



## **Workgroup on Corrections Health Care Costs**

### **Report to the Interim Committee of the Legislative Assembly**

*December 31, 2014*

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## WORKGROUP ON CORRECTIONS HEALTH CARE COSTS

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### **Members**

**Director Colette S. Peters**

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**Chief Financial Officer Kelly Ballas**

*Oregon Health Authority, Vice Chair*

**Senator Alan Bates**

*Appointed by the Senate President*

**Senator Jackie Winters**

*Appointed by the Senate President*

**Representative Bill Kennemer**

*Appointed by the Speaker of the Oregon House of Representatives*

**Representative Jennifer Williamson**

*Appointed by the Speaker of the Oregon House of Representatives*

**Director Fariborz Pakseresht**

*Oregon Youth Authority Member*

**Washington County Sheriff Patrick Garrett**

*Appointed by Governor Kitzhaber*

**Multnomah County Chief Deputy District Attorney Chuck Sparks**

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## CONTENTS

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Introduction .....	4
The Legislature’s Charge to the Workgroup .....	4
The Workgroup’s Process .....	4
Initial Report and Subsequent Meetings .....	4
Workgroup Meetings .....	5
Recommendations and Next Steps .....	7

## Introduction

In 2013, the Legislature sponsored Senate Bill 843, which created a workgroup to address rising health care costs within the Oregon Department of Corrections (DOC). Under the direction of the Governor, the Workgroup on Corrections Health Care Costs was tasked with recommending legislation to be introduced in the 2014 Interim Session of the

Legislative Assembly to establish appropriate mechanisms to significantly lower the health care costs of the DOC. In March 2014, House Bill 4157 established the continuation of SB 843 to allow the Workgroup to finalize its exploration and recommendations to be delivered prior to the 2015 Regular Session.

## The Legislature's Charge to the Workgroup

The Legislature asked the Workgroup to prioritize legislative concepts that:

- Produce the greatest value for the department's health care expenditures;
- Consolidate health care functions as appropriate; and
- May be integrated into other initiatives in the state to reduce health care costs.

The Workgroup was represented by bipartisan membership from the House and

Senate; the directors or designees of the DOC, the Oregon Health Authority (OHA), and the Oregon Youth Authority (OYA); as well as six members appointed by the Governor who have expertise in health care, health care costs, and corrections, including one member from a labor organization representing corrections officers, and one county sheriff.

This report summarizes the original efforts and recommendations of the Workgroup in addition to the further exploration of each recommendation.

## The Workgroup's Process

### **Initial Report and Subsequent Meetings**

The initial SB 843 Workgroup report was completed and submitted in January 2014. It contained background on the legal and constitutional history pertaining to correctional health care, as well as a wide-ranging assessment of national and local trends. The DOC also provided a comprehensive list of actions already in place and explained how those actions impacted the cost of providing correctional health care in Oregon.

Following the passage of HB 4157, the Workgroup scheduled further meetings every six weeks for the specific purpose of reviewing each of the initial recommendations and proposed next steps. The meeting agendas contained follow-up items from previous meetings, new testimony, and clarifying information on the recommendations slated for discussion that month.

A breakdown of each meeting agenda follows.

## Workgroup Meetings

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The Workgroup resumed meeting in April 2014. The public meeting format and rules were observed with all meetings recorded and made available publicly. All meeting presentations, materials, and recorded minutes are available on the DOC website at: [http://www.oregon.gov/doc/Pages/corrections\\_HC\\_costs\\_WG.aspx](http://www.oregon.gov/doc/Pages/corrections_HC_costs_WG.aspx)

A summary of the five 2014 meetings are provided as follows.

- **Meeting 1**  
**April 14, 2014 – Salem, Oregon**

Agenda Items:

1. Overview of the initial report submitted.
2. Review of the following recommendations and next steps:
  - a. Implement an Electronic Health Records system that best fits the needs of the department.
  - b. Conduct a nutritional review of food and associated costs.
  - c. Explore providing healthier food options through commissary and associated impacts to health care as well as the safety and security of prisons.
  - d. Explore the prison-to-community connection for all aspects of health care.
  - e. Create a case management program with health classifications and clinical guidelines.
  - f. Introduce legislative remedies for HB 2087 to enable suspension vs. termination of Medicaid eligibility.

- **Meeting 2**  
**June 9, 2014 – Salem, Oregon**

Agenda Items:

1. Follow-up to inquiries from the April 14 meeting.
2. Review of the following recommendations and next steps:
  - a. Explore early mental health intervention to prevent incarceration, including mental health courts for both DOC and OYA populations.
  - b. Consider proposed legislation to prohibit insurance companies from terminating insurance coverage while individuals are incarcerated in state prison and county jails.
  - c. Consider legislatively-mandated exercise programs.

- **Meeting 3**  
**July 28, 2014 – Salem, Oregon**

Agenda Items:

1. Follow-up to inquiries from the June 9 meeting.
2. Review of the following recommendations and next steps:
  - a. Analyze possible Early Parole Release restructure.
  - b. Explore health incentive programs for adults in custody.
  - c. Track and measure health care coverage upon release.

- **Meeting 4**  
**September 8, 2014 – Salem, Oregon**

Agenda Items:

1. Follow-up to inquiries from the July 28 meeting.
2. Review of the following recommendations and next steps:
  - a. Analyze possible Early Parole Release restructure.
3. Draft overview of the final report.

- **Meeting 5**  
**October 20, 2014 – Salem, Oregon**

Agenda Items:

1. Workgroup background review.
2. Meetings-to-date review.
3. Recommendations and next steps review.
4. Overview of the final report.

## Recommendations and Next Steps

### SB 843 Workgroup

#### Final Recommendation Matrix

Recommendation	<i>Recommendation Status:</i>	<i>Implementation Status:</i>	<i>Legislative Request:</i>
An Electronic Health Records system that best fits the needs of the department.	Adopted	Underway	Policy Package
Legislative remedies for HB 2087 to enable suspension vs. termination of Medicaid eligibility.	Adopted	Underway	Legislative Concept
Create a case management program with health classifications and clinical guidelines.	Under consideration	Under consideration	None
Prison-to-community connection for all aspects of health care.	Adopted	Complete	Policy Package
Nutritional review of food and associated costs.	Under consideration	Under consideration	None
Explore providing healthier food options through commissary and associated impacts to health care, as well as the safety and security of prisons.	Some implemented, others under consideration	Some implemented, others under consideration	None
Proposed legislation to prohibit insurance companies from terminating insurance coverage while individuals are incarcerated in county jails.	Re-assess in the future	None	None
Legislatively-mandated exercise programs.	Continue w/voluntary	Complete	None
Ongoing analysis for possible Early Parole Release restructure by this workgroup.	Further conversation warranted	None	None
Health incentive programs for adults in custody.	Adopted	Underway	None
Track and measure health care coverage upon release.	Adopted	Complete	None
Identify the benefits and issues with potentially performing mandatory Hepatitis C testing for all adults in custody at Intake.	Under consideration	Under consideration	None
Legislative effort to research recruiting health care providers in rural parts of the state. DOC, OYA, and OHA have facilities across the state and would benefit from this.	Under consideration	Under consideration	None
Investigate the benefits and issues of allowing tattooing for adults in custody.	Under consideration	Under consideration	None

After presenting the initial recommendations in the first report, the following are updates on the status of each item.

- **Implement an Electronic Health Records system that best fits the needs of the department.**

The department is moving forward with this recommendation. A consulting firm is assisting the agency in clearly defining its needs and will help in developing a statement of work that will anchor a request for proposals (RFP), which includes consideration for communicating with other agencies and systems within the community. The RFP is anticipated to be completed during the first quarter of 2015. The department has also submitted a policy option package with its 2015-17 Agency Request Budget that asks for \$3 million in initial start-up leased service costs. This funding request was carried forward in the Governor's Balanced Budget, which was released Dec. 1, 2014.

*Recommendation: Adopted.*  
*Implementation: Underway.*  
*Legislative Action: Policy Package.*

- **Introduce legislative remedies for HB 2087 to enable suspension vs. termination of Medicaid eligibility.**

In concert with the OHA and the Department of Justice, the DOC submitted a legislative concept for consideration during the 2015 Session. The language was drafted and the concept submitted in July 2014.

*Recommendation: Adopted.*  
*Implementation: Underway.*  
*Legislative Action: Legislative Concept.*

- **Create a case management program with health classifications and clinical guidelines.**

This recommendation is currently being explored and can be accomplished within the department's resources, but may require additional staff. DOC Health Services currently has approximately 50 vacancies across numerous classifications. These vacancies were created through a combination of difficulties in recruitment in rural areas and vacancy savings by temporarily deferring the hiring of employees.

*Recommendation: Under consideration.*  
*Implementation: Under consideration.*  
*Legislative Action: None.*

- **Explore the prison-to-community connection for all aspects of health care.**

Discussion in this area focused primarily on the importance of uninterrupted public assistance for adults in custody transitioning into the community. The department is currently applying for Medicaid on behalf of the adults in custody that are preparing for release. A policy option package requesting 1.00 full time employee, valued at \$200,000, has been submitted from the DOC Offender Management and Rehabilitation Division to accommodate the volume of activity required to make this program a continued success.

*Recommendation: Adopted.*  
*Implementation: Complete.*  
*Legislative Action: Policy Package.*

- **Conduct a nutritional review of food and associated costs.**

In December 2013, the department asked the Association of State Correctional Administrators (ASCA) to come to Oregon

and review the cost of its food services program to see if there was room for improvement. Upon reviewing eight key areas, ASCA concluded that DOC is operating a successful food service operation and that there was no efficacy for outsourcing the food services program. Several recommendations included the adoption of two master cycle menus instead of four, and an analysis of whether the current baseline budget was realistic in comparison to the budget allocation. A determination of health care costs avoided because of this change would include establishing a baseline of current health care costs and review and analysis of costs in the future.

*Recommendation: Under consideration.  
Implementation: Under consideration.  
Legislative Action: None.*

- **Explore providing healthier food options through commissary and associated impacts to health care, as well as the safety and security of prisons.**

The department shared information on menu modifications that mark heart-healthy choices, broadcasting heart-healthy snack videos, developing and providing carbohydrate counts, distributing nutrition articles in the inmate newsletters, developing gender-appropriate caloric menus, and removing fryers from institution kitchens. Limitations to commissary have the potential to negatively impact safety and security of the prisons, which can actually have a negative budget impact.

*Recommendation: Some implemented, others under consideration.  
Implementation: Underway, with further consideration to some recommendations.  
Legislative Action: None.*

- **Explore early mental health intervention to prevent incarceration, including mental health courts for both DOC and OYA populations.**

This recommendation is concurrently being addressed by the Specialty Court Subcommittee of the Public Safety Task Force, and this Workgroup has agreed to defer continued study of this concept to that subcommittee.

*Recommendation: Addressed elsewhere.  
Implementation: Addressed elsewhere.  
Legislative Action: None.*

- **Proposed legislation to prohibit insurance companies from terminating insurance coverage while individuals are incarcerated in state prison and county jails.**

Born out of House Bill 4110 (2014), this recommendation was reviewed by the department in the context of applying the concept to the entire prison population, not just pre-trial custody (as HB 4110 does with the counties as passed).

DOC looked to the counties for direction on how they plan to implement the bill, but counties were still grappling with how to proceed. This concept would require the department to create a new unit assigned with the task of providing billing services – something with which DOC has no experience. It would also require an Electronic Health Record system in order to “code” medical interactions properly. Finally, the staffing and apparatus required to track individual insurance plans, track family premium payments, and assess billing in the context of pharmaceutical formularies would be substantial. At this point, the Workgroup recommended delaying this until the counties

have had a chance to implement HB 4110 and then reassess the viability of moving forward.

*Recommendation: Assess in the future.*

*Implementation: None.*

*Legislative Action: None (at this time).*

- **Consider legislatively-mandated exercise programs.**

DOC conducted a survey of all states and major municipalities and found that no prison system that responded had implemented a mandatory exercise program due to custody considerations and the cost of staff and implementation. The department provides many voluntary exercise options, and a sample list of these activities was provided to the Workgroup, and is provided as Appendix A to this report.

*Recommendation: Continue with voluntary.*

*Implementation: Complete.*

*Legislative Action: None.*

- **Analyze possible Early Parole Release restructure.**

The Board of Parole has adopted administrative rules governing early medical release as required by statute and lacks statutory authority to amend these rules. Expansion of early medical release by virtue of certain initiated sentencing measures, such as Measure 11, would require legislation to pass by a supermajority of both houses due to Oregon Constitutional constraints. Such legislation is not recommended by the Workgroup.

*Recommendation: Further conversation warranted.*

*Implementation: None.*

*Legislative Action: None.*

- **Explore health incentive programs for adults in custody.**

The department is actively growing the Chronic Disease Self-Management Program (CDSMP) across the state, utilizing the Stanford University-based curriculum to provide peer-based training to those with chronic health issues. Participation is a major incentive as it allows for a greater level of autonomy, creativity, and self-actualization within a prison setting for those involved.

Also discussed was the agency's use of an outcome-based organizational transformation initiative called CORE (Correctional Outcomes through Research and Engagement). It is through CORE that the department can begin looking for health incentive options in the context of what can be measured for success and improvement.

*Recommendation: Adopted.*

*Implementation: Some in place now, more being considered.*

*Legislative Action: None.*

- **Track and measure health care coverage upon release.**

As discovered during the discussion around prison-to-community connections, the department is currently applying for Medicaid on behalf of releasing adults in custody. Tracking and measurement tools are in place, and 85 percent of releasing adults in custody under 65 years of age are currently found eligible for benefits prior to release.

Through a collaboration of efforts, DOC and OHA have worked tirelessly to determine Oregon Health Plan (OHP) eligibility and enroll qualified adults in custody. These efforts include:

- Implementing House Bill 2087 (2013), which allows correctional facilities,

including DOC, to apply for medical assistance for adults in custody who are hospitalized outside of a correctional facility. This leverages federal law that allows for federal financial participation for adults in custody who are hospitalized for a period of more than 24 hours. This impacts approximately 25 adults in custody per month.

- Coordinating pre-release OHP eligibility determinations for adults in custody so that OHP enrollment can take place as soon as possible after release. This helps ensure that released offenders have access to health care after release, thereby reducing a risk factor for recidivism. The DOC releases approximately 350 offenders with OHP eligibility per month.

More information about OHA's work on OHP inmate eligibility can be found at:

<http://www.oregon.gov/OHA/healthplan/pages/inmate-project.aspx>.

*Recommendation: Adopted.*  
*Implementation: Complete.*  
*Legislative Action: None.*

- **Identify the benefits and issues with potentially performing mandatory Hepatitis C testing for all adults in custody at Intake.**

The Workgroup learned that DOC currently provides Hepatitis C testing only on a voluntary basis. It was suggested that there may be benefits to mandatory testing, so the Workgroup recommended that the DOC investigate the potential benefits and issues with changing its current approach.

*Recommendation: Under consideration.*  
*Implementation: Under consideration.*  
*Legislative Action: None.*

- **Legislative effort to research recruiting health care providers in rural parts of the**

**state. DOC, OYA, and OHA have facilities across the state and would benefit from this.**

The Workgroup heard testimony that recruiting, especially in rural areas, is a serious challenge for DOC. This is also the case for other public entities trying to recruit medical professionals in Oregon. The Workgroup recommends the establishment of a workgroup consisting of representatives from DOC, the Department of Administrative Services, OYA, OHA, Rural Health, and the State Treasurer's Office charged with exploring incentives to include, but not limited to, loan forgiveness and repayment, as well as the review of salaries for individuals willing to work in rural areas. It was recommended that, as agencies move forward with creating marketing and recruiting strategies, legislative assistance may be beneficial in moving these efforts forward.

*Recommendation: Under consideration.*  
*Implementation: Under consideration.*  
*Legislative Action: Possible, if beneficial.*

- **Investigate the benefits and issues of allowing tattooing for adults in custody.**

With known issues of diseases transmitted by tattoo needles in the community, the Workgroup was interested in the potential impact of allowing sanctioned tattooing, including tattoo removal, for adults in custody. It was recognized that this is a complex issue that impacts not only policy, but operational realities in a prison environment. The Workgroup recommended that the DOC investigate these issues and take action accordingly.

*Recommendation: Under consideration.*  
*Implementation: Under consideration.*  
*Legislative Action: None.*

## Appendix A: Voluntary exercise programs conducted at DOC

The DOC Operations Division provided testimony during the June 9, 2014 Workgroup meeting that, according to a survey conducted by DOC's Government Efficiencies and Communication Office, no other states have reported the use of a mandatory exercise program. Although Oregon's DOC also does not use mandatory exercise programs, there are several voluntary exercise activities conducted within the institutions that are frequently used by adults in custody. It is important to understand that the list below is a sample of the more organized exercise activities; adults in custody also exercise on their own, sometimes in their cells and sometimes on the yard, depending on the individual and the activity.

Half Marathons	Sand Volleyball
Five-on-Five Basketball	Senior Basketball
Balance for Mind And Body	Senior Softball
Basketball A&B League	Soccer – Indoor
Cardio	Soccer – Outdoor
Chess	Softball
Dodge Ball	Strongman Competitions
Flag Football	Touch Football
Handball	Volleyball
Horse Shoe Tournaments	Weightlifting
Insanity*	Weightlifting For Disabled Adults in Custody
Intermural Sports	Work Out Videos
Kickball	Yoga
Pickle Ball	
Running Program	

### NOTES:

- "Insanity," similar to the P-90X Insanity, is a DVD workout system.