

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CSHB 229(FIN)
 (H) Publish Date: 5/2/03

Revision Date/Time (Note if correction): 4/28/03 8:45am Dept. Affect: Department of Corrections
 Title: Parole for Medical/Cognitive Disability BRU: Administration & Operations
 Component: Inmate Health Care

Sponsor: _____
 Requester: _____ Component No. 705

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	(500.0)	(550.0)	(605.0)	(665.5)	(732.1)	(805.3)
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	(500.0)	(550.0)	(605.0)	(665.5)	(732.1)	(805.3)

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	(500.0)	(550.0)	(605.0)	(665.5)	(732.1)	(805.3)
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
Other (Specify Type--Do not abbreviate)	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	(500.0)	(550.0)	(605.0)	(665.5)	(732.1)	(805.3)

Estimate of any current year (FY2003) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

The annual average savings from passage of this legislation is calculated to be approximately \$500,000. The numbers of inmates who qualify for medical parole and their cost of care may vary greatly from year to year. The Governor's FY 04 budget contains a \$500,000 decrement to inmate medical care which assumes passage of this legislation.

Amounts are for informational purposes only.

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 Approved by: Portia C.K. Parker, Deputy Commissioner
 Agency: Department of Corrections

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 Date/Time 4/28/03 12:51 PM
 Date 4/28/2003

FISCAL NOTE #2

STATE OF ALASKA
2003 LEGISLATIVE SESSION

BILL NO. CSHB 229(FIN)

ANALYSIS CONTINUATION

Key assumptions underlying this analysis:

- Continued growth of critically ill inmates incarcerated by the Department of Corrections (DOC).
- Highest proportion of medical expenditures occurs in the last six weeks of life.
- Expertise exists whereby the DOC can identify with a high degree of medical certainty inmates at risk of death in 3-6 months, one year as a maximum projected survival time frame.
- A continued medical cost of living index increase approximating 10% per year (This comes from national projections and is not unique to Alaska). Projected savings for the first year must utilize this fact in calculating savings beyond the first year.
- Cost savings look only at the medical savings to the DOC and not the potential savings that may occur due to reduced security costs.
- Estimate utilizes actual costs to the DOC on selected patients who represent a cross-section of the type of inmate who would be eligible for medical parole.
- Projections are conservative and represent the most probable minimum savings to the DOC; actual future savings could be greater.

Projected Savings by increased flexibility in Medical Parole

Analysis utilizes actual costs (billings paid) on twenty-seven selected inmates for the time period FY01 – April 2003 (representing 30 months of billings) with significant medical conditions who have incurred medical costs ranging from \$22,170 to \$547,000.

Four inmates from this analysis are deceased and fit the profile for the type of person who potentially would be identified and released with a more flexible medical parole state statute; namely these individuals died within six months of being medically recognized as being at high risk for death. These four inmates incurred costs ranging from \$46,210 to \$269,456, for an average of \$120,000. Cause of death were due to:

- Advanced cardiac disease with congestive heart failure
- Metastatic cancers (Nasal & Melanoma)
- End-stage liver disease

Analysis for total group based on 27 selected inmates

Total expenditures over 2.5 years (30 months) = \$3,775,000
Average monthly costs over thirty month period = \$125,830
Annual cost projected from monthly average over 30 months = \$1,509,960
Annual cost per inmate averaged annually = \$55,925

Assume after review of all factors (Medical, nature of crime and resources available to a specific inmate, i.e. personal and family resources, public assistance eligibility, etc.), the Parole Board grants medical parole to ONLY nine inmates (33%) of all potential candidates reviewed.

Projected savings based on above = 9 inmates x \$55,925 (Annualized savings) = \$503,325

Note: This is a conservative analysis based on only 33% granting of medical parole. If this were increased to one in two candidates (i.e. 50%), the savings could increase to \$755,000. Additionally, although annualized, the total number of potential candidates for medical parole could be greater. Based on 2.5 years experience, the number of inmates who may qualify for medical parole is not anticipated to decrease significantly.