obstacles and concerns related to expanding telemedicine to other
46 correctional facilities.

47 **SECTION 6.(d)** On or before January 1, 2020, the Department of Public Safety,
48 Health Services Section, shall provide an interim report on the assessment criteria outlined in
49 subsection (c) of this section, including any additional findings and recommendations, to the
50 Joint Legislative Oversight Committee on Justice and Public Safety and the Joint Legislative
51 Oversight Committee on Health and Human Services. On or before January 1, 2021, the

1 Department of Public Safety, Health Services Section, shall report to the Joint Legislative
2 Oversight Committee on Justice and Public Safety and the Joint Legislative Oversight Committee
3 on Health and Human Services on the assessment criteria outlined in subsection (c) of this
4 section, including any additional findings, and shall make recommendations on whether to
5 expand the telemedicine pilot program to additional sites, including accompanying costs and
6 anticipated savings, and recommendations on which correctional facilities would be most
7 advantageous to include in the pilot due to lack of access or costs associated with transportation
8 and custody.

9 **SECTION 7.** This act becomes effective July 1, 2019.