



HOUSE BILL 106: Inmate Health Care.

**This Bill Analysis
reflects the contents
of the bill as it was
presented in
committee.**

2019-2020 General Assembly

Committee:	House Judiciary. If favorable, re-refer to Appropriations, Health and Human Services. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 26, 2019
Introduced by:	Reps. Horn, Farmer-Butterfield, Lucas, R. Turner	Prepared by:	Susan Sitze* Staff Attorney
Analysis of:	PCS to Second Edition H106-CSSA-14		

OVERVIEW: House Bill 106 would do the following as it relates to inmate health care: require the Department of Public Safety to develop a plan to increase the use of the Central Prison Healthcare Complex, ensure proper accounting of health services costs, and to submit the plan Joint Legislative Oversight Committee on Justice and Public Safety by December 1, 2019; adjust reimbursement rates to providers and require a quarterly report on the reimbursement rate for contracted providers; add a new statute pertaining to Medicaid services for inmates and require progress reports; require the issuance of two Requests for Proposals (RFP) to develop an electronic inventory system for medical supplies; require the Department of Public Safety to study and develop initiatives pertaining to the salaries of all in-prison health services employees; and require the establishment of a telemedicine pilot program to provide physical health services to inmates.

As introduced, this bill was recommended by the Joint Legislative Program Evaluation Committee.

BILL ANALYSIS:

Section 1 requires the Department of Public Safety to develop a plan to increase the use of the Central Prison Healthcare Complex (CPHC) and to submit this plan, including cost savings, and utilization barriers for CPHC and NCCIW, to the Joint Legislative Oversight Committee on Justice and Public Safety by December 1, 2019. Plan requirements include:

- Strategies, policies, and oversight mechanisms to ensure that non-life-threatening emergencies for male inmates within a 60-mile radius of Raleigh are treated at the CPHC urgent care facility, including the considering the use of telemedicine.
- A cost comparison of health care services performed at CPHC and the North Carolina Correctional Institution for Women (hereinafter "NCCIW") and health care services performed by outside contracted providers, including inmate transportation costs.
- A review of the usage at CPHC and NCCIW and the potential to maximize usage of those facilities through (i) increasing the usage of CPHC's facilities for general anesthesia procedures and increasing usage of existing on-site equipment, (ii) selling equipment no longer in use or not in use due to staffing changes, (iii) increasing the provision of health care services available at CPHC to female inmates, and (iv) identifying potential CPHC expenditures that would ultimately result in demonstrated cost savings.
- Methods to contain costs for palliative and long-term health care services for inmates.

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578

House PCS 106

Page 2

Section 2 requires the Department of Public Safety to ensure health care services costs are properly accounted for and requires the following be submitted with the plan required by Section 1:

1. Reflect all expenditures for inmate health care services in one of the four budget codes assigned to the Department's Health Services Section.
2. Develop options for eliminating the structural deficit for inmate health care services, including consideration of eliminating vacant positions and transferring lapsed salary funds to the Health Services Section.

Section 3 amends current law (G.S. 143-707.3) to adjust reimbursement rates to providers, require a quarterly report on the reimbursement rate for contracted providers, and require a report on alternative methods for reimbursing providers and facilities.

Highlights are as follows:

- Changes the reimbursement rate for providers and facilities providing medical care to inmates and juvenile offenders outside the correctional or juvenile facility to the lesser amount of: 70% of the provider's prevailing charge, or 100% of the Medicaid rate (currently two times the Medicaid rate). Providers identified by the Department of Public Safety as necessary to ensure continued access to care will be reimbursed at the lesser amount of: 70% of the provider's prevailing charge, or 200% of the current Medicaid rate. Any contract extensions for medical services provided to inmates by providers and facilities must include the reimbursement rates unless greater cost savings can be demonstrated through the use of an alternate rate.
- Requires the Department of Public Safety to provide a quarterly report on the reimbursement rate for contracted providers to the Joint Legislative Oversight Committee on Justice and Public Safety and the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety.
- Requires the Department of Public Safety to report to Joint Legislative Oversight Committee on Justice and Public Safety and the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety on alternative methods for reimbursing providers and facilities that provide approved medical services to inmates, including Medicare rates.

Section 4 adds a new statute pertaining to Medicaid services for inmates and requires progress reports. Section 4(a) requires the Departments of Public Safety and Health and Human Services to work together to ensure social workers in the Department of Public Safety, Health Services Section: 1) receive Medicaid eligibility determination training on at least a quarterly basis, and 2) qualify for and receive federal reimbursement for performing administrative activities related to Medicaid eligibility for inmates. Social workers in the Department of Public Safety, Health Services Section are required to report activities related to administrative activities related to Medicaid eligibility for inmates beginning July 1, 2019. In addition, beginning October 1, 2019, social workers performing Medicaid eligibility activities in the Health Services Section must submit Medicaid applications and supporting documents electronically, unless prohibited. **Section 4(b)** requires the Departments of Public Safety and Health and Human Services to jointly report to the Joint Legislative Oversight Committee on Justice and Public Safety and the Joint Legislative Oversight Committee on Medicaid and NC Health Choice on progress in receiving federal reimbursement for performing administrative activities related to Medicaid eligibility for inmates. This reporting begins October 1, 2019 and continues on a quarterly basis until full implementation is achieved. **Section 4(c)** requires the Department of Public Safety to report to the Joint Legislative Oversight Committee on Justice and Public Safety on the implementation of the documentation of criteria for the submission of Medicaid applications and the electronic submission of Medicaid applications. The report is required by October 1, 2019.

House PCS 106

Page 3

Section 5 requires the Department of Public Safety to issue two RFPs for develop an electronic inventory system for medical supplies. One RFP is for a system to be used at all prison facilities, and one RFP is for a system to be used exclusively at the Central Prison Healthcare Complex and the North Carolina Correctional Institution for Women. The Department shall report the results of the RFPs to the Joint Legislative Oversight Committee on Justice and Public Safety and the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety by December 1, 2019.

Section 6 requires the Department of Public Safety to study and develop initiatives pertaining to the salaries of all in-prison health services employees. **Section 6(a)** requires the Department of Public Safety, Health Services Section, and the Office of State Human Resources, to jointly study the salaries of all in-prison health services employees to determine what adjustments are necessary to increase the salaries of new hires and existing employees of the Health Services Section to market rates. **Section 6(b)** requires the Department to establish a vacancy rate benchmark for each correctional facility to create a plan to reduce the vacancy rates including certain initiatives. **Section 6(c)** requires the Department to establish methods to measure the effectiveness of the initiatives to reduce vacancy rates required in subsection (b) and estimate the budgetary impact and anticipated savings. The Department is required submit its findings on salaries and vacancy rates, including any proposed legislation and the need for assistance required from the Office of Human Resources and the Office of Rural Health in the Department of Health and Human Services, to accomplish the objectives outlined in subsections (a) and (b) of this section to the Joint Legislative Oversight Committee on Justice and Public Safety by February 1, 2020.

Section 7 requires the Department of Public Safety, Health Services Section to report on the feasibility study referenced in the current contract with UNC Health Care, and establish a telemedicine pilot program to provide physical health services to inmates. **Section 7(a)** requires the Department of Public Safety, Health Services Section to report to the Joint Legislative Oversight Committee on Justice and Public Safety and the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety on the feasibility study of telehealth services referenced in the February 2019 Memorandum of Agreement between the Department and UNC Health Care. **Section 7(b)** requires the establishment of a telemedicine pilot program. Two correctional facilities shall be selected for the pilot, one in the eastern part of the State and one in the western part of the State. The ability to assess, measure, and evaluate the pilot program must be an integral part of the program design and **Section 7(c)** outlines measures for each pilot site. **Section 7(d)** requires an interim report on or before January 1, 202, and another report on or before January 1, 2021, to the Joint Legislative Oversight Committee on Justice and Public Safety and the Joint Legislative Oversight Committee on Health and Human Services.

EFFECTIVE DATE: This bill would become effective July 1, 2019. Any contracts or extensions of contracts for medical services provided to inmates by contracted providers and facilities entered into on or after July 1, 2019, shall include the reimbursement rates provided G.S. 143B-707.3(a).

BACKGROUND: House Bill 106 includes recommendations from the Joint Legislative Program Evaluation Oversight Committee. For more information, [Improvements to Inmate Healthcare Reimbursement and internal Processes Could Save \\$5.6 Million Annually](#).

**Theresa Matula, Legislative Analyst, substantially contributed to this summary.*