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Preface

In May 2015, Escambia County engaged Alliance Medical Management to conduct an analysis of its health care system. The purpose of the study was to review and evaluate the current system for the provision of services, identify the major contributors to the cost of these services and make recommendations to achieve cost savings, while continuing to meet required standards.

The analysis is the result of a review of both quantitative and qualitative data. Primary sources of data included:

- Meetings and interviews with administrators responsible for the management of the health care services,
- Observation of health care service delivery at the facility,
- Review of cost and utilization data including internal reports, relevant audits and planning documents;
- Review of policies and procedures concerning the delivery and administration of health care services.

During this process, staff were extremely generous with their time in helping the team members understand the issues involved in a very complicated project. We appreciate the cooperation offered by those who participated in this project. We particularly acknowledge Michael Tidwell, Chief of Corrections, who coordinated the interviews and meetings and facilitated much of our data gathering.
Executive Summary

In the current fiscal year, the County which directly provides the correctional medical and mental health treatment services will spend approximately $5.5 million or $10.76/detainee/day in its facility budget. On a per detainee basis, that represents an increase of approximately 6.5% over FY2014 expenses. Our analysis indicates there are several other expense categories not captured in the budget that brings the total cost closer to $6.5 million.

Because of the Department of Justice investigation, Escambia County was required to enhance its treatment of prisoners’ medical and mental health needs. This required an adjustment and realignment of services to include additional staffing and program providers. These requirements helped to provide the context for this report, which addresses three key objectives:

- Evaluation of the primary factors that drive healthcare system services,
- Assessment of the current key components of the current system of services, and
- Identification of opportunities to enhance service delivery

Key findings contained in this report include:

- The factors that will contribute to the future cost of correctional healthcare services that go beyond inflationary increases in the core costs and instead are related to the evolving standards of care and policy initiatives implemented to treat the population’s medical and mental health needs.
- Going forward, the true cost of care for the detainee population should not exceed $13.46/detainee/day. This includes those current costs and charges not included in the current budget such as insurance, contract staffing and other expenses. This equates to an annual healthcare cost of roughly $4,912 per offender.
- Escambia County detainees incur higher prescription drug costs than detainees in many other jail systems. This appears directly related to the high incidence of HIV in the Escambia County population and the associated costs of required drugs.
- The cost of care for the mental health population is high and has a disproportionate impact upon overall levels of healthcare spending. While these populations do in fact have more intensive care needs, their care is costly and, as a result, has the greater potential for savings.
- The County has done an effective job of managing the utilization of inpatient and outpatient care but there lacks a mechanism to manage effectively the cost of services. This includes no formal contracts with hospital nor third party administration of costs.
- In terms of the critical management responsibilities for the delivery of healthcare, the lack of an effective medical director severely handicaps the County’s ability to set policy, establish system objective and manage service delivery.
- Program staffing levels appear generally appropriate throughout the system, although there is some potential for efficiencies in staff utilization in some of the mental health treatment programs.

The basic services currently designed by the Escambia County enable the system to meet all of its therapeutic missions. Given the current demand for services, the recommendations offered in this report
will focus on delivery of services, contracting strategies, program administration, and pharmaceutical procurement/management. Key recommendations included in this report follow.

**Recommendations**

AMM recommends the following:

- Given the complexity of the operation and the challenge of recruitment and retention of clinical staff, the team members recommend the privatization of the medical and mental health services.
  1. Development of a detainee healthcare RFP.
  2. Establish catastrophic caps or some type of capitated risk share for pharmacy costs. This approach will incentivize vendors to aggressively manage care.
  3. Prerequisite that clinical practice meets or exceeds NCCHC standards with penalties for non-compliance.
  4. Assist in the development of a Federal 340 B pharmacy program to access discounted pricing for HIV medications;
  5. Develop a managed care approach for the use of HIV medications which carefully prioritizes appropriate use of these treatments;

- If the decision is continue the medical services as an in-house operation, AMM will develop a long-term multi-year operational plan.
  1. The Operational Plan will:
     1. establish a Medical Director position to provide clinical policy direction and overall management of the healthcare program, address clinical policy direction and provide overall management of the healthcare program;
     2. establish an independent monitoring position to provide review of same;
     3. determine financial and budgetary requirements to meet the needs for a successful detainee healthcare program;
     4. re-bid or restructure the pharmaceutical contract to ensure the County is receiving the best price to include all rebate, mark-ups, discounts, and any other remuneration.
Scope, Objectives and Methodology

Project Goals

The goals of this project are to deliver a specific proposal to evaluate health care services in the Escambia County Jail to assure that the system meets all relevant constitutional and qualitative standards for care. This will require a thorough baseline assessment of health care service delivery in the correctional system.

Methodology

AMM’s approach to this analysis relies upon a comprehensive diagnostic review of current health care delivery systems at both the administrative and direct care levels. Upon completing our assessment of the primary system, we will address how the County’s management systems may be modified to reduce or better control these costs. Our methodology is included in the appendix.
Profile

The components of a correctional health care system that meets basic constitutional standards are fairly well defined. The Escambia County health care system is structured to provide all of the services required to meet legal, professional and constitutional standards. The System is currently accredited by the National Commission on Correctional Health Care.

The system provides a complete ambulatory care program with an initial health screening at reception into Escambia County custody and full physical examination within fourteen days of admission. Facilities provide a sick call process that allows detainees to access routine medical care in a timely manner. The Health Services Unit also maintains a system to monitor detainees with chronic illnesses such as diabetes or hypertension that require ongoing treatment. Treatment of specific conditions is offered through chronic care clinics provided on-site at most facilities, or on an outpatient basis off-site where necessary. Specific treatment protocols have been established for infectious diseases such as HIV and TB. Detainees requiring a higher level of care for acute conditions may receive services these services in the infirmary. More advanced medical treatment is provided at local or tertiary care hospitals. Exhibit 1-1 summarizes data on the workload and activity levels in medical service delivery for the Escambia County.

EXHIBIT 1-1
CY 14 Medical Program Activity Measures

<p>| | |</p>
<table>
<thead>
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<tbody>
<tr>
<td>Average Population</td>
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<tr>
<td>Nurse Sick Call</td>
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<td>Intake Screenings</td>
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<td>Hospital Admissions</td>
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<td>Specialty Referrals</td>
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<td>Dental Visits</td>
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FY 14 -15 Medical Program Activity Measures (7 mo’s)

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<td>Average Population</td>
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<td>Dental Visits</td>
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Mental health treatment is similarly structured, with an initial screening upon admission into the Health Services Unit followed by a full mental health appraisal within fourteen days. Ongoing and mental health treatment is provided throughout the system in group, individual, residential and in-patient settings. Mental health staff conducts evaluations of offenders prior to and during terms of segregation placement, and are trained in crisis intervention and suicide prevention programs.
At any given time, approximately 244 offenders are receiving mental health treatment. Exhibit 1-2 summarizes data on the workload and activity levels in mental health service delivery for the Escambia County.

### EXHIBIT 1-2

**CY14 Mental Health Program Activity Measures**

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<th>Description</th>
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<td>Number seen by Case Mgt</td>
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<td>24 hr. Observation</td>
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**FY 14 -15 Medical Program Activity Measures (7 mo’s)**

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<tr>
<th>Description</th>
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<td>Psych. Sick Call</td>
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<td>Number seen by Case Mgt</td>
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<tr>
<td>24 hr. Observation</td>
<td>265</td>
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</tbody>
</table>

### Special Populations

The Department of Justice has concerns regarding the availability of treatment for mentally ill inmates, including the services they receive while incarcerated and in preparation for release into the community. The Escambia County through its health services division has addressed the DOJ’s issues by:

- increasing the staffing and expenditures for mental health services;
- identifying the process for identifying mentally ill and developmentally disabled inmates, and their locations and characteristics;
- increasing the monitoring and treatment of mentally ill inmates;
- categorizing their individual safety and discipline, including self-harm and their placement in segregation;
- Planning and preparing for the release of inmates into the community.

Our review found the services provided:

- were sufficient in type and frequency to meet the detainees’ needs;
- included supplementary training for correctional officers to include specific information on inmate mental health needs;
- provided for improving screenings and services; and
- improved the release planning for the mentally ill;
Offsite Care

As part of our analysis of the cost-effectiveness of the current healthcare program, we examined patterns and costs of offsite medical care for inpatient and outpatient services. The two main hospitals are Baptist Hospital and Sacred Heart Hospital with the majority of cases being seen at Sacred Heart. The Hospital manages offsite medical care utilization in conjunction with the U.M. RN D. Windham. The key element in the delivery of offsite healthcare for the Escambia County is its longstanding relationship with the Hospital. The hospital provides the vast majority of inpatient capacity and clinic services to the Escambia County. The hospital maintains sufficient inpatient and intensive care beds for the use of Escambia County at a charge of 110% of Medicare. The Escambia County does maintain an infirmary unit and patients are regularly “stepped down” to the infirmary when appropriate.

On the surface this arrangement would seem advantageous to the Escambia County but there are several issues that need to be addressed including the lack of a formal contract and a collective decision on the handling of “prior to booking” (PTB) cases. Currently PTB’s do not go through the claims and adjudication process and the hospital is threatening to sue for non-payment.

The data suggest the Administration and the Hospital have done an effective job of managing the utilization of inpatient and outpatient care for the Escambia County. Given the very favorable terms of service available and the availability of facility infirmary beds of sufficient capacity, all parties are benefiting from the hospital’s case management and admission systems.

Moreover, Escambia County’s working relationship with the Hospital system is well developed and offers many benefits to the Escambia County. The hospitals make significant efforts to collaborate with the needs of the Escambia County. The system represents a strong partnership that could be enhanced for the benefit of all parties by the introduction of written contracts outlining each party’s expectations and charges.
Pharmacy Services

The cost of pharmaceuticals is a significant component of Escambia County healthcare expenditures. Detainees typically use more prescription drugs than the public and have a higher rate of diseases such as HIV/AIDS, and mental illness that require expensive medication. The County contracts with Diamond Pharmacy to provide its pharmaceutical needs and supplies.

Our objective in assessing the pharmaceutical services is to understand the factors driving costs for Escambia County, to determine the overall cost-effectiveness of the services provided and if indicated, identify potential alternative approaches to pharmacy service management that could achieve cost savings.

To begin the assessment of Escambia County pharmaceutical costs, data was provided by Diamond Pharmacy for the twelve-month period ending in March 2015.

The initial review of pharmaceutical data indicated the Escambia County may be incurring higher per/detainee prescription drug costs than might typically be expected at a facility of this size. The current pharmacy vendor has had this contract for an extended period and the team would recommend rebidding the contract.

Assuming an average population of 1,380, approximately forty-four percent of the population was on medication. Total cost was approximately $1 million dollars.
From the data above, the parties can see the categories of drugs, the expenditures and the utilization.

- The most expensive drug category is HIV medications. The facility has an average of sixteen detainees on this medication in any month.
- The second most expensive drug category was general prescriptions with an average of 962 detainees per month receiving medication and a total population served at 10,464.
- Psychotherapeutic (mental health) drugs were the smallest category. The total average per month was 316 detainees or approximately twenty percent of the population.

Another significant factor in the cost within a pharmaceutical program is the utilization of brand name and generic drugs. An increased use of generic drugs can help lower drug costs and the Escambia County provider staff should utilize generic brands when clinically appropriate. Additional savings will be realized if the County participates in the Federal 340B pricing.

**The 340B Alternative.** The Health Resources and Services Administration (HRSA) Office of Pharmacy Affairs (OPA) manage the 340B Drug Pricing Program. Participation in the program results in significant savings on the cost of pharmaceuticals. The purpose of the 340B Program is to provide indigent populations greater access to medications and to enable covered entities to reach more patients that are eligible and provide services that are more comprehensive.

Participating entities can purchase drugs at 340B prices and provide them to “eligible patients,” which must be served by the covered entity for services beyond prescription drugs. The drugs must be prescribed by providers employed by or under contract to the covered entity, and the covered entity must “own” the medical record for services it provides.

A number of detention and correctional systems are using or exploring the use of 340B drug pricing to reduce pharmaceutical costs. The majority use the 340B program for prescription drugs for detainees with HIV/AIDS and/or Hepatitis C. Most of these departments provide the majority of primary health care services in-house, but contract with infectious disease specialists employed by 340B covered entities for specialty care for HIV/AIDS and Hepatitis. The detainees are thus eligible patients. The covered entity purchases the detainee’s drugs at 340B prices and provides them to the corrections organization to
dispense. The Escambia County would remit payment to the covered entity, typically with an enhanced dispensing fee that recognizes the administrative burden on the covered entity.

Establishing 340B program drugs for detainees is complex and labor intensive, but once it is operational, the process is usually seamless. Escambia County should consider pursuing health care arrangements with an entity to secure a 340B drug discount.

To enhance further the medication administration, the Escambia County should fully utilize its electronic medication administration record system. Despite having the software to utilize a paperless record that would enable the nursing staff to efficiently administer and track all medication administration functions, nurses are forced to print out the inmates’ medical record and manually complete the process because they lack a laptop computer on their medication carts. This is leading to medication rounds exceeding six hours.

With a laptop installed on the medication cart, the nurse has the capability to display patients by an entire population (e.g., all patients using Prozac, all patients on cellblock C, etc.), alphabetically by patient name or by location. All medications due for a selected med pass is displayed on the screen and eliminates the need for nursing staff to search for the appropriate paper MAR in a binder and locate the proper medications or schedule.

Other features that can be used include:

- Scanning of the medication via a barcode and the patient’s wristband or badge, an electronic recording of actual medication administration date, time and nurse’s initials
- For specialty units such as a psych unit that houses patients without wristbands or badges, the system allows for manual entry of a patient’s number
- Charting capability for injection location
- KOP charting for the duration of the prescription with policies to keep staff informed regarding which medications should be administered as KOP and which are ineligible, e.g., muscle relaxers and psychotropic medication
- A list of missed patients during regularly scheduled med pass, making it easy to identify which patients need to be called down to receive their medications
- An ability to indicate the reasons that a medication was not administered, e.g., patient refused or dropped, patient no shows, out to court, etc.
- The ability of the system to inform staff what percentage of the med pass is complete by entire population and by individual cell block
- The ability to work off-line in remote med pass or in areas without WI-FI and synchronize later when you have access to an Internet connection

This system can be an integral part of the QA process.
Staffing Utilization

The project team reviewed the facility’s staffing matrix and had the opportunity to observe healthcare service delivery. We saw existing staff to have copious workloads and responsibilities. This leads to backlogs in provider clinics, sick call and medication administration. The most significant issue is the need to reassess and define healthcare staffing requirements to provide an effective level of service. There appears to be an ample level of mental health staff but vacancies and other leave in the medical staffing have created serious burdens on the remaining staff.

The division would benefit if the Health Services Administrator could divide specific full time positions into part time positions or establish a nursing PRN pool. The initials PRN stand for the Latin phrase pro re nata, which means "as the situation demands. PRN positions gives regular employees a chance to make extra money, but some skilled medical workers prefer working PRN because it gives them freedom to choose shifts and assignments. A PRN employee will be paid by the hour, usually at a higher rate than a full-time employee on a regular work schedule will. A PRN worker, however, gets no medical insurance, vacation time or other benefits and has no guarantee of work, although most hospitals and medical services usually need some fill-in workers.

Human Resources Director recommends that such requests be submitted to the Budget Department, which has purview over these decisions. If such a request is forthcoming, the director will facilitate the request on behalf of the division.

Nursing coverage is an important component in ensuring inmate access to medical care. The Health Services Unit has had trouble with maintaining adequate nursing coverage. Staff indicated in interviews that the current complement of establishing nursing positions is inadequate. Nursing coverage also appears to be critically affected by problems in recruiting and retaining a full complement of nursing staff. Problems with recruitment and retention of nursing staff occur for several reasons including:

- Low starting salaries relative to other area employers
- Limited training and educational opportunities
- Difficulties in providing care in the jail environment.

Nursing provide most of the direct inmate care. This includes assessment of detainee complaints, screening, treatment and arranging for tests and off-site care. According to the American Nurses Association, medication management is a primary responsibility of nurses working in correctional settings. The Bureau of Justice Statistics reported that 40% of inmates in jail who had a chronic condition were taking prescription medication. Among inmates with mental illness, 15% in jails reported receiving prescription medication while incarcerated. As much as 80% of the population may be taking medication for one or more reasons. The scope and breadth of the nurse’s role for managing medication delivery is challenging and help define correctional nursing practice.

Often these shortages are addressed by supplementing coverage with temporary agency nurses. This is less than optimal because personnel may lack knowledge of the correctional medical care system, training on security procedures. In addition, by its nature, temporary staff do not ensure continuity of care for inmates receiving treatment.

The County Human Resources Director is considering innovative changes in nurse recruitment and retention policies and procedures to decrease position vacancies and the use of temporary agency nurses to fill these positions. As an example, the Health Services Division currently has six Licensed Practical
Nurse (LPN) vacancies. The Human Resources Director has recommended substituting these positions with Registered Nurse positions. He currently has five RN applicants and will assist the division in engineering the change.

While this specific solution may not be an ideal one, these types of creative, unconventional thinking may provide another perspective on reaching consensus. Moving forward, the challenge of hiring staff is complex and the direction not quite clear. If the County entities forego past experience and known facts and focus on innovative thinking, we believe the goal of full staffing can be achieved. Rather than identifying right or wrong answers, let the goal be to find a better avenue and explore multiple possibilities. Reframe the challenge to achieve the success.

The medical division’s vision for an appropriate health care delivery model includes the provision of comprehensive medical and behavioral health care services emphasizing:

1. Early detection and assessment,
2. Prompt and effective treatment at a community standard of care,
3. Continuous program monitoring and compliance to NCCHC levels of care,
4. Prevention measures,
5. Health education, and
6. Continuity of care in the community via collaboration with local health care providers.

Though the Division lacks sufficient staff and the technical innovations that would improve operational efficiencies, the management possesses the following advantages:

- Experienced administrative and clinical personnel with demonstrated experience in the management of correctional health care programs
- A working knowledge of the unique health care requirements of each facility
- NCCHC accreditation and the experienced staff required for ongoing maintenance of its stringent requirements.

**Medical Director**

The Medical Director exercises clinical oversight, performs secondary reviews for institutional mid-level providers, approves referrals for non-emergency outside care and develops policies and clinical protocols.

Correctional healthcare is a complex field, which requires effective management to assure appropriate service and minimize potential liability. Correctional Healthcare requires 1) clinical expertise in the practice and delivery of health care services in a correctional setting, and 2) administrative experience in directing the health care organization, including planning, budgeting, personnel and administration. In addition to monitoring services, the medical director should be involved in policy development, quality assurance, infection control, environmental safety, sanitation, nutrition, and performance assessment. The current Medical Director is largely absent from these responsibilities. His hours of employment are in the evening after the Health Services Unit’s management has left for the day. It appears that he serves as a per diem physician.

Access to physician services is the most important part of inmate access to medical care. The physician must supervise medical personnel conducting medical screenings. The Physician must review and
approve the medical treatment and care provided by other care professionals. In addition, he or she is responsible for approving off site care, admitting inmates into the infirmary and prescribing medication.

The County should reassess its physician coverage and the level of compensation provided.
Health Services Administrator

The Administrator ensures the mission to provide inmate health care services is implemented. To accomplish this, the administrator assists in the development of medical policies and procedures, plans for future medical, mental health, and dental care needs within the facility, conducts quality assurance reviews, responds to inmate grievances, and verifies inmate inpatient bills. The person should have, at a minimum, an accredited degree, substantial knowledge of budgeting, nurse recruiting, quality improvement, and health care oversight.

In the immediate case, the administrator supervises the nurse manager, medical director, and the administrative assistant. The current administrator is new to the position with a background in mental health services. The majority of his time is monopolized by administering the Continuous Quality Improvement Program and answering grievances. He is candid and open about his abilities, duties, and assignment. He is capable but will require additional experience and mentoring to be successful in his position.

Service Delivery Model

The Escambia County currently provides all its detainee health services. These costs include:

- Costs for direct care personnel including clinicians, ancillary support personnel, and clerical staff;
- Administrative costs of managing the personnel;
- On-site equipment/supply fees;
- Off-site specialty care;
- Pharmaceutical expenses
- Ancillary services

The team recommends the privatization of services to meet the healthcare needs and requirements of the detainee population.

Privatization of Detainee Health Services

The following is an overview of the advantages and disadvantages of the primary models used in correctional healthcare contracting.

Per Diem Model
The per diem model for health services billing is a method that attempts to capture the actual costs of a health system medical/dental and/or mental health costs, factor in value-added services offered by the contractor to meet the needs of the correctional jurisdiction, and factor in efficiencies a contractor may achieve through their system(s) of controlling costs.
All the costs are lumped together (including a risk premium to cover unforeseen costs attributable to extraordinary cases or excessive increases in the cost of care in the community, as well as any savings the contractor projects to achieve through their management of required care). These costs are totaled and divided by the entire detainee population (at contract outset) and divided by 365 to produce a “per detainee per diem” amount. This type of contract usually calls for monthly payments of the per diem amount based on the average daily census for the month.

**Advantages of a Per Diem Health Services Contract Pricing System:**

- Shifts all risk for adverse experience to the vendor. Payments are fixed based on the per diem regardless of circumstances;
- Incentivizes the vendor to achieve cost savings. Increased efficiency translates into increased profit;
- The payments to the contractor are immediately adjusted from month to month to account for the average daily population served so the purchaser never overpays for services and no yearend or contract end adjustments are necessary,
- If the correctional jurisdiction has an accurate method for predicting anticipated increases/decreases in population for the upcoming year, the health care budget request may be:
  - More easily understood and supported by the budgeting staff;
  - Simplified for correctional leadership;
  - Simplified for presentation to legislative subcommittees and budget approving bodies in control of the correctional jurisdiction’s funds.
- The annual payments are “capped” in a sense, the only variable being the number of detainees served; and
- Payments and accounting for the contract are very simple to administer.

**Disadvantages of a Per Diem Health Services Contract Pricing System:**

- The County loses understanding of actual service costs. Lack of understanding of true service costs impairs effective management of the vendor and service delivery. You don’t know what you are paying for;
- Hidden costs for vendor profit and overhead are invisible to the client. The County is unable to discern how expenditures relate to service deliverables; and
- The vendor has an incentive to reduce service levels to increase profits. Because payment is tied to the detainee census, the vendor can substantially increase profits by reducing service levels. If costs are hidden, the County does not learn over time where the costs are centered and cannot work with the vendor to control costs where there are shared health care/custody cost issues involved.

**Appropriateness of models for Escambia County**

The Escambia County’s current healthcare system is largely characterized by stable predictable costs, established through management decisions. The largest cost component is staffing. While the current contracts offer a limited penalty provision to reduce vendor compensation for vacant positions, a simpler approach would be for the Escambia County to fund the direct cost of contract staff and benefits, not pay for vacant positions, and penalize the vendor for positions that remain unfilled. Using a capitation system
to pay for staffing allows the vendor to markup-hidden profits by hiring less expensive, possibly less qualified staff.

Pharmaceutical costs are predictable in the sense that they are a function of healthcare system policies and healthcare unit management. While this component of healthcare spending would require close monitoring, Escambia County historical expenditure data shows relatively stable levels of pharmaceutical costs. Other recommendations in this report regarding pharmaceutical costs also support more direct Escambia County management of this function.

**RFR Development**

The development of a new RFR along the lines outlined above has great potential for providing enhanced levels of care. In addition to this overall contract structure, the following RFR components have been successfully employed to improve services and enhance vendor accountability. We recommend the Escambia County consider incorporating these provisions in any new RFR for healthcare services to be issued.

1. Include mental health and dental with medical services in a comprehensive healthcare contract. Separating out services drives up cost by duplicating administrative costs and overhead.

2. No bonding or minimal bonding: This is not a necessary cost and is generally passed on to the County in the vendor bid. Obtain financial information and make sure you are working with a financially stable and established firm.

3. It is best to qualify the vendors so you are getting a substantial company with more than adequate resources to handle the client and existing business. This can be done by requiring 5 years of jail/prison experience for single systems of at least 2,500 detainees.

4. Staffing reimbursements should be set at a normal fill rate of hours in the area of 100%. This will get the Escambia County an immediate reduction in staffing costs up front. The major benefit is the County get its major staffing reimbursement up front, simplifies the reconciliation process, and reduces overhead for both sides used to perform and manage the reconciliations and audit functions.

5. All training and orientation hours are counted as hours worked.

6. Minimize any penalty structure, the more punitive items with unrealistic requirements builds automatic cost for risk coverage into the bid. This is especially true with Staffing Penalties where paybacks are appropriate but penalties are built into the bid. There should be a reasonable cure period and corrective action program.

7. Build in an equipment pool that is maintained over the period of the contract so that it can be used for major equipment replacements, infirmary enhancements, technology such as telemedicine and peripherals, software, etc. This way strategic purchases can be made and the funding is there to cover and the medical provider or the County do not need to find money or have to amend the contract etc.
8. There are certain costs for HIV, Hep C, Factor VIII and IX, and transplants that the Escambia County should consider assuming as their responsibility under a shared risk system. These costs can be very unpredictable and vendors have to build in risk for these so the Escambia County will pay more to the vendor than what the costs will be over time.

9. If necessary, establish catastrophic caps or some type of capitated risk share for off-site care. This will eliminate the built in cost for vendor stop-loss insurance and reduces overall risk for high cost cases. Vendors can effectively price the more routine and will not build in the additional cost to cover the major cases that might occur.

10. RFPs should require a full explanation of the vendor’s Utilization Management program and make sure that it is comprehensive. It would be best not to tell them what needs to include in their program, but look for ones that have built in systems designed to continually improve and train everyone in the program.

11. Establish a 3-5 year term for the contract. The longer-term contract allows the vendor to spread risk and fixed costs over a longer period, reducing costs to the County.

12. Allow vendors to bid their cost for management of pharmacy services to determine the level of potential savings in the pharmacy area.

**Contract Evaluation Process**

There are numerous factors assessed as part of the decision to select a vendor to provide contract services including, but not limited to the ability to meet the requirements of a request for proposals, the experience of a vendor to provide the service, the strength of the company, and the quality of the written response to the proposal, staffing, and cost. Escambia County officials are also faced with complying with the Department of Justice recommendations.

The team will assist the Escambia County in successfully evaluating all the submitted proposals.
Addendum

Based on my conversation with the County’s Human Resources Manager, I am amending my initial report to reflect the following:

Delete page twelve and substitute the following:

The project team reviewed the facility’s staffing matrix and had the opportunity to observe healthcare service delivery. We saw existing staff to have copious workloads and responsibilities. This leads to backlogs in provider clinics, sick call and medication administration. The most significant issue is the need to reassess and define healthcare staffing requirements to provide an effective level of service. There appears to be an ample level of mental health staff but vacancies and other leave in the medical staffing have created serious burdens on the remaining staff.

The division would benefit if the Health Services Administrator could divide specific full time positions into part time positions or establish a nursing PRN pool. The initials PRN stand for the Latin phrase pro re nata, which means "as the situation demands. PRN positions gives regular employees a chance to make extra money, but some skilled medical workers prefer working PRN because it gives them freedom to choose shifts and assignments. A PRN employee will be paid by the hour, usually at a higher rate than a full-time employee on a regular work schedule will. A PRN worker, however, gets no medical insurance, vacation time or other benefits and has no guarantee of work, although most hospitals and medical services usually need some fill-in workers.

Human Resources Director recommends that such requests be submitted to the Budget Department, which has purview over these decisions. If such a request is forthcoming, the director will facilitate the request on behalf of the division.

Nursing coverage is an important component in ensuring inmate access to medical care. The Health Services Unit has had trouble with maintaining adequate nursing coverage. Staff indicated in interviews that the current complement of establishing nursing positions is inadequate. Nursing coverage also appears to be critically affected by problems in recruiting and retaining a full complement of nursing staff. Problems with recruitment and retention of nursing staff occur for several reasons including:

- Low starting salaries relative to other area employers
- Limited training and educational opportunities
- Difficulties in providing care in the jail environment.

Nursing provide most of the direct inmate care. This includes assessment of detainee complaints, screening, treatment and arranging for tests and off-site care. According to the American Nurses Association, medication management is a primary responsibility of nurses working in correctional settings. The Bureau of Justice Statistics reported that 40% of inmates in jail who had a chronic condition were taking prescription medication. Among inmates with mental illness, 15% in jails reported receiving prescription medication while incarcerated. As much as 80% of the population may be taking medication for one or more reasons. The scope and breadth of the nurse’s role for managing medication delivery is challenging and help to define correctional nursing practice.

Often these shortages are addressed by supplementing coverage with temporary agency nurses. This is less than optimal because personnel may lack knowledge of the correctional medical care system, training
on security procedures. In addition, by its nature, temporary staff do not ensure continuity of care for inmates receiving treatment.

The County Human Resources Director is considering innovative changes in its nurse recruitment and retention policies and procedures to decrease position vacancies and the use of temporary agency nurses to fill these positions. As an example, the division currently has six Licensed Practical Nurse (LPN) vacancies. The Human Resources Director has recommended substituting these positions with Registered Nurse positions. He currently has five RN applicants and will assist the division in engineering the change.

While this specific solution may not be ideal one, these types of creative, unconventional thinking may provide another perspective on reaching consensus. Moving forward, the challenge of hiring staff is complex and the direction not quite clear. If the County entities forego past experience and known facts and focus on innovative thinking, we believe the goal can be achieved. Rather than identifying right or wrong answers, let the goal be to find a better avenue and explore multiple possibilities. Reframe the challenge to achieve the success.
Appendix

Methodology
Below and on the following pages we have presented the team methodology for completing this project.

INITIATE EVALUATION
Objectives:
- Gain a comprehensive understanding of the project's background and goals.
- Determine logistical arrangements in support of project activities.
- Reach agreement on project communications, updates, and reporting formats.

Work Activities:
Meet with the Chief of Corrections to establish working relationships, determine communication lines, and finalize contractual arrangements.

Meet with Jail management staff and liaison(s) to review the goals of the project. Identify any concerns to be addressed while conducting the review.

Review the work plan and timelines with Jail management staff, including:
- On-site visits and interviews; and
- Monitoring procedures.

Reach agreement on project communication and status update formats.
COLLECT RELEVANT DATA FOR ANALYSIS

Objectives:
- Refine data needs required to support study objectives.
- Review information available from Jail information systems.
- Collect available, required data and develop alternative techniques to address data gaps.

Work Activities:
Initiate contacts with identified staff to begin data collection.

Obtain pertinent reports and background materials relevant to the project, including:
- current administrative and direct care staffing for health care services by office, facility, function, and position;
- jail system population and demographics;
- health care services staff training requirements and documentation;
- current contracts for health care services and contract monitoring reports;
- recent internal and external audits of health care services;
- health care services program plan, mission statement, goals and objectives and performance measures;
- medical program policies and procedures;
- subcontractor service agreements;
- healthcare utilization and performance data, including all Jail-defined benchmarks for service delivery;
- historical cost and utilization reports that quantify expenditures by service categories and facility;
- prior management studies and program evaluations;
- quality assurance plan documentation;
- business process and workload indicators; and
- compliance and accountability reports, along other pertinent data.

Develop profile of current medical program costs, including:
- cost by program function or service;
- personnel costs;
- overtime and/or temporary employee spending;
- pharmaceutical spending;
- equipment and supply spending;
- hospitalization and outside service expenditures;
- insurance costs; and
- administrative costs required to manage the current service delivery system.
INTERVIEW STAFF

Objectives:
- Develop initial profile descriptions of health care service organization, policy systems, and management practices.
- Examine overall service delivery structure and operations.

Work Activities:
Interview selected health care service administrators and staff related to service delivery systems, performance, and cost issues.

Conduct interviews with department administrators, and other stakeholders to obtain information on the major strengths and weaknesses of the current health care system service delivery.

Conduct staff interviews to identify morale issues and perceptions of management policies and programs.

Determine how the various stakeholders define and measure success, and obtain feedback on major issues such as cost, program delivery, and accountability.

REVIEW FACILITY SERVICE DELIVERY AND OPERATIONS

Objectives:
- Assess ongoing health care service delivery.
- Identify potential issues relating efficiency and effectiveness.

Work Activities:
Conduct tours of health care facilities.

Observe operations and delivery of services.

Interview staff relating to service delivery issues.
ANALYZE HEALTH CARE CONTRACTING SYSTEM

Objectives:
- Assess development of health care services contracts.
- Evaluate the effectiveness of the Jail procurement and contracting policies relative to health services delivery.
- Review the contract implementation process.
- Examine the current practices used to monitor and enforce contractor performance.
- Assess agency’s practices for quality and utilization monitoring and internal auditing.

Work Activities:
Meet with management staff to review current health care service procurement processes, as well as the environment of rules, operating practices, and County policies that govern these processes.

Review the current system for scheduling and delivery of off-site health care services, including utilization review, and alternative provider networks.

Meet with central office, and institutional staff to review the relationship of current management practices to performance, cost and to identify barriers to improvements in the current system.

DEVELOP COST SAVINGS ISSUE

Objectives:
- Identify issues warranting more detailed review.
- Organize and prioritize issues for detailed analysis.

Work Activities:
Compile findings from data review, interviews, and observations.

IDENTIFY COSTS

Objective:
- Document key drivers of health care system cost.

Work Activities:
Identify key service delivery standards and objectives.

Relate policies, operational practices, and contract terms to the achievement of standards.

Quantify the major cost components of the system by function and program. Categorize costs as associated with specific operating policies and practices.
ESTABLISH BEST PRACTICES

Objectives:
- Assess potential cost performance benchmarks that may be applicable.
- Conduct comparative cost analysis with other jurisdictions.
- Identify “best practice” cost containment strategies for the County health care costs.

Work Activities:
Identify other comparable state jail medical programs, based upon size, complexity of programs, and magnitude of expenditures.

Identify key operational, administrative, and cost areas where peer comparisons are appropriate.

Verify completeness, validity, and reliability of data collected.

Establish framework for comparative assessment of correctional health care costs in Escambia County vs. selected other jails.

Develop findings based on peer review analysis, focusing upon the areas of significant variance between the Escambia County and benchmark peer jurisdictions.

Assess the significance of these variances, and where negative, identify strategies for improvement.

IDENTIFY IMPROVEMENTS REQUIRED TO IMPROVE EFFICIENCY AND QUALITY OF SERVICE

Objective:
- Identify desired features, processes, and components that will cost-effectively and efficiently assure delivery of service.

Work Activities:
Identify desired features, processes, and components of a management system that will effectively assure efficient delivery of service, while still providing accountability and desired levels of service quality.

Identify a staffing pattern will sustain an effective health care system in the most efficient manner possible.

Identify any training needs of staff to improve service delivery efficiency.

Identify technology support that may be required to achieve cost savings.

Develop policies and actions plans to address any other identified barriers to reducing costs.
DEVELOP REPORT

Objectives:
- Identify current operational, functional, and management performance in the key areas identified in the study. Document those specific programs, policies, or operations that drive system costs.
- Recommend specific cost reduction/containment measures for implementation by the County.

Work Activities:
From the data and analysis of the major areas of the study, combine the findings into one overall report. Recommend changes that, if implemented, will increase efficiency and effectiveness through changes in policy, operations, systems, and processes.