Office of the
Legislative Fiscal Analyst

FY 2004 Budget Recommendations

Joint Appropriations Subcommittee for
Executive Offices, Criminal Justice and Legislature

Utah Department of Corrections
Medical Services

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1.0 Summary: Medical Services

Summary

By Federal law, the State is required to provide medical care for those who are incarcerated by the State in facilities owned, operated or contracted by the State.

The Utah Department of Corrections hires doctors, nurses, dentists and aids to provide this care. They also contract with local providers to assure that inmates receive the required care. The largest contract is with the University of Utah Medical Center. The Department's Medical Services has received accreditation from the National Commission on Correctional Health Care. Significant management controls have been established to improve efficiency and effectiveness of the Department's Medical Services.

	Analyst FY 2004 Base	Analyst FY 2004 Changes	Analyst FY 2004 Total
Financing			
General Fund	15,959,700	(15,800)	15,943,900
Dedicated Credits Revenue	149,800		149,800
Transfers - Commission on Criminal and	99,800		99,800
Total	$16,209,300	($15,800)	$16,193,500
Programs			
Medical Services	16,209,300	(15,800)	16,193,500
Total	$16,209,300	($15,800)	$16,193,500
FTE/Other			
Total FTE	154		154

2.0 Issues: Medical Services

Any recommendations for new or additional programs are based on the availability of funding.

2.1 Rising Medical Costs Adversely Impact the Department Budget

Medical costs are rising within the State Corrections system the same as they are rising for the rest of Utah's population. Procedures, tests and especially prescription medications all contribute to an increased need for additional funding. The rate of medical inflation is more than three times the general rate of inflation. Not addressing the inflation factor in this budget effectively reduces the funds available for services. No adjustment has been made to the Medical Services budget. The Analyst recommends that no additional reductions be made to the Medical Services budget.

2.2 Infectious Disease Control

Prison systems throughout the United States have become breeding grounds for hepatitis, tuberculosis, and AIDS. Because many incarcerated offenders are already in poor health, they are vulnerable to contracting serious infections. As part of a state-wide health initiative, Corrections is trying to reduce the spread of these serious illnesses. Hepatitis seems to be the biggest concern within Utah's Prison system.

Depending on the profile of the offender and the type of test conducted, hepatitis screening costs alone can run from $80 per test to $160 per test. Treatment costs range from $7,000 to $10,000 per year. Additional funding would allow Corrections to test and treat the projected number of offenders expected to manifest these illnesses. Approximately 40 percent of the incarcerated population will require testing and ongoing treatment. If funding were available, $500,000 would be needed to test and treat for this ailment.

2.3 Medical Co-pay For Inmates

As an inmate, they have limited control of their environment. Medical care represents the facing of the "establishment," and provides an inmate an opportunity to manipulate authority - related people. For this and other reasons, inmates have a higher incidence of requests for medical services. This effort to achieve personal, secondary gains adds greatly to the cost and frustration of inmate medical services. Utah has made a surcharge to the inmate for supplemental (not requested by staff) medical services as a mechanism to control extra care/treatment requests. The Department should report on its impact to date.

3.0 Medical Services

Recommendation

The Analyst recommends $16,193,500 ongoing funds for a continuation for this set of program services.

Financing	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
General Fund	17,260,500	15,959,700	15,943,900	(15,800)
Dedicated Credits Revenue	151,500	149,800	149,800	
Transfers - Commission on Criminal and	567,300	99,800	99,800	
Beginning Nonlapsing	12,000	550,000		(550,000)
Closing Nonlapsing	(550,000)			
Total	$17,441,300	$16,759,300	$16,193,500	($565,800)
Expenditures				
Personal Services	10,429,500	9,695,500	9,704,500	9,000
In-State Travel	2,000	1,900	1,900	
Out of State Travel	4,700	2,000	2,000	
Current Expense	3,660,100	3,509,900	3,509,600	(300)
DP Current Expense	347,100	143,400	134,700	(8,700)
DP Capital Outlay	30,000			
Capital Outlay	200			
Other Charges/Pass Thru	2,967,700	3,406,600	2,840,800	(565,800)
Total	$17,441,300	$16,759,300	$16,193,500	($565,800)
FTE/Other				
Total FTE	154	154	154	

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

Purpose

The recommendation reflects the requirement to provide medical, dental and mental health care to those incarcerated by the state. Medical services provided locally for the Gunnison facility are carried in that budget. This budget includes medical services at Draper and major medical services provided in other settings, usually under contractual arrangement. Major medical services are provided by outside contracts, most notably the University of Utah Medical Center.

This budget represents the medical care provided for those in State custody. Prisoners have a right to medical care and the State has a duty to provide this care. The Draper clinical area and medical and mental health units continue to serve the growing population with basic medical services. One of the consequences of a history of inadequate care has been lost lawsuits.

Dental health is another area of concern. Inmates are also entitled to reasonable dental care, but slowness in providing this care is not a violation of the reasonable provision of dental care. The rule-of-thumb is providing service similar to what is available to the general public. In an average week the Draper dental staff see 215 inmates for routine dental care and emergency work. In addition, some are sent to community dentists for specialized dental surgery.

Medical Services – Contracts and Cost Increase

General medical costs grow in relation to the population of the prison. For example, the Corrections contract with the University Hospital currently pays at approximately 68.6 percent of the contracted service charges. The new contract will require a higher payment ratio. If the payment ratio increased to 80 percent and the contracted services increased 10 percent, hospital costs would increase $543,200. At the same time the cost of pharmaceuticals and medical lab services have grown even more significantly. The Department of Corrections spends nearly $1 million a year on mental health medications alone.

Pre-existing Medical Problems

Inmates enter prison with a variety of preexisting conditions that put inordinate economic pressure on the administration of health care. Among these are high rates (numbers cited are for calendar year 2002) of:

- Drug and Alcohol Abuse,
- Psychiatric Disorders,
- Suicide,
- Diabetes (99 cases),
- Seizure disorders (56 cases),
- Asthma (156 cases),
- Hypertension (260 cases),
- Sexually transmitted diseases (including the HIV virus)(36)
- Tuberculosis
- Dental problems.

HIV and AIDS

Typically, correctional systems are being expected to spend between $72,000 and $130,000 for hospitalization and treatment of a single AIDS patient. Currently the prison system has 36 HIV positive inmates.

Hepatitis

The potential loss of life is much greater for Hepatitis, however, than from AIDS, *per se.* Fulminate Hepatitis B causes death within seven to 48 days with an average cost for treatment running from $88,000 to $155,000 per patient.

Hepatitis C is a much slower killer, but, more pervasive in the inmate population. Interferon treatments for this disease are $350.00 per month or $4,200 per year per individual. The interferon/ribavirin treatment costs $530 per month or $6,360 per year per individual. There is no vaccine against Hepatitis C. National statistics suggest that 30 to 40% of incarcerated offenders are infected.

Aging Population Means Increased Medical Demands

The percentage of inmates over the age of 60 has increased dramatically (141 men and 2 women as of January 9, 2003) over the last two decades although the percentage of elderly inmates has remained about the same for several years. Existing data show this population used one and one-half as much medical care as the general population. These individuals are more prone to chronic diseases. "Senior" inmates require many more prescriptions and most particularly the expensive medications, and much more of the in-patient services when sent to the University Medical Center.

Mentally Ill

In the Congressional debate on budgeting (reported by AP Wire services) Rep. Strickland from Ohio suggested that, **"...prisons have become America's new mental Asylums".** In Senate debate Sen. DeWine of Ohio reported that"...**16 percent of all inmates in America's state prisons and local jails are suffering from mental illness'**.

Estimates as high as 16 percent for the Utah system have been made with 150 or more being classed as serious and chronic. In Utah, a 16 percent figure would equate to over 890 inmates needing mental health services. The facility formerly used as a woman's prison has been refurbished and remodeled and now serves as a forensic facility housing 132.

A Bureau of Justice Statistics Special Report (July 1999) indicates that 53 percent of mentally ill inmates are in prison for a violent offense, compared to 46 percent of the other inmates. Conversely, mentally ill offenders were less likely than others to be incarcerated for a drug-related offense (13 percent vs 22 percent).

Sex Offender Treatment

The prisons of the state hold over 1,421 offenders who are sex-offender registry eligible. Currently, only 193 sex offenders are able to receive treatment at one time. The balance of the sex-offenders must wait for treatment opportunities to become available. Treatment for sex offenders is one of the criteria used by the Board of Pardons in reviewing inmate's records for release decisions.

Dental Services

The Department of Corrections is also required to provide dental care to the inmates. In an average week, the Draper dental staff see 181 inmates for routine dental care and emergency work.

Co-pay for Medical Services

As in 15 other states, Utah recognized the increasing demand for medical services in its institutions. Inmate non-emergency visits grew both in parallel with the growth in general population and as a result of the inmate's perception that this was a part of the "system' over which they had some control and options.

To forestall unnecessary medical visits the Department instituted a co-pay system, which immediately saw results in reduced spurious medical demands. Other benefits of such a program are:

- Increased time for medical staff to spend with the truly need patients
- Promotion of responsibility among patients
- Increased staff morale
- Saved staff hours

Clearly co-pay reduces the number of sick call visits. However, research conducted by the Florida Department of Corrections on their $4 co-pay program suggests that any savings may be offset by increased emergency services required. Preliminary data shows a number of inmates defer sick call, but eventually cost more in: (1) treatment, (2) inmate grievances and (3) potential lawsuits.

4.0 Additional Information: Medical Services

4.1 Funding History

Financing	2000 Actual	2001 Actual	2002 Actual	2003 Estimated*	2004 Analyst
General Fund	14,393,700	16,940,500	17,260,500	15,959,700	15,943,900
Federal Funds	800,000	958,700			
Dedicated Credits Revenue	128,600	121,000	151,500	149,800	149,800
Transfers - Commission on Criminal and	201,700	700,300	567,300	99,800	99,800
Transfers - Human Services	246,000				
Beginning Nonlapsing	479,100	6,300	12,000	550,000	
Closing Nonlapsing	(6,300)	(12,000)	(550,000)		
Total	$16,242,800	$18,714,800	$17,441,300	$16,759,300	$16,193,500
Programs					
Medical Services	16,242,800	18,714,800	17,441,300	16,759,300	16,193,500
Total	$16,242,800	$18,714,800	$17,441,300	$16,759,300	$16,193,500
Expenditures					
Personal Services	9,861,000	11,026,000	10,429,500	9,695,500	9,704,500
In-State Travel	6,600	5,500	2,000	1,900	1,900
Out of State Travel	3,400	16,400	4,700	2,000	2,000
Current Expense	3,382,000	4,155,200	3,660,100	3,509,900	3,509,600
DP Current Expense	159,500	142,900	347,100	143,400	134,700
DP Capital Outlay	2,830,300		30,000		
Capital Outlay		6,000	200		
Other Charges/Pass Thru		3,362,800	2,967,700	3,406,600	2,840,800
Total	$16,242,800	$18,714,800	$17,441,300	$16,759,300	$16,193,500
FTE/Other					
Total FTE	207	240	154	154	154
Vehicles		4			

*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.