



# Nevada Department of Corrections

## Update on Inmate Medical Costs

# Board of State Prison Commissioners

September 16, 2014

## Inmate Medical Costs Including Medicaid Applications & Estimated Savings

Scott K. Sisco, Deputy Director  
Support Services



DEPARTMENT OF  
**CORRECTIONS**



# Nevada Department of Corrections

## Update on Inmate Medical Costs

### **FY14 Outside Medical Expenditures**

Approved Budget: \$9,077,806

Work Program Chg's: \$2,021,304

Total Expenditures: \$11,099,110

2





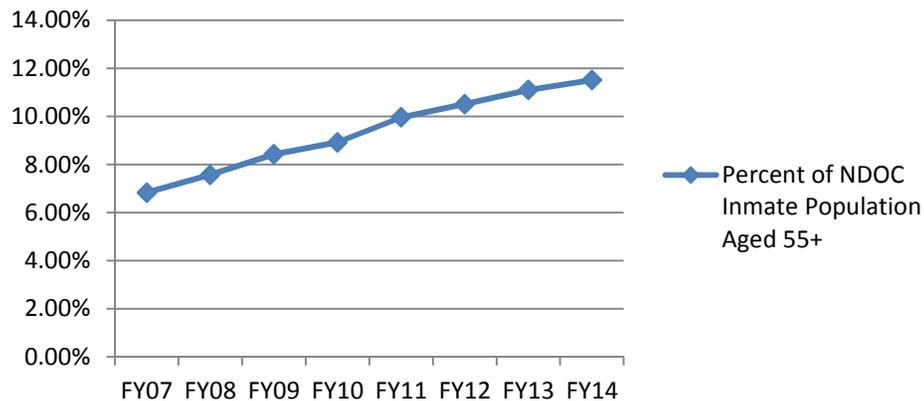
# Nevada Department of Corrections

## Update on Inmate Medical Costs

### Most Significant Influence On Inmate Medical Expenditures

Average of inmates 55 and older in prison systems throughout the county is 7.1%.

**Percent of NDOC Inmate Population Aged 55+**



Fiscal Year	Inmate Count	55 & Older	Percent of NDOC Inmate Population Aged 55+
FY07	13,142	898	6.83%
FY08	13,143	995	7.57%
FY09	12,851	1,083	8.43%
FY10	12,697	1,133	8.92%
FY11	12,566	1,252	9.96%
FY12	12,673	1,332	10.51%
FY13	12,770	1,418	11.10%
<b>FY14</b>	<b>12,892</b>	<b>1,484</b>	<b>11.51%</b>

Average FY07 - FY11                      8.34%  
 Average FY10 - FY14                    10.40%  
 Average FY07 - FY14                    9.36%





# Nevada Department of Corrections

## Update on Inmate Medical Costs

### Health Care for Inmates

- Access to health care by inmates guaranteed by 8<sup>th</sup> Amendment to US Constitution.
  - Deliberate indifference to inmate's serious medical conditions considered "cruel and unusual punishment"
  - Important that inmate's serious medical conditions are treated regardless of crime or sentence
  - Failure to provide inmate access to care could result in Federal Court ordered receiver to take over control of prison health care
- Health care for inmates paid for mostly by Nevada General Fund
  - Inmates requesting care are charged an \$8 co-pay to offset costs
  - Prison directed care exempted from co-pay (i.e., chronic disease clinics and maintenance drugs)
    - Chronic disease clinics and treatment helps manage chronic disease conditions and reduce long term health care costs

4

Scott K. Sisco, Deputy Director  
Support Services



DEPARTMENT OF  
**CORRECTIONS**



# Nevada Department of Corrections

## Update on Inmate Medical Costs

### Health Care Delivery

- Primary care delivered on-site by NDOC Medical staff
  - Medical, Dental and Mental Health care available to all inmates
  - Clinic operations at all institutions; overnight infirmary care primarily at NNCC (RMF) and HDSP
- Specialty clinics at NNCC and HDSP
  - The Department contracts with local specialists to provide monthly clinics on-site
  - Inmates transported from other institutions to see specialists at on-site clinics
  - Basic telemedicine in use at all institutions for HIV clinics
- NDOC contracts with PPO Networks for outside provider care
  - Hometown Health Network for inmates in northern institutions
  - Multiplan for inmates in southern institutions

5

**Scott K. Sisco, Deputy Director**  
Support Services



DEPARTMENT OF  
**CORRECTIONS**



# Nevada Department of Corrections

## Update on Inmate Medical Costs

### Health Care Costs

- Funding for Inmate Health Care
  - Inmates not covered by “Insurance”
  - Most primary care and outside outpatient care paid for with Nevada General Fund dollars
  - Most hospitalizations now paid for by Medicaid due to the Affordable Care Act and exception to prohibition that State inmates receive any Federal funding
  - NRS 209.246 – Inmates pay 100% for any health care costs caused by an altercation, self injury or recreational injury (referred to as an AB389 incident).
- Claims Processing
  - NDOC utilizes a Third Party Administrator (TPA) for claims payment
  - NDOC authorizes outside services
  - Claims from outside providers are submitted to the TPA
  - TPA reprices the claims according to the appropriate network contract or direct contract
  - TPA directly pays provider from NDOC funded checking account

6

Scott K. Sisco, Deputy Director  
Support Services



DEPARTMENT OF  
**CORRECTIONS**



# Nevada Department of Corrections

## Update on Inmate Medical Costs

NDOC Medical  
 Analysis of Medicaid Savings After ACA Implementation  
 Prepared 8/18/2014

					FY14 (beginning 1/1/2014)	FY15 YTD
Admissions						
Pregnant					13	2
Aged					23	3
Newly Eligible					112	26
Total					148	31
Length of Stay (Days)					906	178
Medicaid Approved Admissions					127	29
Pending Medicaid Approval					21	2
					148	31
Medicaid Approved Admissions with Paid Claims						
No. of Admissions with paid claims					39	0
Length of Stay (Days)					233	0
No. of Admissions without paid claims					109	31
7 Length of Stay (Days)					673	178

**Scott K. Sisco, Deputy Director**  
 Support Services



**DEPARTMENT OF  
CORRECTIONS**



# Nevada Department of Corrections

## Update on Inmate Medical Costs

### NDOC Medical Analysis of Medicaid Savings After ACA Implementation Prepared 8/18/2014

#### FY14 Medicaid Paid Claims Q3

	Charges Submitted	Net Pay	Fed Share	State Share
Aged	\$ 177,732.50	\$ 22,274.18	\$ 14,054.18	\$ 8,220.00
Disabled	\$ 153.00	\$ 62.46	\$ 56.56	\$ 5.90
Newly Eligible	\$ 7,780.00	\$ 1,910.19	\$ 1,910.19	-
Pregnant	\$ 27,468.15	\$ 6,742.82	\$ 4,254.73	\$ 2,488.09
<b>Total</b>	<b>\$ 213,133.65</b>	<b>\$ 30,989.65</b>	<b>\$ 20,275.66</b>	<b>\$ 10,713.99</b>

#### FY14 Medicaid Paid Claims Q4

	Charges Submitted	Net Pay	Fed Share	State Share
Aged	\$ 531,868.77	\$ 62,538.51	\$ 39,490.39	\$ 23,093.12
Disabled	\$ 13,255.00	\$ 4,561.25	\$ 2,878.41	\$ 1,682.84
Newly Eligible	\$ 1,397,333.28	\$ 128,758.09	\$ 128,758.09	-
Pregnant	\$ 101,387.54	\$ 17,765.56	\$ 11,136.24	\$ 6,602.32
<b>Total</b>	<b>\$ 2,043,844.59</b>	<b>\$ 213,623.41</b>	<b>\$ 182,263.13</b>	<b>\$ 31,378.28</b>

#### FY14 Medicaid Claims Paid - Total (Since Implementation of ACA)

	Charges Submitted	Net Pay	Fed Share	State Share
Aged	\$ 709,601.27	\$ 84,812.69	\$ 53,544.57	\$ 31,313.12
Disabled	\$ 13,408.00	\$ 4,623.71	\$ 2,934.97	\$ 1,688.74
Newly Eligible	\$ 1,405,113.28	\$ 130,668.28	\$ 130,668.28	-
Pregnant	\$ 128,855.69	\$ 24,508.38	\$ 15,390.97	\$ 9,090.41
<b>Total</b>	<b>\$ 2,256,978.24</b>	<b>\$ 244,613.06</b>	<b>\$ 202,538.79</b>	<b>\$ 42,092.27</b>





# Nevada Department of Corrections

## Update on Inmate Medical Costs

NDOC Medical  
 Analysis of Medicaid Savings After ACA Implementation  
 Prepared 8/18/2014

### FY14 Estimated Savings For Newly Eligible Since 1/1/2014

	Estimate based on Actual Claims submitted for Newly Eligible	Additional Savings for FY14 admissions estimated for the Newly Eligible based on LOS for claims not yet submitted or paid
Charges Submitted/Estimated	\$ 1,405,113.28	\$ 4,125,172.14
Length of Stay (LOS)	187	549
Average Estimated Hospital PPO Discount	40%	40%
Estimated PPO Reimbursement	\$ 843,067.97	\$ 2,475,103.29
Less Net Pay for Claims Submitted	\$ (130,668.28)	\$ (383,619.71)
Gross Estimated Savings	\$ 712,399.69	\$ 2,091,483.58
Less State Share	\$ -	\$ -
Net Estimated Savings	\$ 712,399.69	\$ 2,091,483.58

1. Payment information above reflects paid date, not date of service.
2. Savings based on Newly Eligible only since that is a new category related to the implementation of the ACA
3. 39 of 148 admissions in FY14 since implementation of ACA (1/1/2014) have some claims paid by Medicaid.
4. Savings projected on claims submitted, but it is unknown if additional claims will be submitted for cases with claims paid, which would affect the projected savings.





# Nevada Department of Corrections

## Update on Inmate Medical Costs

# Questions?

10

Scott K. Sisco, Deputy Director  
Support Services



DEPARTMENT OF  
**CORRECTIONS**