

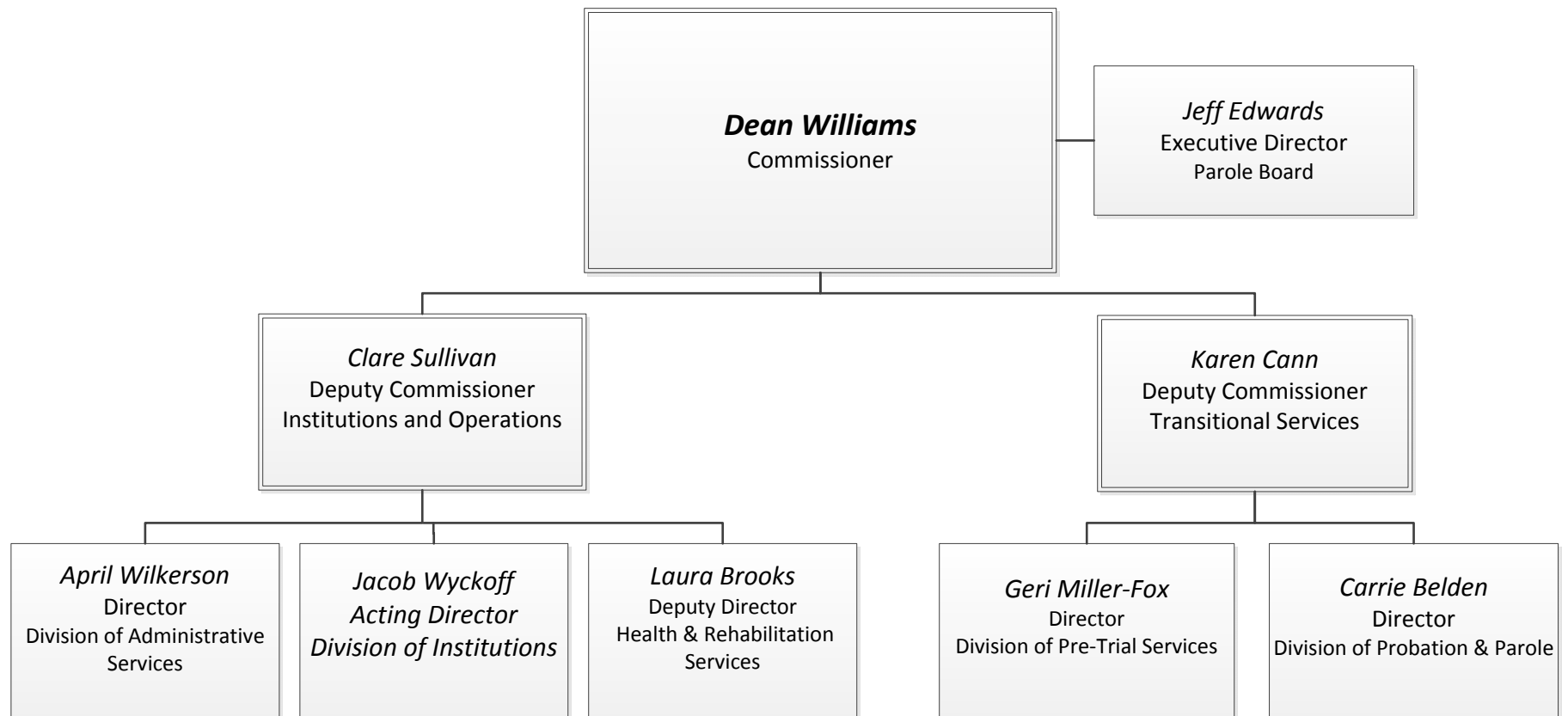
DEPARTMENT OF CORRECTIONS



**House Finance Sub Committee
January 30, 2018**

Organizational Structure

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DOC at a Glance

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- Alaska is one of six states in the nation that operates a unified correctional system (*Alaska, Connecticut, Delaware, Hawaii, Rhode Island, and Vermont*)
- In FY2017, DOC booked 29,481 offenders into its facilities
 - 17,565 were unique offenders
 - 2,271 were non-criminal Title 47 bookings
 - (a 19% decrease from last year)
- During FY2017 there was a daily average of 5,111 offenders in a prison, community residential center (CRC) or on electronic monitoring (EM)
- During FY2017 there was a daily average of 5,187 offenders on probation or parole

Division of Institutions

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Provide secure confinement and supervision of male and female, sentenced and unsentenced adult felons and misdemeanants that are committed to the care and custody of the Alaska Department of Corrections.

Division of Institutions Secure Confinement

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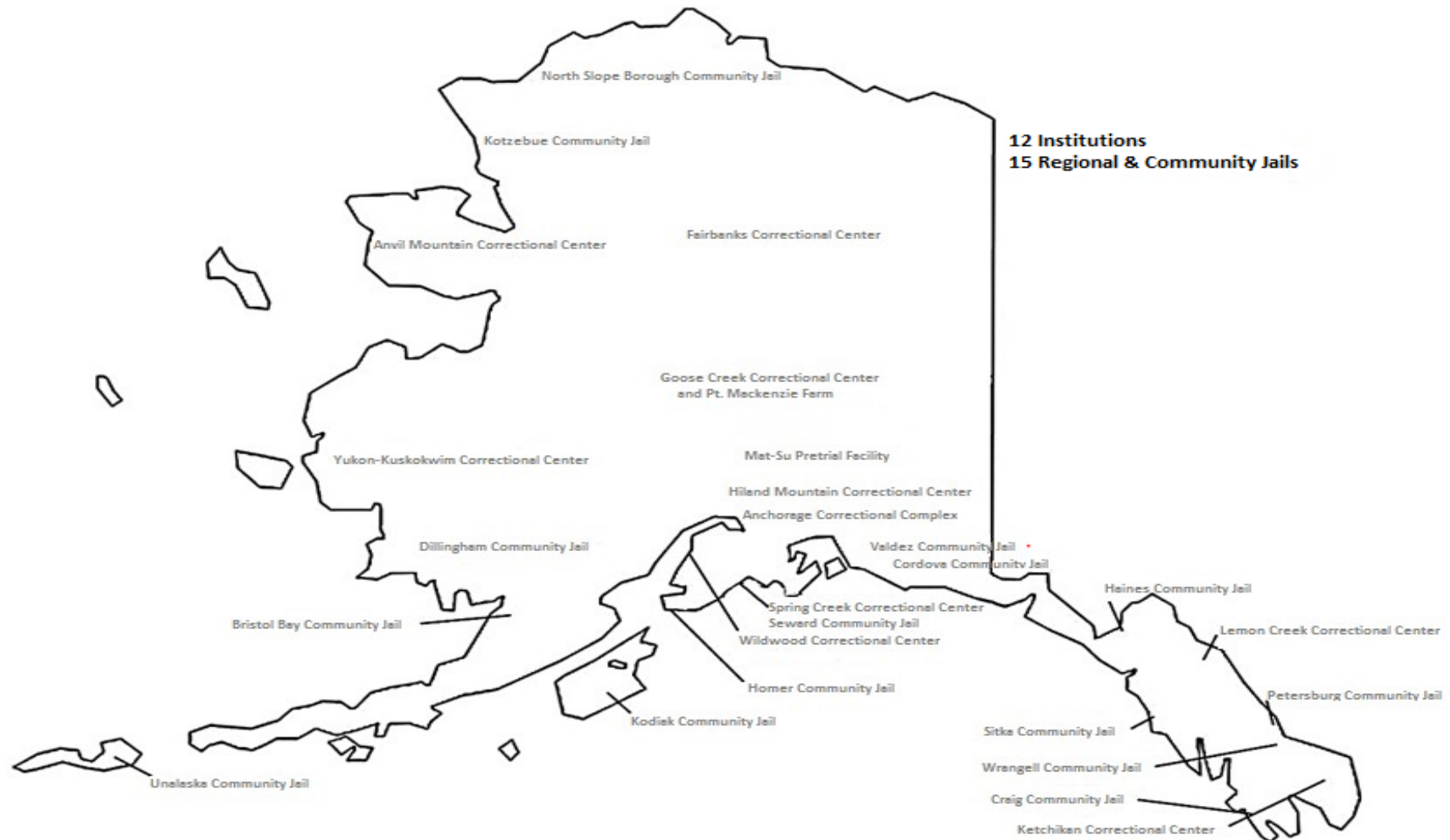
- Institution Director's Office
 - \$1,862.0 w/9 PFTs
- Classification & Furlough
 - \$1,094.9 w/9 PFTs
- Inmate Transportation/Point of Arrest
 - \$3,714.8 w/14 PFTs
- 12 Prison Institutions
 - \$193,816.7 w/1,323 PFTs
- 6 Community Residential Centers
 - \$16,812.4
- 15 Regional and Community Jails
 - \$7,000.0
- Education and Vocational Programs
 - \$1,556.9 w/3 PFTs

<i>TOTAL</i>	<i>\$ 225,857.7</i>
UGF	\$ 199,394.8
DGF	\$ 5,852.5
Other	\$ 13,179.3
Federal	\$ 7,431.1

<i>Budgeted Positions</i>	<i>1,354</i>
PFT	1,358
PPT	0
Non Perm	0

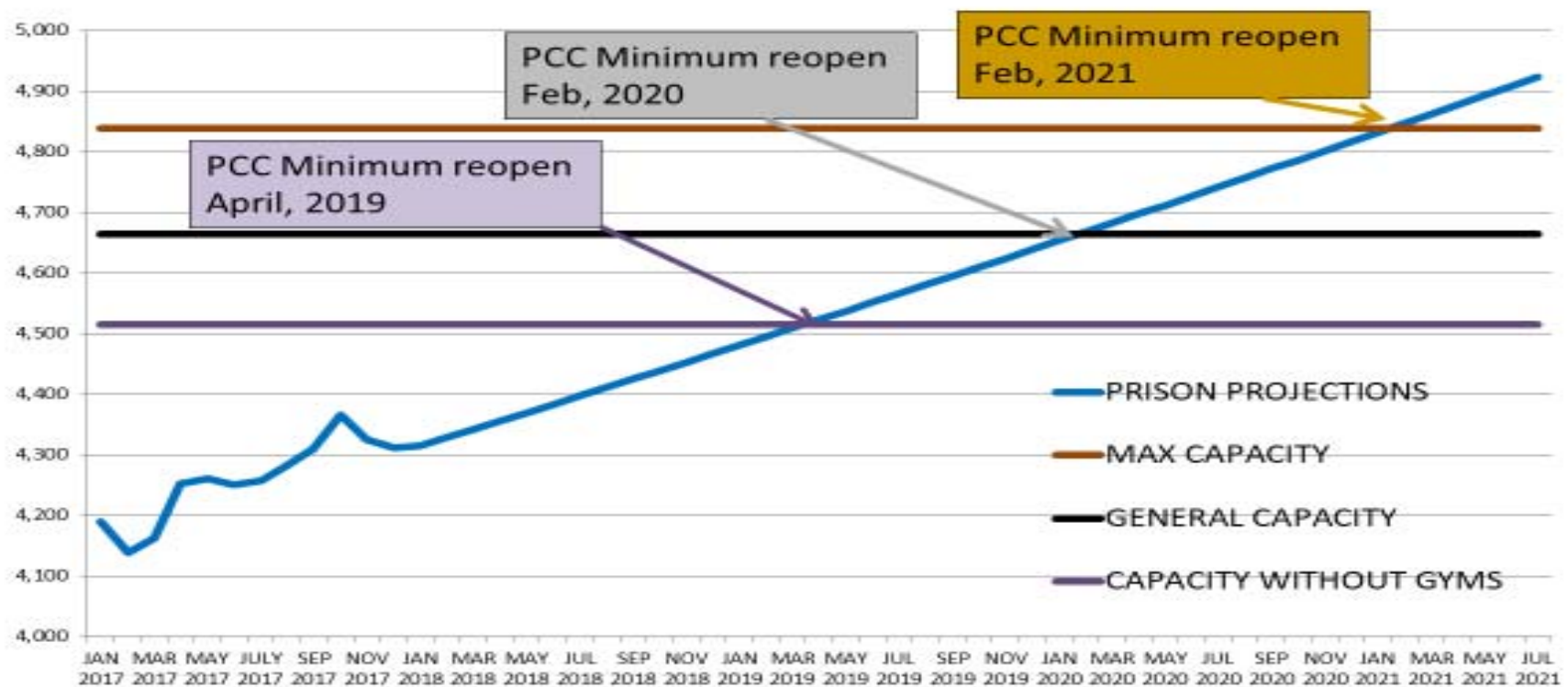
Division of Institutions

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Prison Population Projections

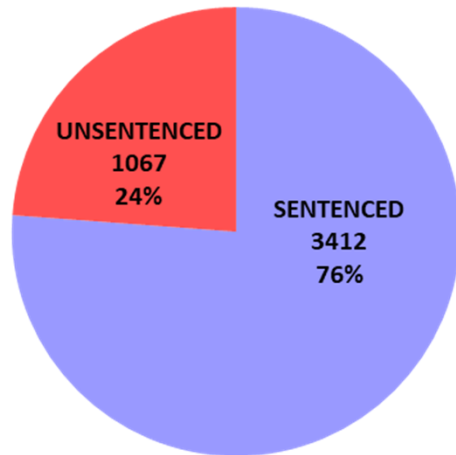
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Prison Population Trends

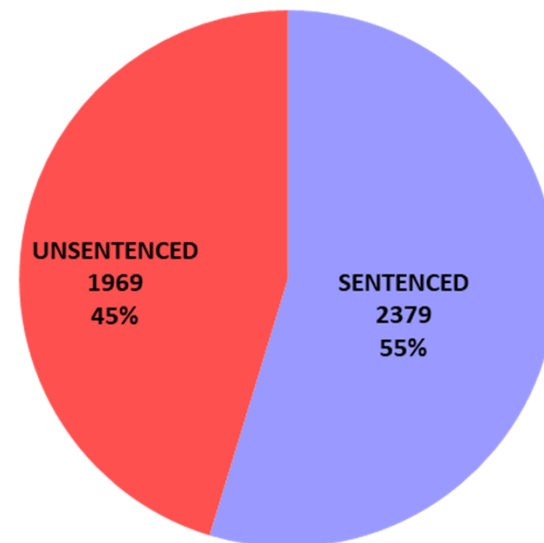
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PRISON POPULATION BY LEGAL STATUS: JULY 2008

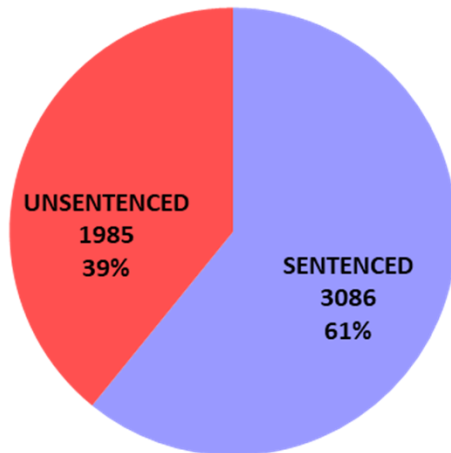


The number and percent of unsentenced offenders has been increasing over the last several years increasing from 24% of the prison population in 2008 to 45% of the prison population in 2018. While the sentenced population has been steadily decreased. This change has had a downstream impact on DOC resulting in fewer sentenced inmates for CRC placement.

PRISON POPULATION BY LEGAL STATUS: JAN. 2018



PRISON POPULATION BY LEGAL STATUS: JULY 2014



Prison Population 6-Month Trend

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- Over the last six months, the overall prison population has increased nearly 2% (1.95%).
- Over the same time period, the sentenced population has decreased slightly more than 2% (2.10%).
- Meanwhile, the unsentenced population has increased nearly 7% (6.86%).

LEGAL STATUS	JUL 2017	AUG 2017	SEP 2017	OCT 2017	NOV 2017	DEC 2017	JAN 2018	PERCENT CHANGE SINCE JULY, 2017
TOTAL	4263	4324	4278	4412	4362	4361	4348	1.95%
SENTENCED	2429	2441	2456	2463	2472	2441	2379	-2.10%
UNSENTENCED	1834	1883	1822	1949	1890	1920	1969	6.86%

Prison Population by Offense Class

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- Since January, 2014 – the prison population has dropped by nearly 800 (773) inmates.
- The biggest drop occurred in the count of Probation and Parole violators falling by over half.
- However, crimes against a person saw an increase with sex offenders increasing over 12% and Person crimes increasing over 6%.

OFFENSE CLASS	JAN 2014	JUL 2017	JAN 2018	CHANGE SINCE 2014	PERCENT CHANGE SINCE 2014
ALCOHOL	275	161	158	-117	-74.05%
DRUGS	377	186	167	-210	-125.75%
OTHER	8	30	30	22	73.33%
PAROLE/PROBATION	1051	505	491	-560	-114.05%
PERSON	1395	1440	1485	90	6.06%
PROPERTY	578	515	586	8	1.37%
PUBLIC ORDER/ADMINISTRATION	580	490	489	-91	-18.61%
SEX OFFENSE (REG)	677	771	771	94	12.19%
TRANSPORTATION	122	83	77	-45	-58.44%
WEAPONS	58	82	94	36	38.30%
TOTAL	5121	4263	4348	-773	-17.78%

Prison Population by Offense Class: 6-Month

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- Since July, 2017 – the prison population has increased by 85 inmates.
- The biggest drop occurred in the count drug offenders falling nearly 12%.
- However, property crimes and crimes against a person saw the biggest count increase.

OFFENSE CLASS	JAN 2014	JUL 2017	JAN 2018	6-MONTH CHANGE	6-MONTH PERCENT CHANGE
ALCOHOL	275	161	158	-3	-1.90%
DRUGS	377	186	167	-19	-11.38%
OTHER	8	30	30	0	0.00%
PAROLE/PROBATION	1051	505	491	-14	-2.85%
PERSON	1395	1440	1485	45	3.03%
PROPERTY	578	515	586	71	12.12%
PUBLIC ORDER/ADMINISTRATION	580	490	489	-1	-0.20%
SEX OFFENSE (REG)	677	771	771	0	0.00%
TRANSPORTATION	122	83	77	-6	-7.79%
WEAPONS	58	82	94	12	12.77%
TOTAL	5121	4263	4348	85	1.95%

Division of Health & Rehabilitation Services

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Health & Rehabilitation Services (HARS) has a constitutional and statutory obligation under AS 33.30.011 to provide essential health care to offenders who are placed under the custody of the Alaska Department of Corrections.

Division of Health and Rehabilitation Services

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- Health & Rehabilitation Director's Office
 - \$885.1 w/7 PFTs
- Physical Health Care
 - \$40,575.9 w/143 PFTs
- Behavioral Health Care
 - \$8,285.8 w/52 PFTs
- Substance Abuse
 - \$5,573.4 w/2 PFTs
- Sex Offender Management Program
 - \$3,063.9 w/5 PFTs
- Domestic Violence
 - \$175.0

<i>TOTAL</i>	<i>\$ 58,559.1</i>
UGF	\$ 45,275.1
DGF	\$ 1,085.0
Other	\$ 12,134.0
Federal	\$ 65.0

<i>Budgeted Positions</i>	<i>209</i>
PFT	209
PPT	0
Non Perm	0

What DOC Pays For

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- All outpatient procedures and provider visits
(e.g., chemotherapy, day surgeries, colonoscopies, orthopedic visits, dialysis)
- All ER visits
- All ambulance transports
- All in-house services provided by DOC staff
(e.g., nursing care, pre-op, post-op, infirmary care, hospice, dental)
- In-house specialty services (e.g., physical therapy, optometry)
- All labs, CT scans, mammograms, ultrasounds, MRIs and x-rays
- All medications
- All medical equipment & supplies (e.g., bandages, wheelchairs, oxygen, CPAP machines)

What DOC Does Not Pay For

- Hospitalizations of 24 hours or more (if Medicaid eligible)
- Injuries covered by Worker's Compensation (CRC placements or work furloughs)
- CRC medical care (if offender applies for and is eligible for Medicaid)
- Outside medical care for someone with private insurance (if their coverage applies and they cooperate)

Inmate Patient Population

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Exceptionally Ill and Complex patients:

- 30% have Hepatitis C (compared to 1% of the general public).
- 25-30% have high blood pressure.
- 75% are overweight, obese or morbidly obese.
- 80% have a substance use disorder.
- Up to 75% of female prisoners report having been sexually victimized.
- 65% have a mental illness.
- 22% experience a severe and persistent mental illness.
- Prisons are impacted by the high number of inmates with dementia (1 in 10 over age 65) and other conditions related to the aging process.

In Poor Health Relative to the General Population

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- Compared to other Americans of the same age, prisoners are:
 - 31% more likely to have asthma;
 - Twice as likely to have high blood pressure;
 - More than twice as likely to use tobacco;
 - 55% more likely to have diabetes;
 - 90% more likely to have a heart attack;
 - Twice as likely to have a sexually transmitted disease;
 - 100%-300% more likely to have a serious mental illness;
 - 1200% more likely to have Hepatitis C.

The Need for Care is Unpredictable

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- Planning and budgeting for inmate health care is complicated by constant changes in the inmate population and their needs.
 - 29,481 bookings & 30,239 releases
 - 2,586 Title 47 Non-Criminal Holds
 - New diagnoses made in custody
 - Acute injuries and emergency room visits
 - Procedures not covered by Medicaid

	FY13	FY14	FY15	FY16	FY17
ER Visits	545	635	772	793	840

	FY13	FY14	FY15	FY16	FY17
Hospital	\$6,861,473	\$8,028,665	\$9,897,989	\$6,310,199	\$6,388,620
Out Patient Services	\$4,520,843	\$7,839,145	\$8,639,211	\$7,011,063	\$8,365,633
Total	\$11,392,316.	\$15,867,810	\$18,537,109	\$13,32,263	\$14,754,253

Catastrophic Health Care Cases

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• Chest wall Injury (altercation)	\$45,400	• Self-inflicted Sepsis (tattoo)	\$284,200
• Overdose	\$138,300	• Traumatic Cataract	\$38,000
• Surgical removal of heroin	\$18,000	• Degenerative discs	\$144,700
• Heart Failure	\$313,400	• Seizures	\$60,900
• Facial Cysts	\$85,000	• Testicular Cancer	\$126,700
• Neoplasm	\$32,200	• Tooth Extraction	\$17,250
• Neck Mass	\$34,100	• Fractured Jaw (altercation)	\$22,765
• ETOH Withdrawal	\$33,900	• Gunshot Wound	\$15,439
• Cancer	\$157,400	• Pacemaker	\$102,400
• Appendicitis	\$36,900	• Pneumonia	\$47,800
• Liver failure/Coma	\$30,000	• Chest Pain	\$86,000
• Dialysis (one case)	\$576,500	• Retinal Detachment	\$33,300
• Ectopic Pregnancy	\$32,100	• Collapsed lung	\$102,700
• Hand injury (altercation)	\$26,800	• Gallbladder Removal	\$37,100
• Lung Abscess	\$132,700	• Eye Laceration (kitchen)	\$16,200
• Orbital Fracture (altercation)	\$18,300	• Brain Mass	\$230,700
• Hip infection	\$87,900	• Stroke	\$54,300

Year to Year Changes

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Pregnancy	FY13	FY14	FY15	FY16	FY17
Deliveries	10	14	11	6	5
Prenatal Care	63	91	87	65	55
Prenatal & Delivery Costs	\$199,676	\$ 426,528	\$263,357	\$151,882	\$36,843

Cancer	FY13	FY14	FY15	FY16	FY17
Inmates DX w/Cancer	24	20	22	21	19
Cancer Tx Costs	\$561,304	\$659,746	\$1,370,736	\$611,0181	\$796,623

Medical Services	FY13	FY14	FY15	FY16	FY17
Hospital	\$6,861,473	\$8,028,665	\$9,897,989	\$6,310,199	\$6,388,620
Fee for Services	\$4,520,843	\$7,839,145	\$8,639,211	\$7,011,063	\$8,365,633
Total	\$11,392,316.	\$15,867,810	\$18,537,109	\$13,32,263	\$14,754,253

15 Most Expensive Treatment Categories

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Service	Description	FY17
Nephrology	Kidney disease/renal failure, dialysis	\$3,734,815.09
ER Visits	Visit only, does not include transport	\$3,104,856.59
Cardiology	Coronary artery disease, heart failure, pacemakers	\$1,266,641.10
Orthopedic	Musculoskeletal trauma--hand, back, legs, knees	\$1,155,351.11
Oncology	Cancer	\$1,027,775.37
Radiology	X-rays, ultrasounds, CTs, MRIs	\$900,050.34
Surgery	Day surgeries, day surgery + observation	\$586,221.81
Gastroenterology	Colonoscopies, anemia, Crohn's disease	\$454,121.44
Laboratory Service	Lab draws, readings	\$392,270.63
Ambulance Services	ER Transport--Ground & Air	\$372,621.83
Optical Services	Orbital fractures, cataracts, glaucoma	\$370,056.99
Hospitalization	Medicaid-ineligible, rehab hospitals	\$367,848.39
Urology	UTIs, kidney stones, prostate cancer	\$341,538.39
Otolaryngology	ENT, disorders of the head & neck, facial fractures	\$338,156.95
OB/GYN Services	Pregnancy, Labor & Delivery	\$167,655.22

The High Cost of Dialysis

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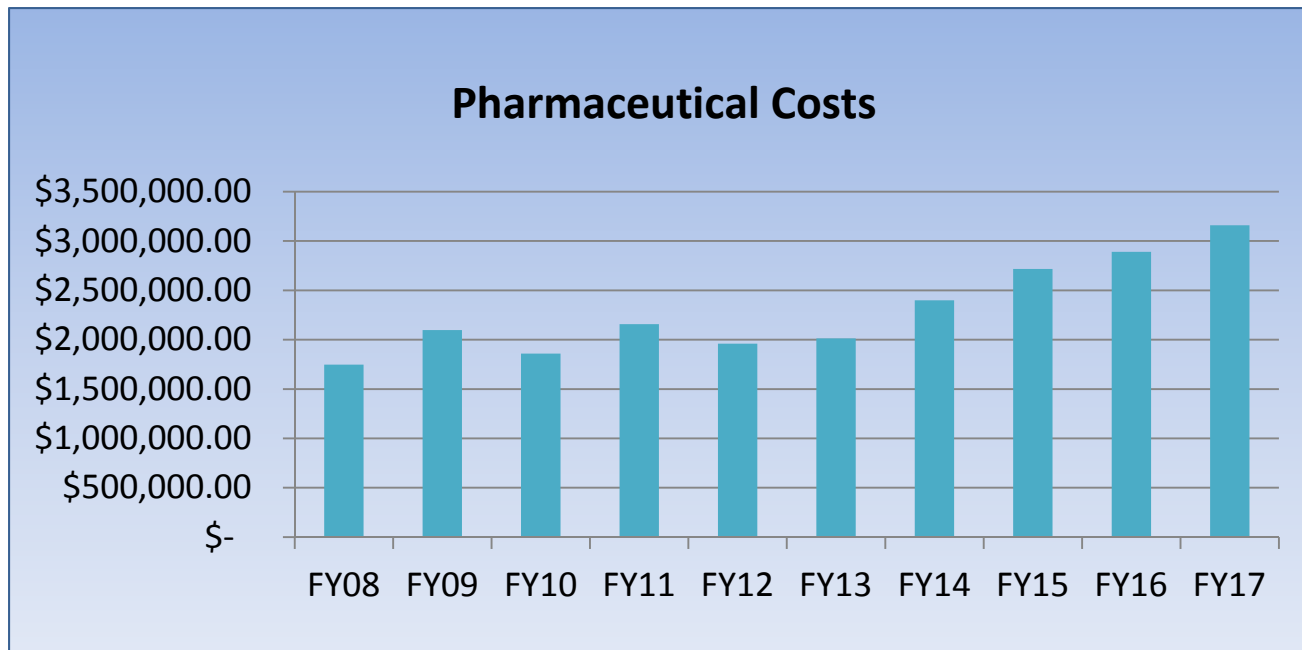
Dialysis FY17	
# of Patients Treated	7
# of Dialysis Patients Still in Custody	6
Years Remaining in Custody	1-102 years
Monthly Average Per Patient	\$51,613.71
Cost to Date	\$3,050,107.91

Dialysis YTD FY18	
# of Patients Treated	8
# of Dialysis Patients Still in Custody	6 residing in AK; 2 out of state
Years Remaining in Custody	10 months – 101 years
Monthly Average Per Patient	\$42,596.27
Cost to Date	\$3,384,047.65

Pharmaceutical Costs Continue to Rise

21

- 57% increase in medication costs in the last five years
 - 81% increase over the past 10 years
- Despite a 12% decrease in the number of prescriptions filled in FY17, DOC still saw nearly a 10% increase in cost



Medical Advancements Come at a Price

22

- New treatments for curing Hepatitis C
 - 30% of our population are positive for HCV
 - Prioritize patients for treatment based on level of disease progression
 - \$27,000 per patient
 - Expect to treat 15-20 HCV patients in FY18
 - In FY18 the number could be as high as 200 (\$5.4 million)
- Other high cost medical procedures on the horizon
 - Bariatric surgery
 - Organ transplants
 - Sex reassignment surgery

Cost Containment Efforts

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- Utilization Review Committee
- Telehealth
- In-house infirmaries
- Expanding in-house services
- Heart-healthy focused diet, with efforts to fully convert to the American Heart Association Heart Healthy Diet
- Early identification & release of high cost cases
- Out of state transfers for sentenced chronic needs prisoners
- Aggressive contract negotiations (10-55%)
- Medicaid coverage

Medicaid Coverage for Hospitalized Inmates

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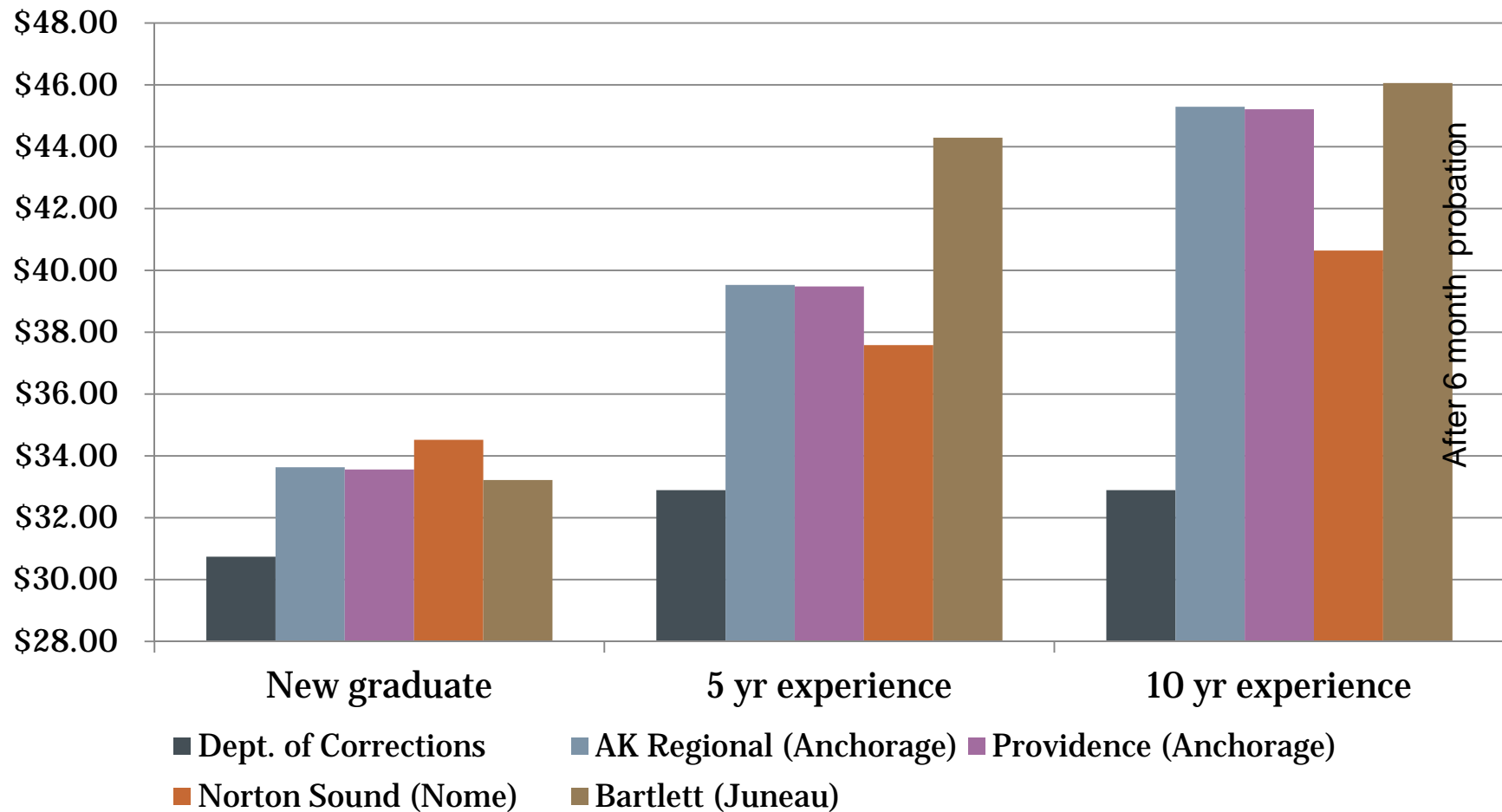
FY16 Post-Expansion	
Approved	125
Ineligible	8
Incapacitated	9
Refused	5
Total Hospitalizations	147

FY17	
Approved	160
Ineligible	17
Incapacitated	0
Refused	1
Total Hospitalizations	178

YTD FY18	
Approved	74
Ineligible	9
Incapacitated	0
Refused	2
Total Hospitalizations	85

Disparity In Registered Nurse Salaries

25



Recruitment and Retention Efforts

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- Built a pool of non-perm nurses and health practitioners to help cover vacancies statewide.
- Offering hiring bonuses & move stipends
- Providing retention incentives
- One-step salary bumps
- Payment for CMEs
- Student loan reimbursement
- Training sites for students

Corrections Comparison

FY2018 Management Plan to FY2019 Governor's Request

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FY2018 Management Plan:

	<u>UGF</u>	<u>DGF</u>	<u>Other</u>	<u>Federal</u>	<u>Total</u>
Secure Confinement	197,258.6	2,596.6	24,716.1	7,571.0	232,142.3
Supervised Release	48,973.4	4,905.0	96.5	50.0	54,024.9
Reformative Programs	20,776.0	1,000.0	1,310.8	65.0	23,151.8
FY2018 Management Plan Total	267,008.0	8,501.6	26,123.4	7,686.0	309,319.0
Add Authority to Meet Operational Needs within the Institutions	10,447.6				10,447.6
Add Authority Due to Increased Health Care Costs	10,341.5				10,341.5
Annual Maintenance & Repair	1,000.0				1,000.0
Fund Change PFD/UGF	124.0		(124.0)		-
MH TrustRecommend - APIC Model			260.0		260.0
MH TrustRecommend - Grant 3507 Research Analyst			101.9		101.9
MH TrustRecommend - Reverse OTI Funding			(387.9)		(387.9)
MH TrustRecommend - Staff Training			25.0		25.0
Federal Pass-thru - Remove OTI Authority			(292.4)		(292.4)
Health Insurance (GGU) Increase	247.4	5.6	29.9	9.9	292.8
Total	22,160.5	5.6	(387.5)	9.9	21,788.5

FY2019 Governor's Request:

	<u>UGF</u>	<u>DGF</u>	<u>Other</u>	<u>Federal</u>	<u>Total</u>	<u>Total Changes</u>
Secure Confinement	219,288.1	2,598.4	24,522.5	7,580.9	253,989.9	21,847.6
Supervised Release	49,076.2	4,908.8	(0.9)	50.0	54,034.1	9.2
Reformative Programs	20,804.2	1,000.0	1,214.3	65.0	23,083.5	(68.3)
FY2019 Governor's Request Total	289,168.5	8,507.2	25,735.9	7,695.9	331,107.5	21,788.5

% change from FY2018 Management Plan to FY2019 Governor's Request UGF Only is 8.3 %

Department of Corrections

Increased Operational Needs

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\$10,447.6 UGF for Division of Institutions

Provides funding to maintain safe institutional operations for the incarcerated population and meet the costs associated with security and housing of offenders.

\$ 1,000.0 UGF for Facilities CIP for Annual Maintenance, Repair and Equipment Replacement

Annual maintenance, repair or replacement of electrical, mechanical, roofing, walls, fire and life safety, security, structural, food services, pavement and site drainage systems at all correctional facilities.

\$10,447.6 UGF for Division of Health & Rehabilitation / Physical Health Care

Provides funding to meet the offender medical services such as: fees-for-service outside medical care not covered by Medicaid, laboratory costs, pharmaceutical and medical supplies, increased contractual obligations and personal service cost overages due to overtime, non-perm or on-call medical coverage.

END

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