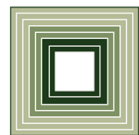


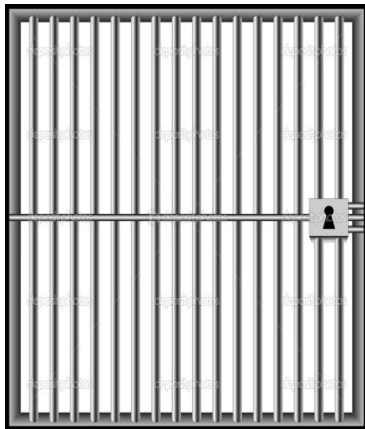
Inmate Health Services Update

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Fiscal Research Division

January 16, 2014



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly



Today's Presentation

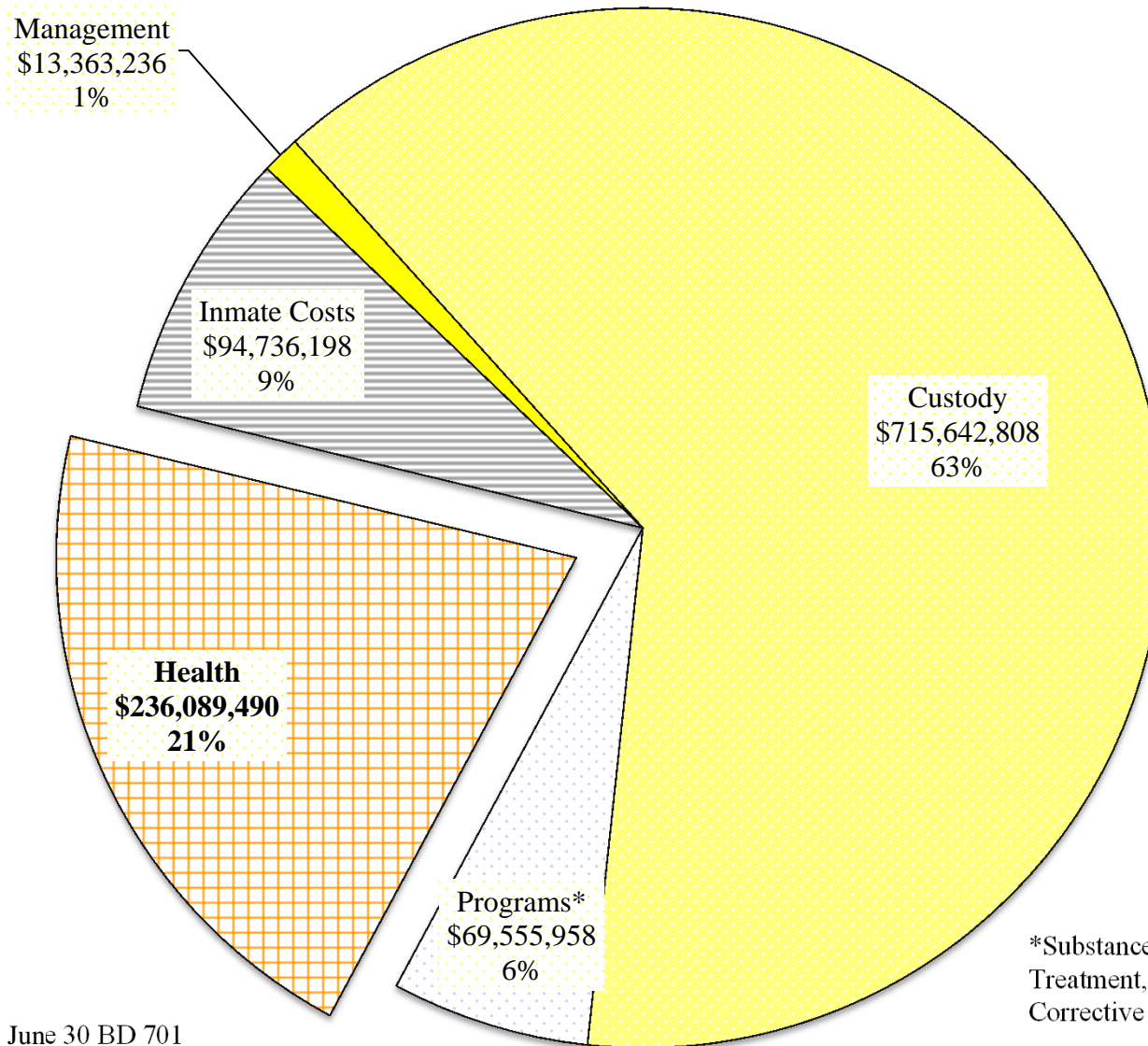
I. Inmate Medical Budget

II. Cost Containment Efforts

III. Central Prison & NCCIW Hospitals



FY 2012-13 Prisons Budget \$1.1 Billion



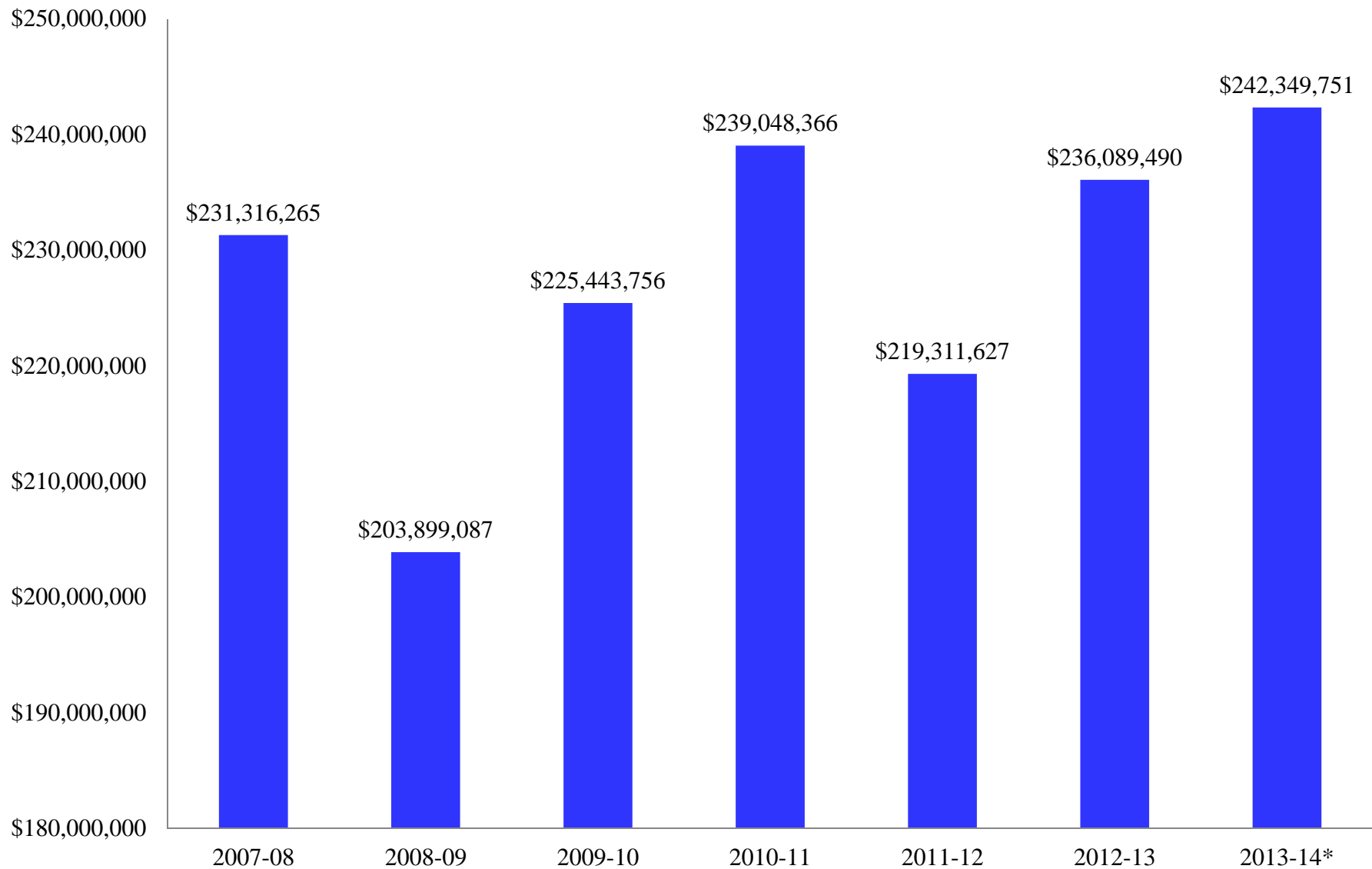
*Substance Abuse In-Prison Treatment, Academic, and Corrective Programs are combined

Source: DAC, June 30 BD 701

Inmate Medical....



Inmate Health Care Spending



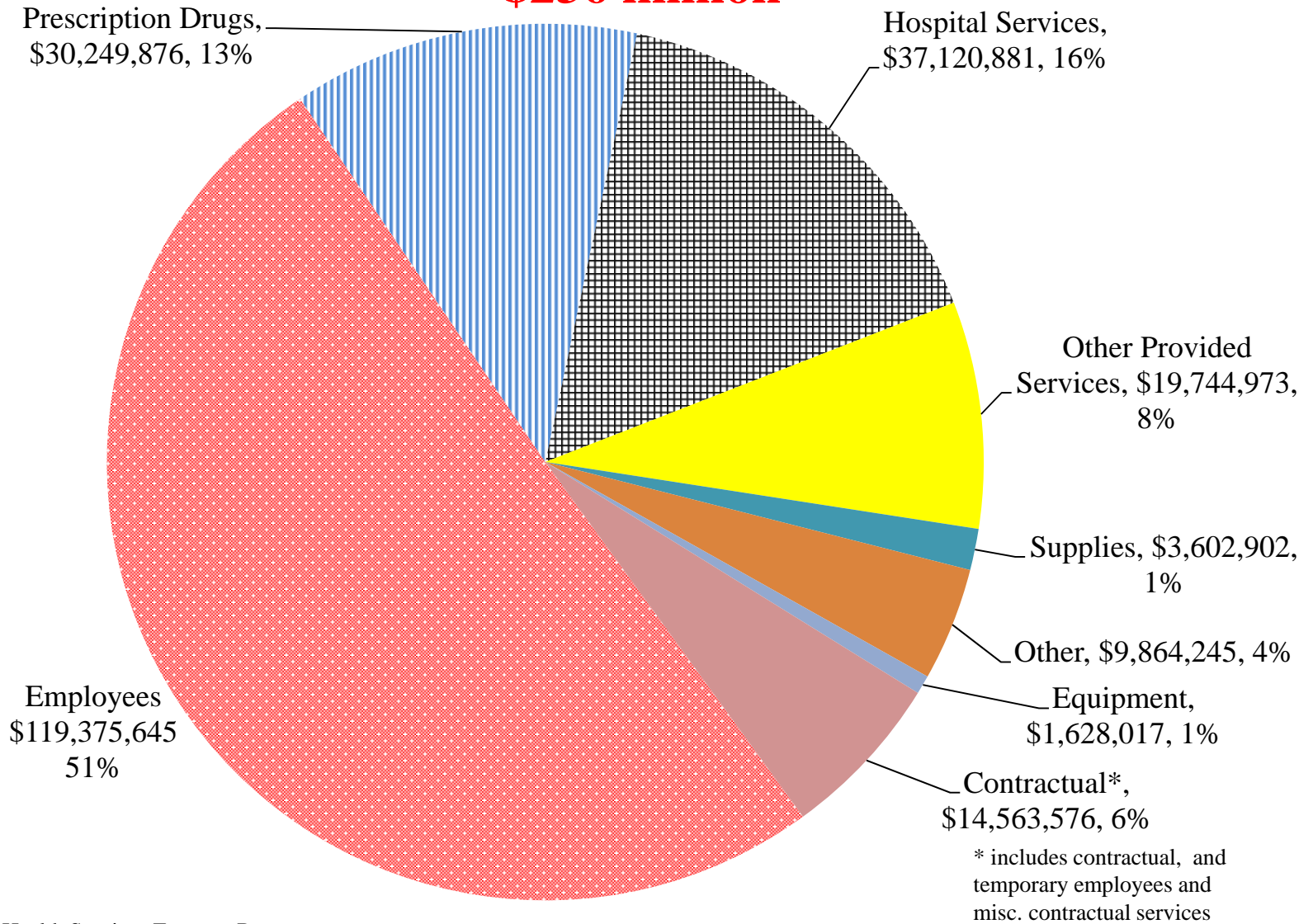
* authorized budget

Source: DAC, June 30 BD 701 & FY 2013-14 Authorized Budget

Fiscal Year

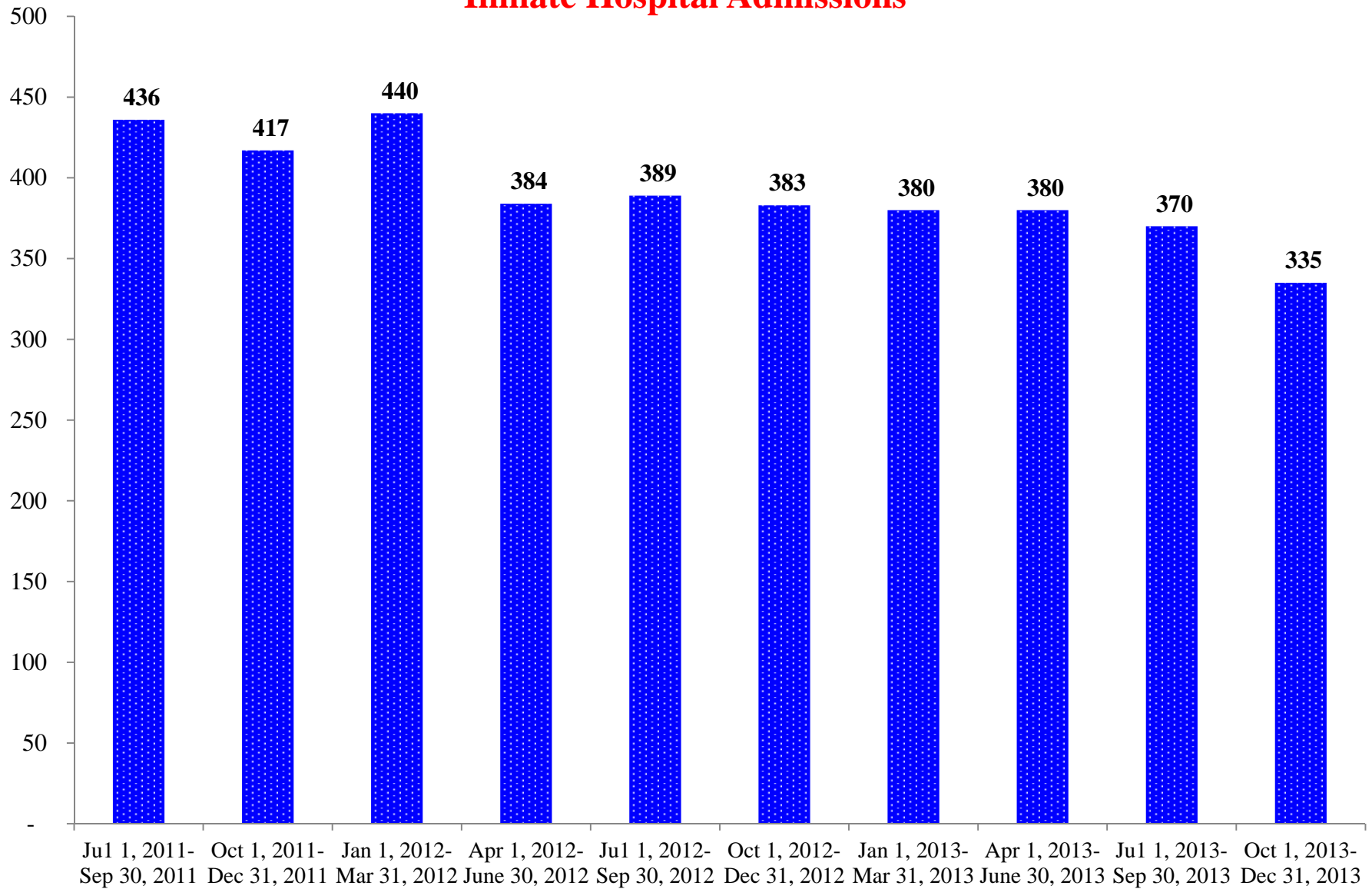
FY 2012-13 Health Expenditures

\$236 million



Source: Prisons, Health Services Expense Report

Inmate Hospital Admissions



Source: DAC (Prisons), Quarterly Cost Containment Reports

FY 2012-13 Health Expenditure Categories



Employees: 51% (2,099 FTE)

Hospital Providers: 16% (104 hospitals)

- *12,386 claims for 7,708 inmates*
- *5 hospitals account for 55% of claims*
- *6 hospitals were paid more than \$1 m (70% of total)*
- *57 hospitals saw 20 patients or fewer*

Prescription Drugs: 13%

Other Providers: 8%



II. Cost Containment Efforts



Recent Budget Actions

S.L. 2013-360, Section 16C.4

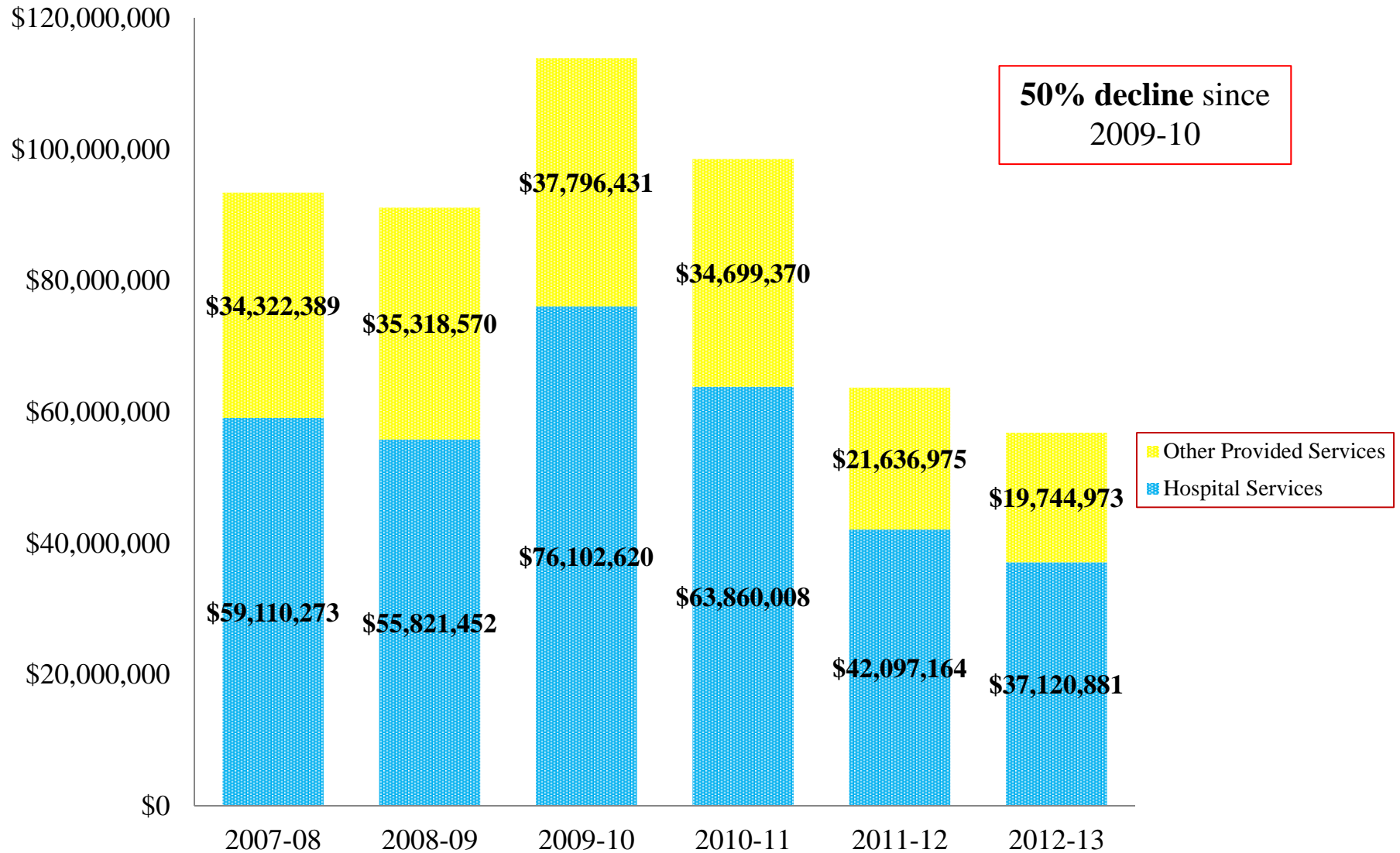
- DPS will pay 70% of billed charges or twice the Medicaid rate, unless they have a more advantageous contract
 - Quarterly Hospital Utilization report
-

▪ FY 2010-11:	\$20.5 million
▪ FY 2011-12:	\$3 million
▪ FY 2012-13:	\$9.6 million
▪ FY 2013-14:	\$9 million
	<hr/>
	\$42.1 million

Plan B...

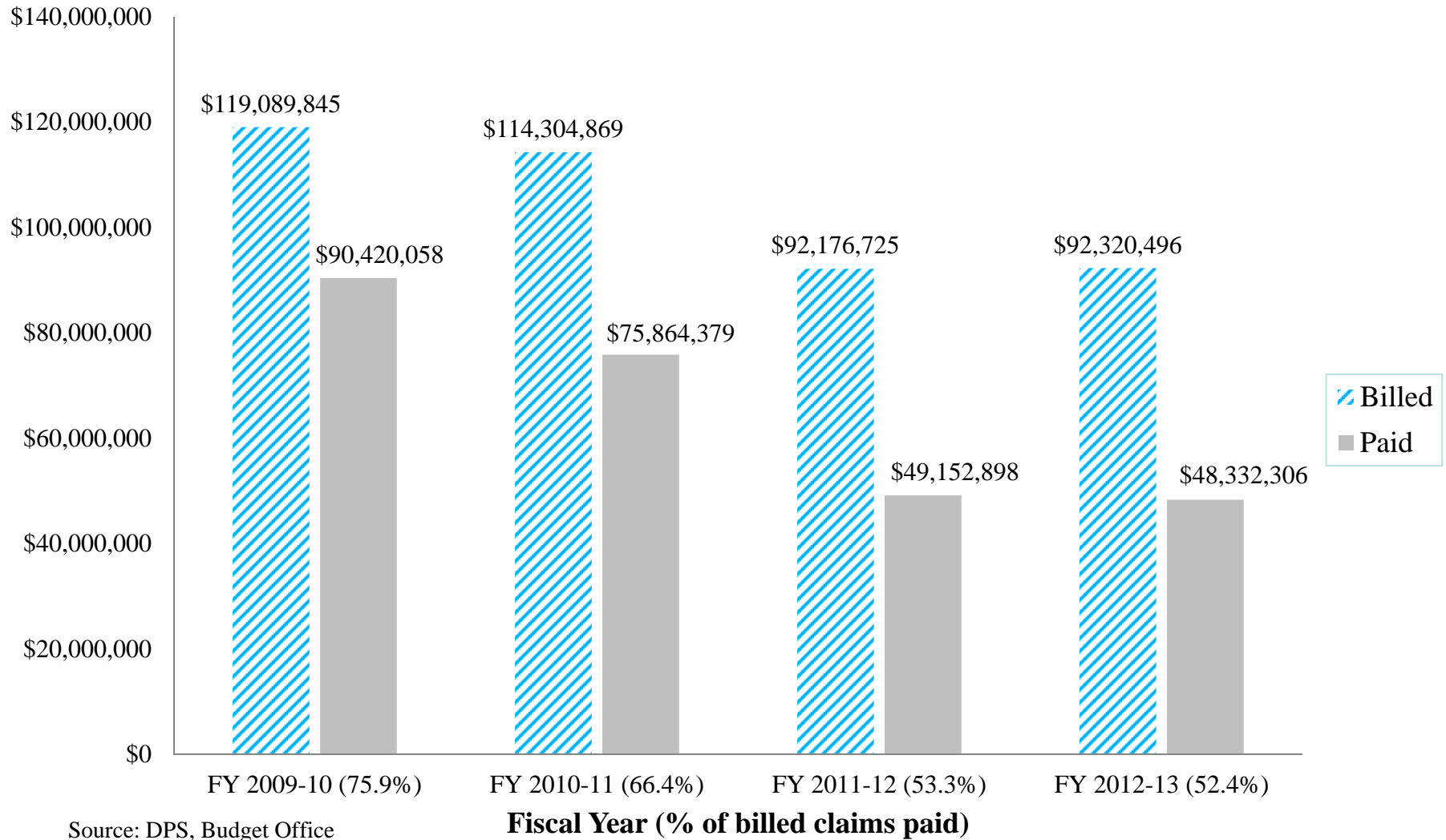


Hospital and Other Provider Payments



Source: Prisons, Annual Health Expense Reports

Bending the Curve: Hospital & Other Provider Payments



Medicaid Eligibility

- Agreement with DMA provides that DAC will pay the State portion of Medicaid for eligible inmates
- FY 2010-11: **12%** of admissions determined to be eligible
- FY 2011-12: **45%** of admissions determined to be eligible
- FY 2012-13: **51%** of admissions determined to be eligible
- **Monthly Cost Avoidance Average: \$1.1-\$1.2 million**



III. Central Prison & NCCIW Hospitals



Central Prison Hospital

- 120 medical and 216 mental health beds
- Contract with UNC to staff 14 specialty clinics
- Jan-Nov 2013: 9,788 procedures

NC Correctional Institution for Women Hospital

- 80 medical and 70 mental health beds
- Contract with UNC to staff 16 specialty clinics
- Jun-Nov 2013: 4,223 procedures

