



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 Health. If favorable, re-refer to Judiciary. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	March 25, 2019
Introduced by:	Reps. Horn, Farmer-Butterfield, Lucas, R. Turner	Prepared by:	Theresa Matula Committee Staff
Analysis of:	PCS to First Edition H106-CSSH-4		

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, require a quarterly report on the reimbursement rate for contracted providers, and require an electronic inventory system for medical supplies; add a new statute pertaining to Medicaid eligibility for inmates and require progress reports; 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.*

The Proposed Committee Substitute makes technical changes throughout the bill and substantially revises Section 6 pertaining to the telemedicine pilot program.

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

[As introduced, this bill was identical to S119, as introduced by Sens. B. Jackson, Sanderson, Foushee, which is currently in Senate Rules and Operations of the Senate.]

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

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inmates, and (iv) identifying potential CPHC expenditures that would ultimately result in demonstrated cost savings.

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. Identify all positions with lapsed salaries in fiscal year 2016-2017 that were used to fund health care services for inmates.
2. Eliminate the positions identified in subdivision (1) of this subsection and transfer the salary funds to one of the four budget codes assigned to the Department's Health Services Section.
3. Reflect all expenditures for inmate health care services in one of the four budget codes assigned to the Department's Health Services Section.
4. Develop mechanisms to budget, account for, and monitor inmate health care expenditures at the prison facility level.

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 an electronic inventory system for medical supplies. 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.
- Requires the Department of Public Safety, Health Services Section, to develop an electronic supply inventory management system to record the arrival and departure of each medical supply, including each transition point, the date of use or disposal, and the DPS employees who have custody of or control over it. The system should ensure adequate inventory and that medical supplies are used prior to their expiration date. The system must be audited twice a year.
- 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.

Section 4 adds a new statute pertaining to Medicaid eligibility 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 a at least and quarterly basis, and 2) qualify for and receive federal reimbursement for performing Medicaid eligibility activities for inmates. Social workers in the Department of Public Safety, Health Services Section are required to report activities related to Medicaid eligibility activities 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 Medicaid eligibility activities 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

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documentation of criteria for the submission of Medicaid applications and the electronic submission of Medicaid applications. The report is required by October 1, 2019.

Section 5 requires the Department of Public Safety to study and develop initiatives pertaining to the salaries of all in-prison health services employees. **Section 5(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 5(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 5(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 6 requires the Department of Public Safety, Health Services Section to establish a telemedicine pilot program to provide physical health services to inmates. 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 6(b)** outlines measures for each pilot site. **Section 6(c)** requires an interim report on or before October 1, 2020 and another report on or before October 1, 2021, to the Joint Legislative Oversight Committee on Justice and Public Safety and the Joint Legislative Oversight Committee on Health and Human Services.

Section 6 of the PCS represents a substantive change from the bill as introduced.

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](#).