



SB 843
Correctional Health Care Costs
Work Group

December 9, 2013



Information Requests

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- Questions from 11/18/2013 Meeting
 - Cost Avoidance in Other States (Illinois and Wisconsin)
 - Current Number of Patients on Dialysis
 - Current Number of Adults in Custody Using Wheelchairs
- Questions from 11/25/2013 Meeting
 - Stockton, California Medical Facility
 - California Medical Classification System
 - Ten Year Forecast by Age



Cost Avoidance in Other States

Illinois

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- Illinois Department of Corrections operates a hybrid system
 - 80% of costs attributable to contracted medical care (Wexford)
 - 20% of costs for state employee nurses and mental health staff
- HIV patients seen by University of Illinois Medical Center physicians via televideo



Cost Avoidance in Other States

Wisconsin

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- Wisconsin Department of Corrections is working towards Electronic Health Records
- Uses a Third Party Administrator:
 - Utilization Review
 - Case management per admit if concerned with care
 - Transcription service for physicians/psychiatrists – they currently dictate notes
 - Significant use of generics



Cost Avoidance in Other States Wisconsin (cont.)

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- Expanded use of televideo/telemedicine for medical appointments and significant use for psychiatry
- Lab costs through a university medical hospital in Wisconsin (75% below Medicare)
- Implemented a hospice program
- Creating financial dashboard reports



Current Number of Patients on Dialysis

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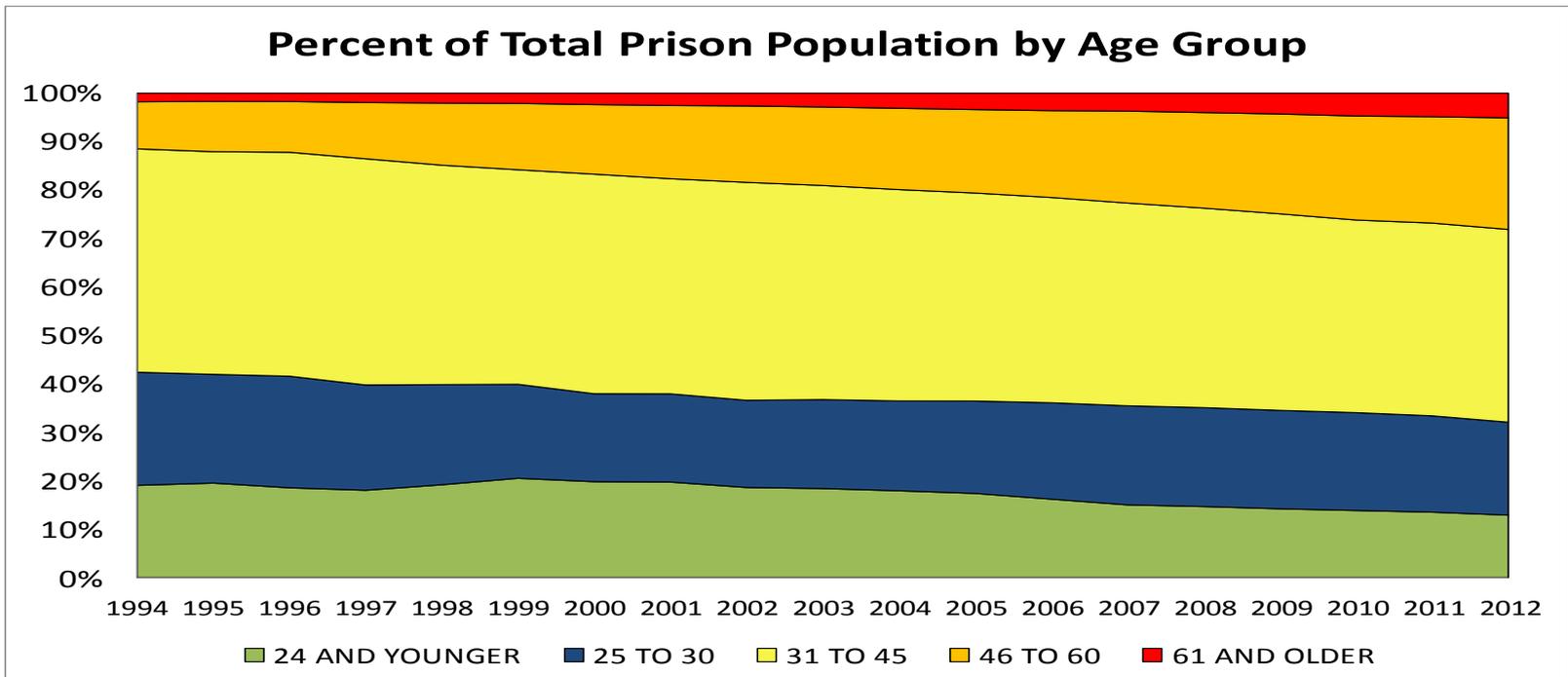
- ODOC currently has 20 adults in custody on dialysis
- Dialysis is available at one facility – (Two Rivers Correctional Institution, Umatilla)
- ODOC's cost of onsite dialysis by contract is \$349.50/per treatment
 - Current Market price is \$532.08/per treatment



Current Number of Adults in Custody Using Wheelchairs

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- ODOC currently has 132 adults in custody in a wheelchair and/or are immobile (39 of which are over 65)



■ 24 AND YOUNGER ■ 25 TO 30 ■ 31 TO 45 ■ 46 TO 60 ■ 61 AND OLDER



Stockton, California Medical Facility

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- An Inmate medical complex has been built that:
 - ▣ Provides medical and mental health care for the most severe and long term needs
 - ▣ Includes 1,722 beds, 1.4 million square feet
 - ▣ Consists of a 54-building complex
 - ▣ Employs 2,500 staff
 - ▣ Houses all security levels
 - ▣ \$839 million
- <http://www.youtube.com/watch?v=dYXcarkd8Hg>



California Medical Classification System

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- California has adopted the special needs plans structure and process measures developed by centers for Medicaid and Medicare services.
- Criteria used to identify members for case management:
 - Claim or encounter data
 - Hospital discharge data
 - Pharmacy data
 - Laboratory results
 - Data collected through the utilization management process



Ten Year Forecast by Age

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Age Distribution of DOC Inmates

Age Cohort	2/1/2013 ACTUAL	6/1/2023 FCST
Under 17	0.01%	0.01%
18-24	11.34%	7.63%
25-30	19.31%	17.40%
31-44	38.28%	35.24%
45-60	25.46%	31.44%
61+	5.60%	8.28%
Grand Total	100.00%	100.00%

Number of Inmates

Age Cohort	2/1/2013 ACTUAL	6/1/2023 FCST	Difference
Under 17	2	2	0
18-24	1,666	1,177	-489
25-30	2,838	2,684	-154
31-44	5,626	5,436	-190
45-60	3,741	4,850	1,109
61+	823	1,277	454
Grand Total	14,696	15,425	729



Work Group Recommendations and Associated Costs

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- Electronic Health Records that best fit the needs of the department
 - ▣ Current projected expenditure to implement EHR: \$2 million to lease a system as a service. Start up and implementation costs are not included in this figure.
- Nutritional review of food and associated costs
- Provide healthier food choices through commissary



Work Group Recommendations and Associated Costs (cont.)

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- Track and measure health care coverage upon release
- Early mental health intervention to prevent incarceration



Work Group Recommendations and Associated Costs (cont.)

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- Proposed legislation to prohibit insurance companies from terminating insurance coverage while incarcerated
- Review health care impact if canteen was limited, and include potential impact to the safety and security of prisons



Work Group Recommendations and Associated Costs (cont.)

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- Ongoing analysis for Early Parole Release restructure
- Prison-to-community connection for all aspects of health care



Work Group Recommendations and Associated Costs (cont.)

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- Legislatively mandated exercise programs
 - A 2010 study in the Journal Health Affairs showed that every dollar spent on wellness programs reduced corporate medical costs by \$3.27.
 - An August survey by the National Business Group on Health found that 61% of firms found wellness initiatives to be one of the three most effective tools to keep down health care costs.



Work Group Recommendations and Associated Costs (cont.)

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- A 2010 study in the American Journal of Health Promotion showed that workers highly engaged in a wellness program have fewer hospital admissions, shorter hospital stays and lower overall costs.
 - In 2008, \$1.6 billion was spent on healthcare for state employees in California alone. Twenty-two percent of this was for treating high blood pressure, heart disease, stroke and kidney disease – ailments that can be largely prevented through diet and exercise.
 - According to a study by the Urban Institute, if dietary and exercise changes reduced the prevalence of these conditions by even 5-15 percent – a conservative estimate – the state would save up to \$54 million per year.



Questions

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