



House Finance Subcommittee Overview
Division of Health & Rehabilitation Services
February 14, 2017

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

AS 33.30.011

Federal code dictates that Indian Health Services & Veterans Administration be payers of last resort

42 CFR 435.1009

(FFP = Federal Financial Participation)

§435.1009 Institutionalized individuals.

(a) FFP is not available in expenditures for services provided to—

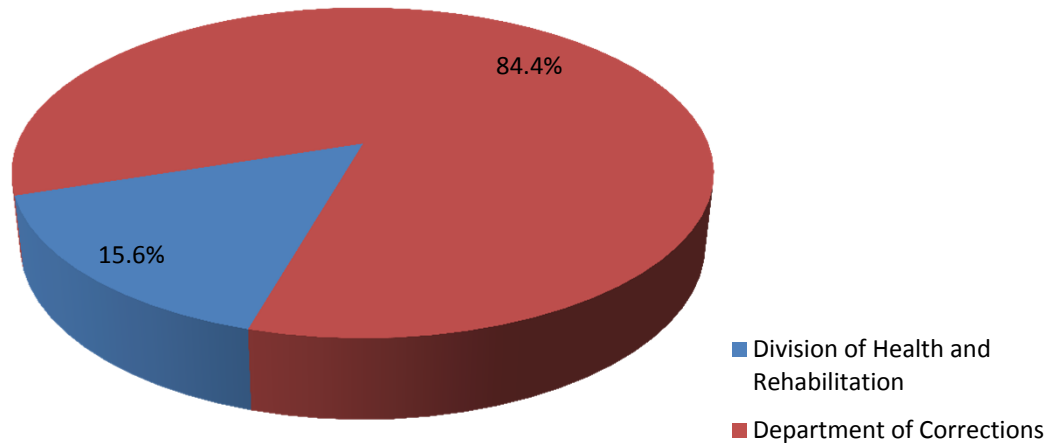
(1) Individuals who are inmates of public institutions as defined in §435.1010.

§435.1010 Definitions relating to institutional status.

(3) Correctional or holding facilities for individuals who are prisoners, have been arrested or detained pending disposition of charges, or are held under court order as material witnesses or juveniles.

Division of Health & Rehabilitation Services

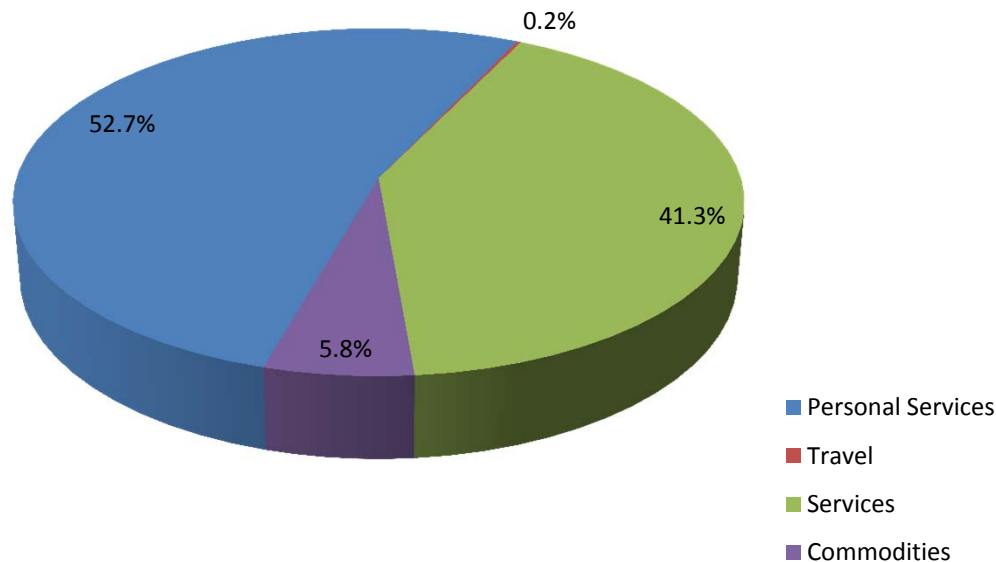
Health and Rehabilitation is 15.6% of the DOC total budget of \$309,026.6



<i>TOTAL</i>	<i>\$48,140.6</i>
UGF	\$26,055.9
DGF	\$1,085.0
Other	\$ 20,934.7
Federal	\$ 65.0

Division of Health & Rehabilitation Services

Health and Rehabilitation Budget by Line Item



<i>TOTAL</i>	<i>\$ 48,140.6</i>
Personal Services	\$ 25,346.4
Travel	\$ 90.3
Services	\$ 19,905.4
Commodities	\$ 2,798.5

Division of Health & Rehabilitation Services

**Health and Rehabilitation
\$48,140.6 w/ 209 PFTs**

**HARS Arranges for and
Administers Statewide
Essential Health Care to
Inmates**

- *Indispensable care to prevent the progression of disease or the deterioration of health.*

<i>TOTAL</i>	<i>\$48,140.6</i>
UGF	\$26,055.9
DGF	\$1,085.0
Other	\$ 20,934.7
Federal	\$ 65.0

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

***By default, DOC is Alaska's
largest provider of:***

- ***Mental health services***
- ***Substance abuse treatment***
- ***Drug & alcohol detoxification services***

- HARS Staffing
 - 210 full-time staff
 - 48 professional service contracts

- Patient Load
 - 4,200 inmates in custody in 12 facilities across Alaska
 - 400 offenders housed in eight Community Residential Centers
 - 160 offenders in 15 contract jails

HARS Medical Staffing & Specialty Units

Anchorage Correctional Complex (863 inmate capacity)

On-site medical providers
24-hour nursing coverage
12-bed infirmary
Visiting dentist

Anvil Mountain Correctional Center (128 inmate capacity)

Contract medical provider
11 hour nursing coverage
Contract dentist

Fairbanks Correctional Center (259 inmate capacity)

On-site medical provider
24-hour nursing coverage
Contract dentist

Goose Creek Correctional Center (1472 inmate capacity)

On-site medical provider
24-hour nursing coverage
16-bed Infirmary
On-site dentist

Hiland Mountain Correctional Center (404 inmate capacity)

On-site medical provider & mental health staff
24-hour nursing coverage
Visiting dentist

Ketchikan Correctional Center (58 inmate capacity)

Contract medical provider
11-hour nursing coverage

Lemon Creek Correctional Center (232 inmate capacity)

Contract medical provider
20-hour nursing coverage
Contract dentist

MatSu Pretrial Facility (102 inmate capacity)

On-site medical provider
22-hour nursing coverage
Visiting dentist

Spring Creek Correctional Center (551 inmate capacity)

On-site medical provider
20-hour nursing coverage
Visiting dentist

Wildwood Pretrial/Correctional Center (441 inmate capacity)

On-site medical provider
23-hour nursing coverage
Visiting dentist

Yukon-Kuskokwim Correctional Center (200 inmate capacity)

Contract medical provider
11-hour nursing coverage

HARS Mental Health Staffing & Specialty Units

Anchorage Correctional Complex

- On-site psychiatrist
- On-site mental health clinicians
- 28-bed acute psychiatric unit
- 36-bed subacute psychiatric unit

Anvil Mountain Correctional Center

- Contract mental health clinician
- Telepsychiatry

Fairbanks Correctional Center

- On-site mental health clinician
- On-site psychiatrist

Goose Creek Correctional Center

- On-site mental health clinicians
- Telepsychiatry
- 128-bed subacute psychiatric unit

Hiland Mountain Correctional Center

- On-site psychiatrist
- On-site mental health clinicians
- 18-bed acute psychiatric unit
- 40-bed subacute psychiatric unit

Ketchikan Correctional Center

- Contract mental health clinician
- Telepsychiatry

Lemon Creek Correctional Center

- On-site mental health clinician
- Telepsychiatry

MatSu Pretrial Facility

- On-site psychiatric provider (weekly)
- On-site mental health clinicians
- Telepsychiatry support

Spring Creek Correctional Center

- On-site mental health clinicians
- 48-bed subacute psychiatric unit
- 7-bed mental health transition cells
- Telepsychiatry

Wildwood Pretrial/Correctional Center

- On-site mental health clinicians
- Telepsychiatry

Yukon-Kuskokwim Correctional Center

- Telepsychiatry

Staffing Correctional Health Systems is Challenging

- The national nursing shortage has significantly affected Alaska's already limited medical workforce.
- Of 25 current HARS vacancies, 18 are nursing positions.
- Correctional nursing is a challenging specialty in which nurses provide compassionate care within a secure setting to a high risk population.
- Nursing turnover is highest at DOC's busiest facilities.
- Correctional nurses currently earn approximately \$10 less per hour than local hospital nurses. Further, Correctional nurse salaries are less than Public Health nurses in Alaska.
- DOC Health Practitioner positions (PAs, ANPs) can be vacant for months.
- Health Practitioner salaries may be as much as \$20,000 less than in the community.

Recruitment & Retention Efforts

- Built a pool of non-perm nurses and health practitioners to help cover vacancies statewide.
- Hiring bonuses
- Retention incentives
 - One-step salary bumps
 - Payment for CMEs
 - Student loan reimbursement
 - In-house trainings with CME option
- Improving orientation process
- Inter-Department Resource Sharing
 - Pharmacist Relief Services
- MOAs to provide training sites for medical students
 - UAA School of Nursing (LPNs, RNs, ANPs)
 - WWAMI (Psychiatry residents)
 - UW (Physicians Assistants)
- Masters level practicum sites for psychology & social work students

In-Custody Care

- Initial Health Screens
 - Assesses current status
 - Cleared to enter a facility
 - Identify medical/mental health needs
 - Substance use screening
 - Suicide assessment
 - Mental status screening
 - TB screening
 - Vital Signs
 - Review prescriptions
 - Gather medical history & records
 - Attend to acute needs
- Accessing Care
 - Written or verbal requests
 - Self-referred, staff, family
 - Nurses triage requests
 - Emergencies
- Ambulatory Care
 - Nurse Sick Call
 - Provider Sick Call
 - Medical Infirmaries
 - Outside Specialty Referrals
 - Mental Health Units

Assisting Offenders Upon Release

- Medications
- Specialty services
 - Medical Social Worker
- Medicaid
- Medication Assisted Treatment
- Mental Health Release Programs
 - Institutional Discharge Project Plus (IDP+)
 - Assess Plan Identify Coordinate (APIC)
 - Mental Health Discharge Planner

Two Questions Must Be Asked when Addressing Inmate Health Care

Why are costs rising?
What are we doing about it?

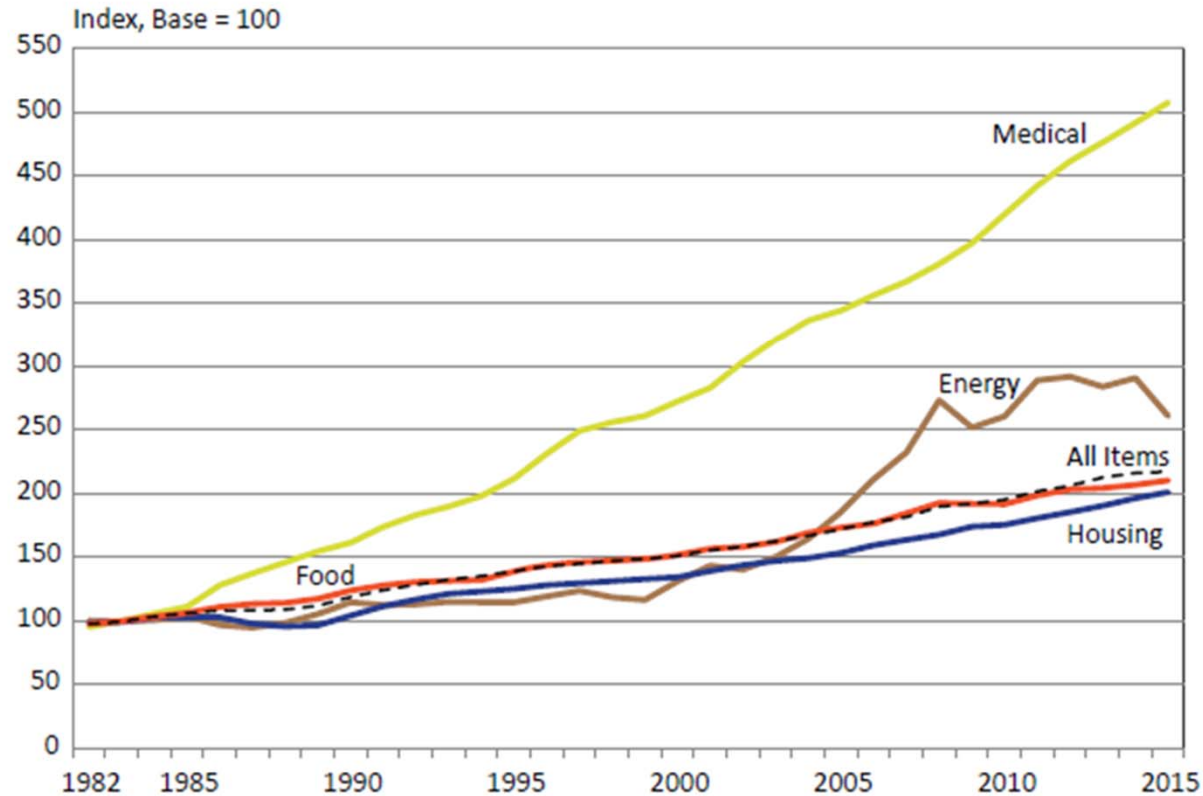
The Cost of Care is Rising

Since 2000, medical care costs in Anchorage have increased by 81.5%, compared to 68% nationwide

(Alaska Economic Trends)

Medical Care On a Long, Steep Climb

ANCHORAGE CPI, 1982 TO 2015



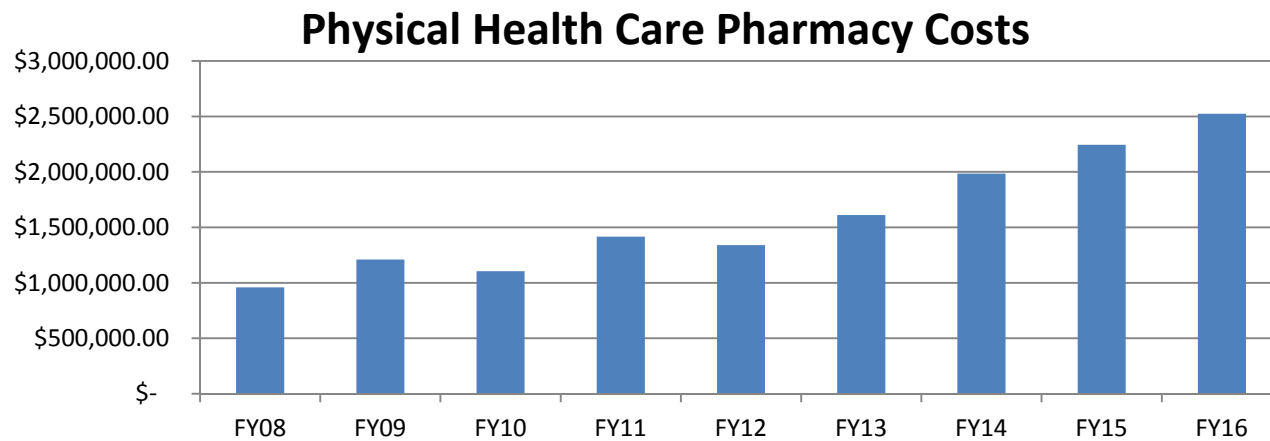
Source: U.S. Department of Labor, Bureau of Labor Statistics

Medical Advancements Come at a Price

- New medications for Hepatitis C (HCV)
- 20-30% of our population on any given day is positive for HCV (1000-1500 inmates)
- \$72,000 per cure
- FY16 HARS treated 3 HCV patients -> \$236,345
- **FY17 we expect to treat 12-15 patients at a projected cost of \$650,000 – \$1,100,000**

Pharmaceutical Costs Continue to Rise

- 88% increase in medication costs in the last 5 years
- 163% increase since 2008
- 20% increase projected from FY16 to FY17



Prescriptions Filled Annually

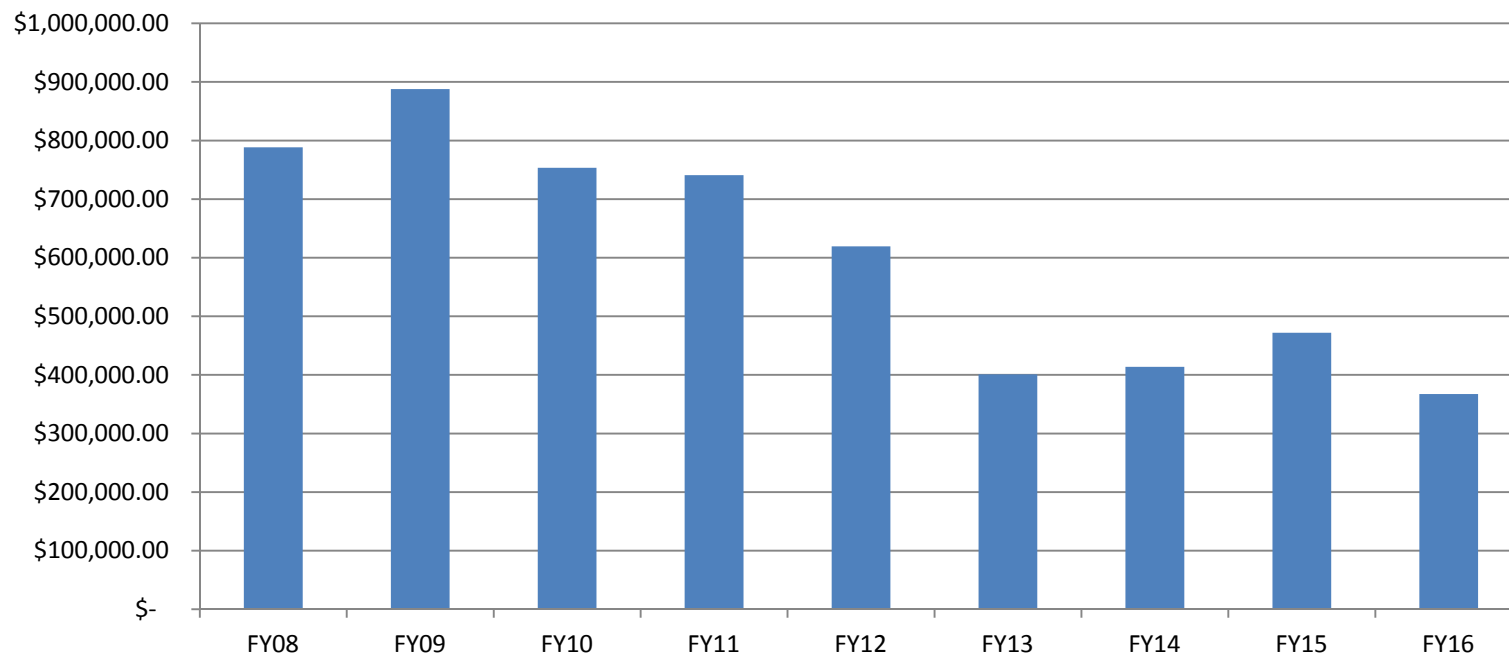
FY	Total	% Change
FY11	59,889	
FY12	57,736	-3.59%
FY13	66,444	15.08%
FY14	84,204	26.73%
FY15	86,590	2.83%
FY16	86,653	0.07%
FY17ytd	46,652	

The ten most expensive medications account for half of all money spent on pharmaceuticals.

10 Most Expensive Medications	Treatment Use	FY17 Expenditures
Harvoni	Hepatitis C	\$ 154,130.76
Humira	Rheumatoid Arthritis	\$ 116,658.42
Advair	Asthma, COPD	\$ 61,373.12
Promacta	Anemia	\$ 60,452.82
Lantus	Diabetes	\$ 54,404.50
Epclusa	Hepatitis C	\$ 49,291.76
Xtandi	Prostate Cancer	\$ 49,192.55
Renagel/Renvela	Kidney Disease	\$ 45,968.89
Triumeq	HIV	\$ 44,530.31
Truvada	HIV	\$ 42,864.30
YTD Total:		\$ 678,867.43

Psychotropic Medication Costs

Mental health contacts have increased by 61% since 2008.
The cost of psychotropic medications has decreased by 59%.



Geography Plays a Role in Higher Health Care Costs

- The remote locations of most of our facilities drives up many basic costs.
 - Salaries for employees and contractors
 - Transportation to and from specialty care
 - Emergent care
- Cost rises exponentially in rural settings where tribal facilities set fees in the absence of competition.
 - 200-300% higher for hospital, specialty & lab services

The Need for Care is Unpredictable

- Planning and budgeting for inmate health care is complicated by constant changes in the inmate population.
 - 33,497 bookings & 26,473 releases
 - Acute needs of new remands
 - New diagnoses
 - Medical breakthroughs
 - Advanced technology
 - Acute injuries
 - 362 inmates transported to the ER in FY16

Year to Year Changes

Pregnancy	FY13	FY14	FY15	FY16	FY17 YTD
Deliveries	10	14	11	6	3
Prenatal Care	63	91	87	65	20
Prenatal & Delivery Costs	\$199,676	\$ 426,528	\$263,357	\$151,882	\$36,843

Cancer	FY13	FY14	FY15	FY16	FY17 YTD
Inmates DX w/Cancer	24	20	22	21	13
Cancer Tx Costs	\$561,304	\$659,746	\$1,370,736	\$611,0181	\$556,974

Medical Services	FY13	FY14	FY15	FY16	FY17 YTD
Hospital	\$6,423,197	\$8,021,378	\$9,823,056	\$4,838,751	\$2,434,742
Fee for Services	\$4,351,971	\$7,846,431	\$8,639,350	\$8,393,875	\$3,405,416
Total	\$10,775,169.	\$15,867,809	\$18,462,407	\$13,232,590	\$5,840,159

Aggressive Hospital Contract Negotiations

- Anchorage – tiered discount (45%, 50%, 55%)
- MatSu Valley – tiered discount (40%, 45%)
- Seward – 10%
- Kenai Peninsula – 15%
- St. Elias Extended Care – Medicaid Rate

Additional Contract Negotiations

- 50% discount with dialysis clinics
- Redesigned substance abuse contracts
 - Ensure vendors are required to work full time equivalent hours to receive full payment
 - Decreased the allowable overhead costs
- Combined services contracts to reduce overall contract costs
- Renegotiated contract costs of three sex offender treatment providers

Medicaid Coverage for Hospitalized Inmates

- Seeking Medicaid payment for hospitalized inmates who meet criteria
- Providing assistance for inmates to apply pre-release
- As of 10/2016, CRC offenders may access medical services via Medicaid

Medicaid Coverage for Hospitalized Inmates

FY16 Post-Expansion	
Approved	125
Ineligible	8
Incapacitated	9
Refused	5
Total Hospitalizations	147
Hospital days covered by Medicaid	812

FY17 YTD	
Approved	90
Ineligible	10
Incapacitated	0
Refused	1
Eligibility Decision Pending	2
Application in Process	3
Total Hospitalizations	106
Hospital days covered by Medicaid	334

FY	Inpatient Stays	Total Billed to Medicaid	Total Paid by Medicaid
FY16	73	\$5,621,470.48	\$1,128,954.88
FY17YTD	57	\$2,760,551.04	\$772,251.39
Total	130	\$8,382,021.52	\$1,901,206.27

15 Most Expensive Treatment Categories

Service	Description	FY17 thru 12/31/16
Nephrology	Kidney disease/renal failure, dialysis, autoimmune disease	\$1,294,386
Emergency Room Visit	Visit only, does not include transport	\$1,101,661
Orthopedic	Musculoskeletal trauma--hand, back, legs, knees	\$558,769
Oncology	Cancer	\$479,590
Cardiology	Coronary artery disease, heart failure, pacemakers, stress tests	\$467,505
Radiology	X-rays, ultrasounds, CTs, MRIs	\$369,093
Surgery	Day surgeries, day surgery + observation	\$349,634
Gastroenterology	Colonoscopies, anemia, Crohn's disease	\$182,368
Optical Services	Orbital fractures, cataracts, glaucoma	\$170,039
Hospitalization	Medicaid-ineligible, rehab hospitals	\$168,007
Laboratory Service	Lab draws, readings	\$134,699
Otolaryngology	ENT, disorders of the head & neck, facial fractures	\$88,297
Ambulance Services	ER transport	\$79,038
Pulmonary	Asthma, COPD, sleep studies/CPAP machines	\$73,469
Urology	UTIs, kidney stones, prostate cancer	\$71,213

The High Cost of Dialysis

Dialysis FY17	
# of Patients Treated	7
# of Dialysis Patients Still in Custody	6
Years Remaining in Custody	1-102
Monthly Average Per Patient	\$48,097.44
Cost to Date	\$1,527,157.82
Projected Cost for FY17	\$3,054,315.64

Focusing on Preventive Care

- Nursing & provider education
- Offender education
- Exercise programs
- Expanding mental health services
- Dietary changes
- Healthy choices on commissary
- HIV/STD/pregnancy screening & education
- Vitamin D
- Following US Preventive Health Service Task Force recommendations
- Assist in securing benefits prior to release

Seeking More Ways to Provide Cost-Effective Care

- Providing services in-house whenever possible
 - Currently—ENT, mobile x-rays, physical therapy
 - Future—in-house dialysis, sleep studies & bedside ultrasounds
- Letter of Agreements (LOA) with community agencies to provide on-site care
- Increased consultation with outside medical providers prior to inmate appointments
- Distance Consultation agreement orthopedic specialist
- Established Provider Agreements
- In-house infirmaries

Medical infirmary units at the Anchorage Complex and Goose Creek Correctional Center allow us to take on more complex needs patients at lower cost.

Bed Location	Daily Bed Rate
General Population	\$149.62
ACC Infirmary	\$418.55
GCCC Infirmary	\$352.81
Anch Contract Hospital	\$1,419.55
Mat-Su Contract Hospital	\$1,847.47
Extended Care Facility	\$3,253.93

Inmates are in Poor Health Relative to the General Population

- 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 and
 - 1200% more likely to have Hepatitis C

Inmates Represent an Exceptionally Ill and Complex Patient Population

- 20-30% of our population has HCV (compared to 1% of the general public).
- 40% of prisoners report having a chronic medical condition.
- 25-30% of inmates have high blood pressure.
- 60% of jail inmates are overweight, obese or morbidly obese.
- 75% of prison inmates are overweight, obese or morbidly obese.
- 80% of the offender population has a substance abuse disorder.
- 65-75% of female prisoners at Highland Mountain Correctional Center report having been sexually victimized.
- 65% of the inmate population has a mental illness.
- 22% experience a severe and persistent mental illness.

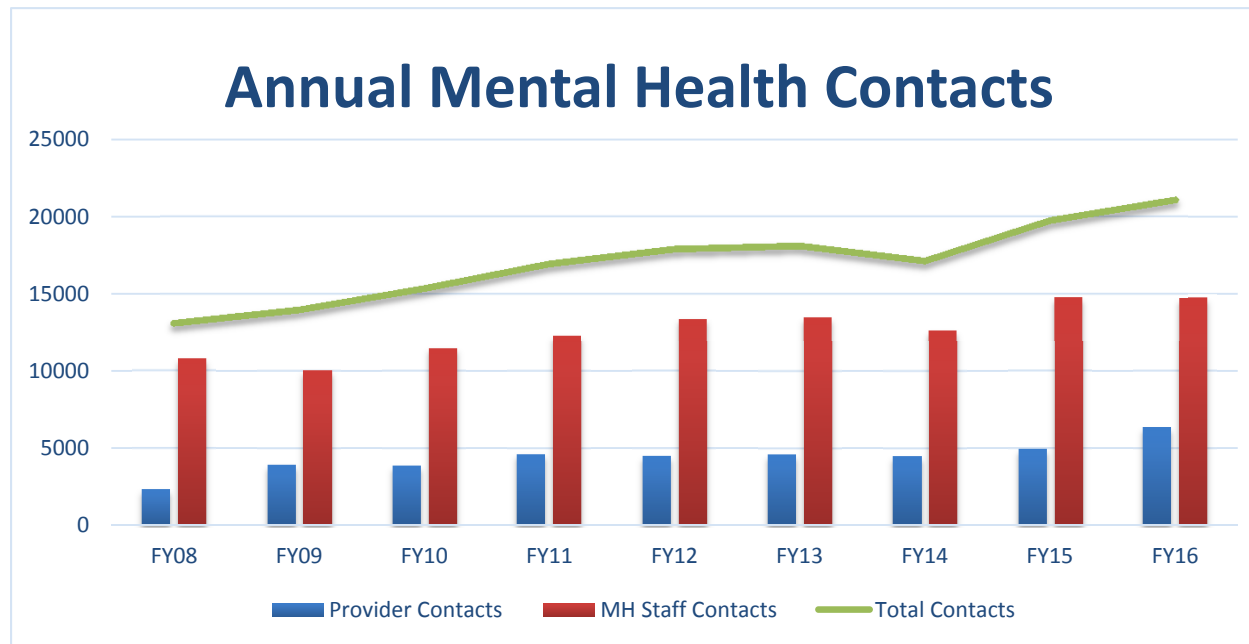
An Aging Inmate Population with Greater Medical Needs

- Prisoners aged 50+ represent the fastest-growing population in prisons.
- Studies have found the average 50-year old prisoner's body has deteriorated more rapidly than that of the average 50-year-old non-convict.
- Physical & psychological hardships of prison life tend to compound preexisting conditions.

Offenders 65+		
Time Remaining	Count	Percent
Greater than 10 years	49	44.95
Less than 10 years	46	42.2
Unsentenced	14	12.84
Total	109	100

Mental Health Needs Continue to Stress the System

- Mental health staff have 1,800 contacts with offenders each month.
- Mental health contacts have increased by 61% in the past 9 years.



Catastrophic Health Care Cases

• 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

High Cost Care Case Management

- Medical Social Work
 - Early identification & release
 - EM, CRCs, medical parole, bail reductions, court orders, short-term furloughs
 - Tracks hospitalizations, high-cost cases
 - Specialty case management & release planning
- In-house infirmaries
- Outside medical service requests screened by committee
- Developed clinical care guidelines
- Instituted Medical Operating Procedures

Quality Assurance & Utilization Review

- Continuous review of pharmacy costs
- Identification of alternative, less expensive medications to treat the same condition
- Increased data driven decisions to ensure services are allocated appropriately
- Electronic Health Care Record
 - Better tracking of the delivery of health care services
 - Increase staff efficiency
 - Reduce medical errors & service duplication
 - Improve utilization management
 - Reduce transportation costs
 - Expand telehealth options

Looking Forward

- Consider interstate compact options for long-term/high cost inmates.
- Review options for organ transplants for long-term/high cost inmates.
- Add Medical Social Workers to aid in management of high-cost cases.
- Expand evidence-based programming.
- Through the Electronic Health Records System, collect information that will allow for private pay insurance.

Looking Forward

- Develop screening process for high cost lab expenses.
- Promote HCV eradication programs to lower the burden and cost of HCV.
- Expand LOAs with local municipal groups and nonprofits to provide more in-house specialty services.
- Increase collaboration between sister agencies to reduce duplication of health care and public health services.
- Seek additional funding sources, for example, federal and private grants.

Questions?