

# Legislative Health and Human Services Committee



## **New Mexico Corrections Department Inmate Healthcare**

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LEGISLATIVE FINANCE COMMITTEE  
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# Presentation Outline

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- **Factors Influencing Inmate Healthcare Costs/How Does New Mexico Compare**
- **Inmate Healthcare Expenditures**
- **Corizon Inc. Contract Provisions**
- **Opportunities for Savings from Medicaid Expansion**
- **Department of Health (DOH) Collaborations with Corrections Department (NMCD)**

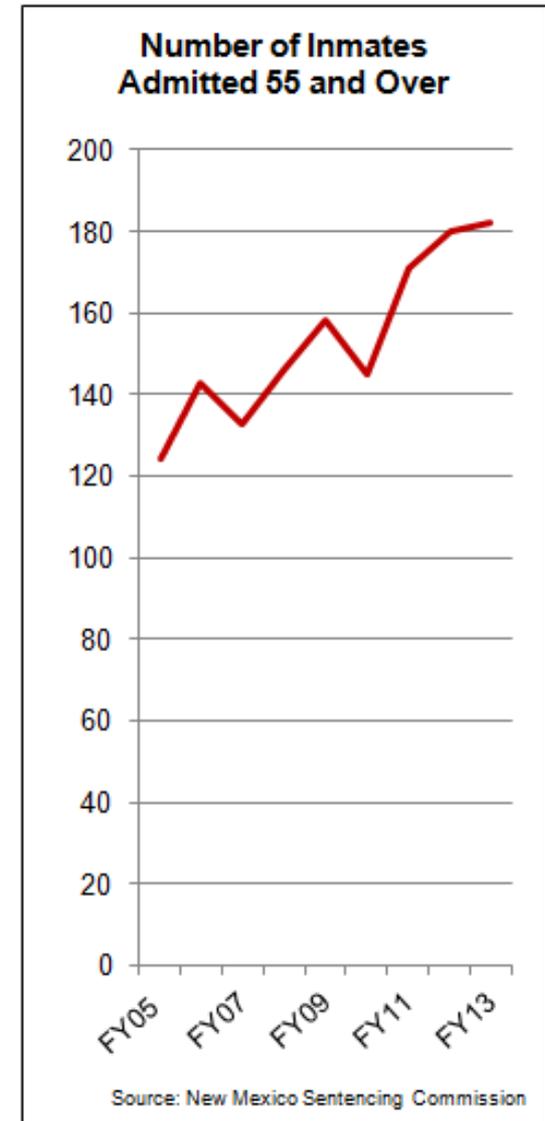
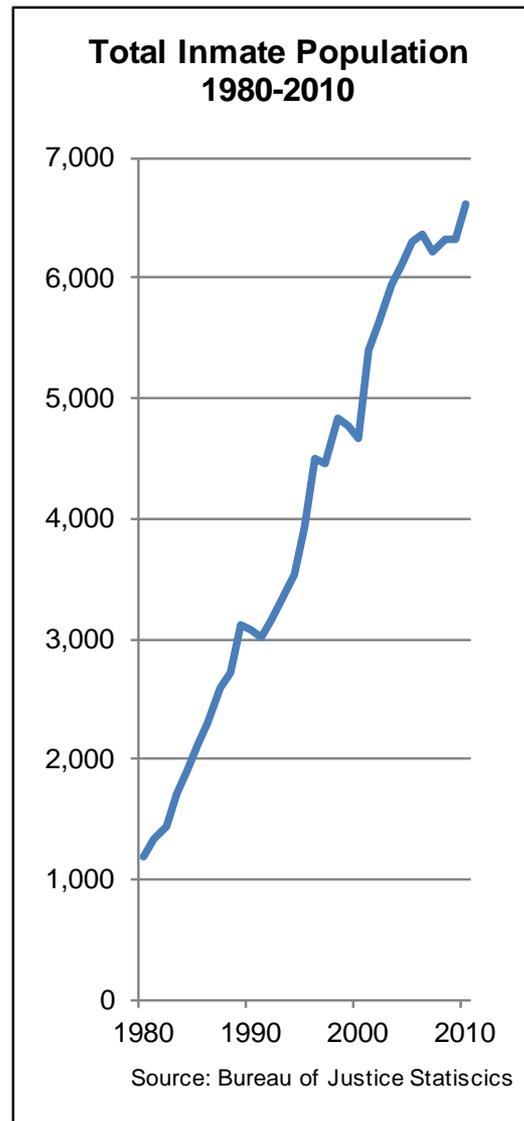
## Factors Influencing Inmate Healthcare Costs

### Exponential Growth in Inmate Population

The Inmate Population is aging and as of June 30, 2013 there were 574 inmates aged 55 and over

Prevalence of Chronic and Infectious Disease; and Behavioral Health and Substance Abuse Issues Increase Costs

Inmate Healthcare Contract Increases Each Year



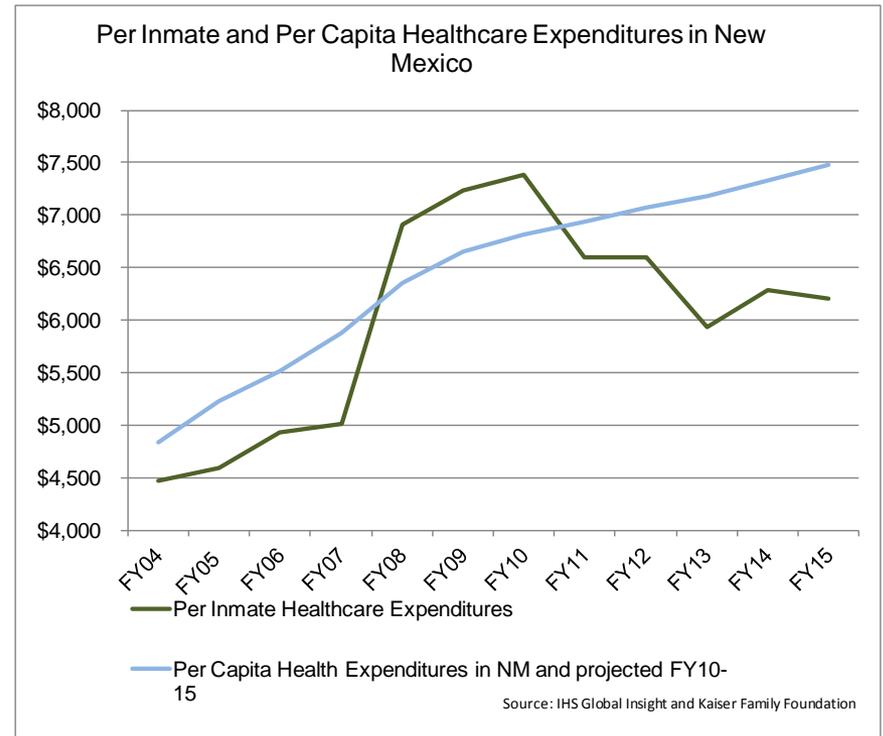
# Where Does NM Stand in Per Inmate Healthcare

## NM Ranks Relatively High

## But, Per Capita Healthcare Expenditures are Low

New Mexico Rank in Per Inmate Healthcare Expenditures Adjusted (2008)		
1	California	\$ 11,793
2	New Hampshire	\$ 9,055
3	Alaska	\$ 8,675
4	Washington	\$ 8,067
5	New Mexico	\$ 6,996
6	Massachsetts	\$ 6,740
7	Maine	\$ 6,649
8	New Jersey	\$ 6,252
9	Minnesota	\$ 6,242
10	Michigan	\$ 6,155
11	Nebraska	\$ 6,155
12	Maryland	\$ 6,177
13	Oregon	\$ 6,094
14	New York	\$ 5,893
15	North Carolina	\$ 5,866

Source: Pew Charitable Trusts and NMCI



# Inmate Healthcare Expenditures

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- **In FY13 the Corizon Inc. Contract Cost \$40.6 million**
- **In FY14 and FY15 the Contract Will Cost \$43.7 million**

# Contract Provisions

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- **Corizon Inc. Base Compensation is \$37.5 Million**
- **Corizon May Receive a 0.75 Percent Annual Increase for Each of 4 Performance Goals Met, They Must:**
  - Maintain Staffing Levels
  - Achieve American Correctional Association Accreditation
  - Maintain Proper Blood Clotting Levels
  - Maintain Blood Glucose Levels for Diabetic Inmates
- **Corizon Receives Additional Compensation for:**
  - Pharmaceuticals
  - Equipment
  - Gross Receipts Tax

# Opportunities for Savings From Medicaid Expansion

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- **Medicaid Will Now Pay for Inmates Inpatient Hospital Care After the First 24 Hours of Care**
  - New Hampshire Projects Savings of \$22 Million From 2014-2020
  - Ohio Projects Savings of \$273 Million From 2014-2022
  - Michigan Expects to Save \$250 Million Over 10 Years
  - New Mexico, With a Smaller Inmate Population, Could Save as Much as \$15-\$30 Million Over 10 Years.

# Opportunities for Savings From Medicaid Expansion Cont.

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- **Many Behavioral Health Services Currently Covered by the Probation and Parole Division with 100% State Funds Will Now be Covered by Medicaid With 100% Federal Funds, Reducing to a 95% Match After 3 Years**
  - As much as \$2 Million Per Year Will Be Saved by Shifting Behavioral Healthcare Costs for Parolees to Medicaid

# Opportunities for Savings From Medicaid Expansion Cont.

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- **The Department's FY15 Request Ends Funding for Many Services Purchased Through the Behavioral Health Purchasing Collaborative and Reprioritizes Funding and Services to the Los Lunas Halfway-House Managed by Community Education Centers Based in New Jersey**

# Other Opportunities For Savings

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- **Texas Provides Primary Care and Behavioral Health Services to Inmates Through Tele-health and Has Saved an Estimated \$780 million Between 1994-2008**
- **Granting Medical and Geriatric Parole to Incapacitated Inmates is Expected to Save New York \$2 million Annually**
- **Expanding Tele-health Services and Geriatric Parole in New Mexico Could Lead to Additional Savings**

# Background: DOH and NMCD

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- Department of Health (DOH) had a joint powers agreement with NMCD for \$40 thousand in 2009 and prior to provide HIV/AIDS care.
- DOH billed Corrections for reimbursement of costs incurred purchasing HIV/AIDS medications via 340(b) pricing, and invoiced by patient.
- The JPA and 340(b) drug purchasing was not maintained by DOH due to budget and legal concerns.

# Public Health and Corrections

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- Dr. Sanjeev Aurora through Project ECHO is conducting work in prisons with telehealth.
- DOH's Public Health Program provides public health services in some detention centers including the Metro Detention Center in Albuquerque and Dona Ana Detention Center (DADC).
- These services include:
  - ✦ Clinical preventive services for disease prevention and health promotion with males and females;
  - ✦ Screening and treatment for sexually transmitted diseases (STDs);
  - ✦ Family planning services, low-risk prenatal care services, and breast and cervical cancer screening services;
  - ✦ HIV, Hepatitis C, and opiate replacement therapy counseling, laboratory testing, and medical consultation;

# Public Health Services (continued)

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- ✦ Screening and immunization for Hepatitis A and Hepatitis B with DOH providing Hepatitis A and B vaccine;
  - ✦ Infectious disease rapid response for screening, contact investigations, and prophylaxis during outbreak control (including, but not limited to, tuberculosis, food-borne illness, and Methicillin-Resistant Staphylococcus Aureus (MRSA));
  - ✦ Education related to care and disease management for inmates with certain chronic diseases or conditions, including but not limited to cervical dysplasia, diabetes, asthma, hypertension, Hepatitis C, depression, and addictions;
  - ✦ Supervision of nursing/physician students receiving public health clinical training in the DADC.
- **Some of these services duplicate those in Corrections' healthcare contract**