

Fiscal Highlights

Corrections Medical Line Item History and Changes - Gary R. Syphus

The more weight you add to an airplane, the more something will need to change to keep it aloft at a fixed altitude. Variables such as thrust, drag, and lift cannot remain constant and keep the plane at a fixed elevation when weight is continually added. Something will need to change. This is the case with the Department of Corrections Medical Services operations.

The Department of Corrections is required by federal law to provide medical, dental, and mental health to those housed in facilities owned, operated, or contracted by the state. Factors contributing to rising costs, such as growing inmate populations, increasing health care costs, and a demographic shift of the prison population to include more costly geriatric inmates make constant changes to medical resources necessary to meet the requirement of providing health care to prisoners.

Inmates receive care from both in-house resources (UDC doctors, nurses, dentists, etc.) as well through contracts through providers, such as the University of Utah Medical Center. For FY 2013, estimated medical costs per inmate equated to about \$4,100. For the approximate 7,100 inmates, the total cost is about \$29 million. For FY 2012, some of the departments largest expenditure categories within this line item were:

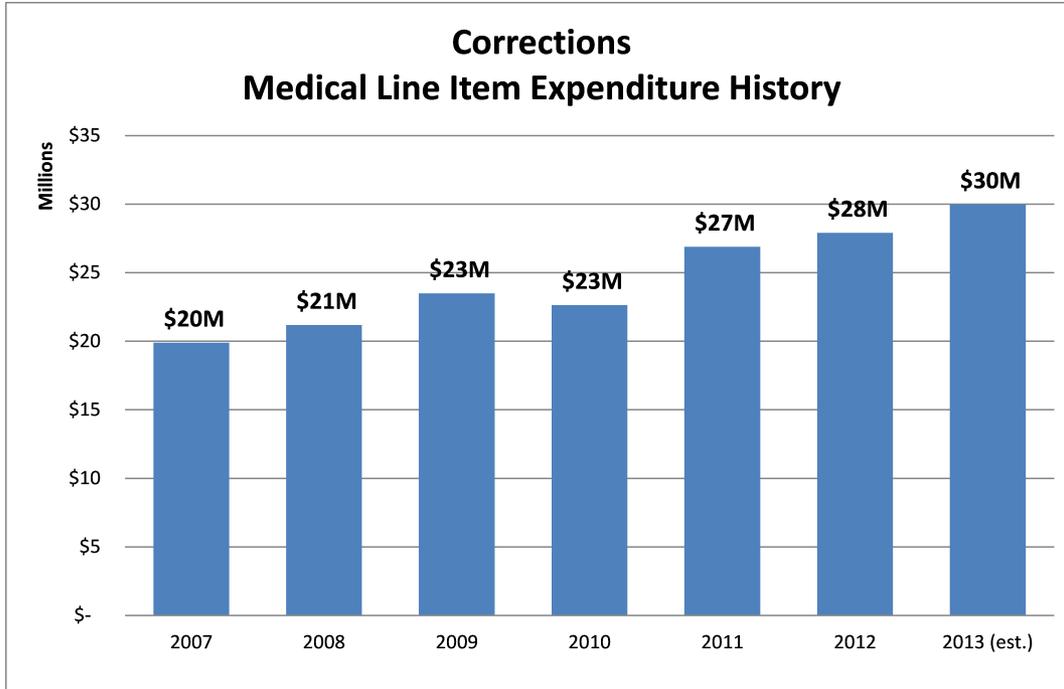
1. Personnel Costs: \$13.8 million (in-house staff),
2. Current Expense: \$5.3 million (of which \$3.5 million were drug purchases), and
3. Other Charges/Pass Through: \$8.3 million (largely contracts with medical providers, i.e. Univ. of Utah Medical Center).

Since FY 2007, total medical costs have risen about 6.6% annually, and the department and the Legislature made changes to address the rising costs. The changes include:

- purchasing equipment that they may have otherwise contracted with a provider to have access to,
- emphasizing more tele-medicine (to the extent possible), and
- within the last month had some inmates qualify for Medicaid reimbursement.

To be eligible, an inmate has to be hospitalized outside of state prison facilities for 24 hours and qualify under other Medicaid eligibility requirements - determined by the Department of Workforce Services.

These changes are in addition to other legislative changes and appropriations to manage rising medical costs. The graph below shows medical expenditure increases over time.



In order to deal with the rising costs, during the 2013 General Session, the Legislature identified \$2 million ongoing in other areas of the departments budget and applied them to the medical line item. The Legislature typically addressed the annual one-time shortfalls of about \$2 million through one-time sources. If the prison population and medical costs follow historical trends, they will both continue to rise. However, in the short-term, the revenues at least match or exceed the expenditures.